

Case Study

How a College Outsourced the Dining Service

One of a series of brief reports of the results of Clarion projects, illustrating ways in which dining services are improved and new opportunities to increase value are created. Names and identifying details are omitted to protect our client's anonymity.

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The college has been growing rapidly for several years, serving its small city and surrounding county. It plans to build new residence halls that would triple the size of its resident population to more than 400 in the fall of 2008.

Was the college-employed dining service staff up to serving this larger population? The college's business officer and the president had their doubts.

THE SITUATION: The dining hall and kitchen had been built years ago for a much smaller population. While the dining room itself was attractive, the kitchen was seriously out of date. No significant improvement was planned because the college hopes to build a new dining hall when it gets adequate funding in a few years. The college has food service management and culinary arts departments.

During the summer, the college hosts small conferences and the campus is a favorite site for weddings. Most of these events are catered by outside firms.

THE PROJECT: The college had never outsourced the dining service. We were asked to evaluate the operation and recommend whether the college could continue self-operation or should outsource the service, then assist the administration in the out-sourcing process, if that was their decision.

WHAT WE FOUND: The dining service operated largely to the convenience of the staff. The manager was not assertive and allowed employees to work with minimal supervision while he acted as cashier for most of the day and handled administrative tasks.

There were two primary cooks, one of whom made lunch and the other made dinner. A young utility worker made breakfast. His eggs-to-order were perhaps the best meal of the day. Lunch and dinner was largely convenience foods, sandwiches (to order), burgers and fries, plus a salad bar.

Meal hours were short. Dinner nominally ran from 4:00 to 5:45 p.m. (reduced from 6:00 p.m. the prior year). In fact, the meal ended at 5:30. The evening workshift ended at 6:00 p.m. Although china dishes were available, most meals were served in styrofoam "clamshell" containers, although few diners took their meals out of the dining hall. (This seemed to be satisfactory to diners.) Food safety practices and general sanitation were poor.

Resident students were served on a conventional 19 meal plan. For a school of its size (2,500 full-time and 2,000 part-time students), café patronage was light.

THE DECISION: OUTSOURCE. After reviewing our findings, the president and business officer decided to invite proposals from food service contractors. We prepared and issued a Request for Proposals to the three major food service contractors, one regional company and a local company.

The RFP specified new meal hours (continuous service from 6:45 a.m. to 7:00 p.m. weekdays; shorter hours on weekends) and invited proposers to provide a debit card meal plan. The companies

were expected to finance the debit card system and make a modest investment in the facilities in exchange for a five-year contract.

They also were required to offer positions to current employees at their same pay rates and to ensure no interruption in their medical insurance benefits. The proposers also were invited to submit offers to operate a small café in the Student Union and to handle all summer catering services in place of the outside caterers.

We prepared a detailed summary of the proposals, showing the service, investment and financial offers of each in a side-by-side format. The evaluating committee found two proposals merited serious consideration, both from national companies. The committee, with our participation, interviewed the companies' regional operations managers and candidate on-campus managers.

We also visited each company's nearby campus operations without prior notice. The visits confirmed the committee's initial impression that one of the companies was clearly preferable. Its execution at the dining hall it operated was much closer to the caliber of service promised than the other company's.

We prepared a contract for the college, which the contractor accepted with few exceptions. Service begins August 1.

CLARION'S ROLE: We provided experience and expertise in managing a competitive selection process and dealing with food service contractors that the college's administrators lacked. We were able to advise them throughout the process, but they made their own decisions .

If the contractor delivers on its promises, this is likely to be a very successful partnership for both parties – and the students.

Clarion can help you decide whether your dining service can be improved through internal efforts, or whether new management is needed. Contact:

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