

## FOOD COST DEFINITION

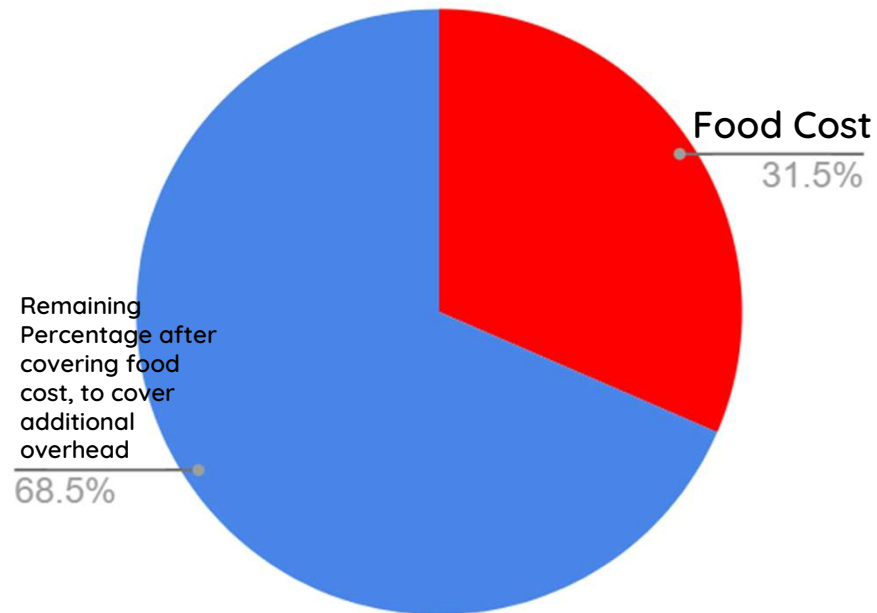
Food Cost is defined as the percentage of total sales spent on food products in a food service area.

- The average restaurant's food cost is 28-35%.
- The average food cost at The Grille is 61%
- Our highest food cost is 115%
- Even after applying these proposed increases we will average a 42% food cost, which is still high.
- In addition to the food cost concern, we have labor & other overhead to cover.

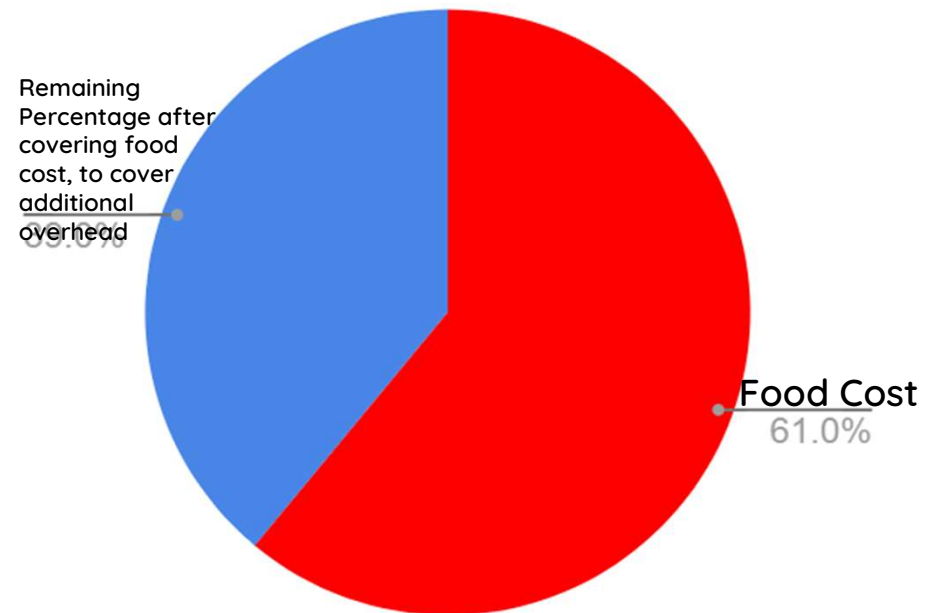
# Average Food Cost vs. The Grille Food Cost



