



**City of Regina
City Hall; Food Services**

Preliminary Budget and Spatial
Requirements

March 18, 2010

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1.0 Preliminary budget and special requirements

The City of Regina is in the process of reviewing the functional layout for the Main Floor at City Hall. As part of the review and potential renovations to this area, the City has requested that the food service delivery methods be reviewed.

1.1 SERVERY OPTIONS

Burnstad Consulting explores three (3) possible options for food preparations. These options are found in Appendix A.

1.1.1 Overall impact

With each of the options presented there are residual implications on the City Hall's Main Floor. These include but are not limited to:

1. Renovations of the area to accommodate the updated kitchen / servery
2. Modernization of the seating area
3. Mechanical, electrical upgrades to accommodate the reconfiguration and new equipment.
4. Potential modifications at the delivery and disposal points within the facility. Increased food preparations may increase the requirement for both of these functions.
5. Potential addition of space and relocation of the servery / seating area to accommodate the food delivery concept. Some of the options may require that the servery / seating area be located in a more accessible location.
6. Furniture upgrades
7. Maintenance and operations costs

As the project evolves the above noted items will require more detailed investigations.

1.1.2 Opinion of Probable costs

Order of magnitude costs are noted below for the various options to give the City of Regina a better appreciation of how the options may impact the overall project budget.

Option 1

- 1. Equipment budget as noted in Burnstad Consulting Report \$270,000
- 2. Possible cost with renovating the Kitchen / Servery area
250 sq.m @ \$1,400 / sq.m (M / E/ A) \$350,000
- 3. Possible cost associated with sitting area upgrades
100 people = 120 sq.m @ \$800 / sq.m \$96,000
- 4. Allowance of other potential associated renovations
(25% of costs above in point 2 and 3)..... \$111,500
 - a. Modifications to the loading / unloading area
 - b. Structural modifications
 - c. Tie in to existing surrounding space
 - d. Unknown circumstances which may be encountered during renovations
- 5. Estimated overall Option of Probable
Cost plus or minus 30% (costs in point 2, 3 and 4) \$167,250
- 6. Could be as high as (includes the 30% allowance)..... \$994,750

Option 2

- 1. Equipment budget as noted in Burnstad Consulting Report \$500,000
- 2. Possible cost with renovating the Kitchen / Servery area
400 sq.m @ \$1,400 / sq.m (M / E/ A) \$560,000
- 3. Possible cost associated with sitting area upgrades
150 people = 180 sq.m @ \$800 / sq.m \$144,000
- 4. Allowance of other potential associated renovations
(25% of costs above in point 2 and 3)..... \$176,000
 - a. Modifications to the loading / unloading area
 - b. Structural modifications
 - c. Tie in to existing surrounding space
 - d. Unknown circumstances which may be encountered during renovations
- 5. Estimated overall estimated Option of Probable
cost plus or minus 30% (costs in point 2, 3 and 4) \$264,000
- 6. Could be as high as (includes the 30% allowance)..... \$1,644,000

Option 3

1. Equipment budget as noted in Burnstad Consulting Report	\$350,000
2. Possible cost with renovating the Kitchen / Servery area 180 sq.m @ \$1,400 / sq.m (M / E/ A)	\$252,000
3. Possible cost associated with sitting area upgrades 75 people = 90 sq.m @ \$800 / sq.m	\$72,000
4. Allowance of other potential associated renovations (25% of costs above in point 2 and 3).....	\$81,000
e. Modifications to the loading / unloading area	
f. Structural modifications	
g. Tie in to existing surrounding space	
h. Unknown circumstances which may be encountered during renovations	
5. Estimated overall estimated Option of Probable cost plus or minus 30% (costs in point 2, 3 and 4)	\$121,500
6. Could be as high as (includes the 30% allowance).....	\$876,500

Notes;

1. The costs are based on the Kitchen / Servery and sitting area as a renovation
2. Based on estimated current costs.
3. Costs do not include
 - a. new furnishings
 - b. consulting fees or related project expenses
 - c. associated client costs
 - d. escalation costs
 - e. new construction costs
4. Servery and sitting area budget can vary depending on the final level of finish

STANTEC ARCHITECTURE LTD.