Average Food Cost (28-35%)



The Grille's Food Cost (61%)



## Employees:

- Food Service Manager
- Part-time Assistant (CSEA)- vacant due to budget restrictions
- Lead Food Service Worker, 11-month (L-39)
- Food Service Worker, 10-month (L-39)
- Food Service Worker, 10-month (L-39)
- Part-time Food Service Worker, 9-month (L-39)
- Student Workers (1-5 depending on demand)

Equipment, Equipment Maintenance, & Cloud Storage contracts

Credit card processing fees (processing fee, interchange fee, assessment fee)

Linen & Cleaning Supplies

Water & Coffee Systems

Food & Beverage Components

Delivery Fees

**Potential Food Cost is a theoretical or ideal percentage that indicates what the food cost should be in a perfectly run food service area.**

- **In order to achieve our potential food cost, we must raise the prices of our handmade food by at least 70% while also increasing business.**
- **Our goal is to only have to increase prices by 60% and make up the additional 10% with catering.**

# Actual Cost of Food at Local Campuses

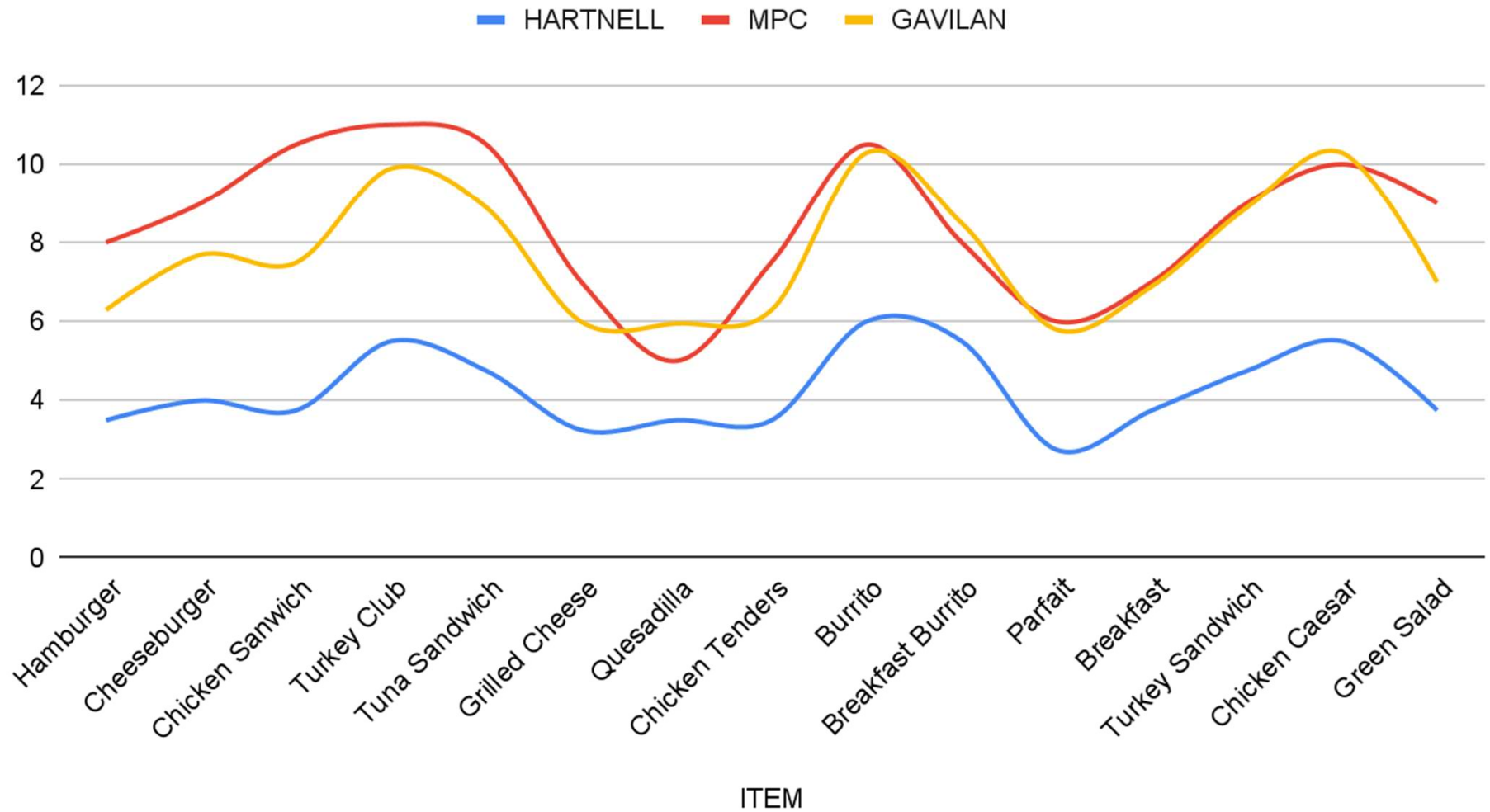


ITEM	HARTNELL	MPC	GAVILAN	Hartnell to MPC % change	Hartnell to Gavilan % change
Hamburger	3.5	8	6.29	128.57%	79.71%
Cheeseburger	4	9	7.69	125.00%	92.25%
Chicken Sandwich	3.75	10.5	7.49	180.00%	99.73%
Turkey Club	5.5	11	9.89	100.00%	79.82%