Bronislaus (Bron) Nurkowski, SAA, AAA, MRAIC, LEED ® AP

Principal / Architecture

Tel: (306) 781-6427

Fax: (306) 781-6500

bron.nurkowski@stantec.com

2.0 Appendix A – Burnstad Consulting Report



BURNSTAD CONSULTING LTD

FOOD FACILITIES PLANNING SPECIALISTS
4140 RAMSAY ROAD, EDMONTON, AB. T6H 5R2
TEL: (780) 414-6116 FAX: (780) 414-6117
E-MAIL; dale@burnstadconsulting.com
WEB SITE ; www.burnstadconsulting.com

March 16, 2010

Stantec Architecture
301 - 1919 Rose Street
Regina, SK S4P 3P1

Attention: Bron Nurkowski

sending via e-mail only to: bron.nurkowski@stantec.com

**RE: City of Regina
City Hall; Foodservices
Preliminary Budget and Spatial Requirements**

Dear Bron:

Thank you for the privilege of working with you and the City of Regina in determining the future foodservice needs for a renovated Regina City Hall.

We believe that Burnstad Consulting offers you, the design team and the City staff with the experienced cooperative support to move the design process forward with basic programming. Although we offer a complete detailed design foodservice consulting service, we can only do that once a foundation of information is gathered and some basic decisions are made.

We are passionate about what we do and guarantee complete satisfaction through all aspects. Our reputation is built on a foundation of integrity, sincerity, dedication, experience and communication. We believe that each is equally important and that all contribute to strong team building and good project management, regardless of the project phase. With over 30 years of experience consulting to the commercial foodservice industry in virtually all areas, from institutional facilities feeding thousands to specialty retail outlets in a shopping centre food court, we submit the following.

In our initial meeting we suggested and agreed to provide three different models of options that would be appropriate and could be considered, as follows;

- OPTION ONE** – a facility similar to what City Hall currently has but in 2009-2010 replacements dollars,
- OPTION TWO** – a facility that would closer reflect the foodservice operation at Canada Life, and,
- OPTION THREE** – a “typical” self-contained Tim Horton’s operation.

OPTION ONE

Construct and equip a foodservice outlet similar to what City Hall currently has but to today's standards with service being a more basic traditional cafeteria. Although it could be considered somewhat outdated it is still a viable option. In high or peak volume periods, extensive queuing generally dictates longer service times and less people served over a given meal period.

The appeal of a smaller traditional cafeteria is less likely to interest larger established foodservice operators and likely more geared to single, small independents. Smaller caterers can offer a more personalized service and one that is tailored more to the captive audience within as opposed to looking for high volumes. The risk is that these operators must be masters of many facets of the foodservice operation and often do not have the benefit of networking with others in comparable markets.

Generally contracts are renewable on a pre-agreed timetable to aid and ensure the desired levels of service and quality are being met.

Advantages

Better "partnership" opportunity in respect to menu offering,
More ability to control menu affordability,
Complete control of operating hours,
After initial set-up, relatively no cost to owner for initial 10-15 years.

Disadvantages

Higher cost to develop and fixture the space,
Although to a lesser degree than complete self-op, a small amount of management participation,
Higher risk with less opportunity for revenue generation.

OPTION ONE Preliminary Capital Equipment Budget Estimate \$270,000.00
Spacial Requirement Estimate 2,500 Sq. Ft. 250 Sq. M.

Note: The Infrastructure indicated in OPTION ONE would generally limit serving capacity to approximately 100 customers maximum in a typical meal period.

OPTION TWO

Construct and equip an eatery that would reflect a similar foodservice operation to the Canada Life Building; we commonly refer to this as a "scatter type" servery. The advantage of this model is that lengthy queuing is avoided, minimizing service times and increasing capacity. The design incorporates specific stations, each offering a distinct menu, equipped to operate independent of each other as demand dictates. A larger servery area is required to enable circulation space between stations and free movement of dining clientele.

A facility of this nature would almost certainly be contracted out to a larger more established provider, contracting out both the operation and management. This is the most common and popular method of offering food service where in-house expertise is either not available or non-desirable. Profit margins, menu trends and management all require constant ongoing attention that many businesses do not wish to venture into – choosing rather to stay in their primary business and partnering with a reputable operator who make food service their primary business.

The advantage of associating with larger type contract caterers is the combination of fresh ideas from skilled talent "pools" of other comparable operations that can be shared throughout a contractor's



other business centers. Pricing advantages on product purchases often exist that can be passed on to the consumer while still maintaining a reasonable profit margin for the operator.

Generally contracts are renewable on a pre-agreed timetable to aid and ensure the desired levels of service and quality are being met.

Advantages

Management resources provided, (to varying degrees depending on operator),
Training, caliber and retention of staff,
Brand recognition, assuming one of the three larger operators (Aramark, Sedexo, Compass),
More opportunity for revenue generation.

Disadvantages

Higher cost to develop and fixture the space,
Greater area requirement.

**OPTION TWO Preliminary Capital Equipment Budget Estimate \$500,000.00
Spatial Requirement Estimate 4,000 Sq. Ft. 400 Sq. M.**

Note: Higher and increased volume capabilities are more easily and quickly serviced.

OPTION THREE

In instances where “brand recognition” is desirable, franchised operations offer another option – for purposes of this comparison, we are using a typical Tim Horton’s. Generally the facility owner would either buy the franchise and operate it as a franchisee or make space available and lease that space to an outside franchisee. Whether the City wants to be in the franchised food service business would be a significant consideration.

These “proven models” will often be more rigid in their business arrangements. With set-up costs and licensing fees, successful franchisors will only consider high volume/traffic outlets.

Where the landlord places restrictions (restricted hours) on the rentable space operations, landlords generally also purchase the “franchise”.

In instances where the owner does not want to be a franchisee, yet wants that franchise, a lease space would be established. Not unlike any rental property, lease terms are negotiated and legal agreements established to protect both landlord and tenant relative to costs, hours of operation, menu limitations, etc. The landlord generally provides a common receiving, garbage removal service and common area custodial service as part of their obligation and an unfinished “shell” for the tenant to improve at their own expense.

Advantages

Management and staff training resources provided, (to varying degrees depending on franchise),
Brand recognition, (to varying degrees depending on franchise),
Increased traffic to “the facility”

Disadvantages

Ongoing licensing fees,
Higher cost to develop and fixture the space,
Generally a more restricted menu offering

**OPTION THREE Preliminary Capital Equipment Budget Estimate \$350,000.00
Spatial Requirement Estimate 1,800 Sq. Ft. 180 Sq. M.**



	<u>Preliminary Budget Estimate*</u>	<u>Spacial Requirement Estimate**</u>	
		<u>Sq. Ft.</u>	<u>Sq. M.</u>
OPTION ONE	\$ 270,000.00	2,500	250
OPTION TWO	\$ 550,000.00	4,000	400
OPTION THREE	\$ 350,000.00	1,800	180

* Estimate is for major equipment only and DOES NOT include GST or costs associated with room finishes, electrical or mechanical servicing, nor franchising cost or fees.

** Additional space requirements for receiving, waste and re-cycle are not included.

Based on experience and understanding of the Regina City Hall both from internal and external perspectives, we recommend OPTION TWO. It offers a more efficient quality service to City Hall staff and visitors.

If you have any questions or comments, please do not hesitate to contact us.

Once again, thank you for this opportunity.

Sincerely,



Dale Burnstad FCSI
Burnstad Consulting Ltd.