Tuna Sandwich	4.75	10.5	8.89	121.05%	87.16%
Grilled Cheese	3.25	7	5.99	115.38%	84.31%
Quesadilla	3.5	5	5.95	42.86%	70.00%
Chicken Tenders	3.5	7.5	6.29	114.29%	79.71%
Burrito	6	10.5	10.29	75.00%	71.50%
Breakfast Burrito	5.5	8	8.49	45.45%	54.36%
Parfait	2.75	6	5.79	118.18%	110.55%
Breakfast Sandwich	3.75	7	6.89	86.67%	83.73%
Turkey Sandwich	4.75	9	8.89	89.47%	87.16%
Chicken Caesar Salad	5.5	10	10.29	81.82%	87.09%
Green Salad	3.75	9	6.99	140.00%	86.40%
Average Item =	4.109375	8.25	7.475	103.98%	83.00%

# Cost of Food Comparison



## Cost of Food Comparison Between Local Institutions



# Three Phase Application of Increases



ITEM	Current Pricing	Spring FY24	Fall FY25	Spring FY25
Hamburger	3.5	4.20	4.90	5.6
Cheeseburger	4	4.80	5.60	6.4
Chicken Sandwich	3.75	4.50	5.25	6
Turkey Club	5.5	6.60	7.70	8.8
Tuna Sandwich	4.75	6.10	7.45	8.8
Grilled Cheese	3.25	3.90	4.55	5.2
Quesadilla	3.5	4.00	4.50	5
Chicken Tenders	3.5	4.20	4.90	5.6
Burrito	6	7.20	8.40	9.6
Fries	2	2.43	2.87	3.3
Breakfast Burrito	5.5	6.33	7.17	8
Parfait	2.75	3.30	3.85	4.4
Breakfast Sandwich	3.75	4.50	5.25	6
Turkey Sandwich	4.75	5.70	6.65	7.6
Chicken Caesar Salad	5.5	6.60	7.70	8.8
Green Salad	3.75	4.50	5.25	6
Average Item =	4.109375	4.929166667	5.748958333	6.56875

# Proposed Pricing Compared to Local Institutions



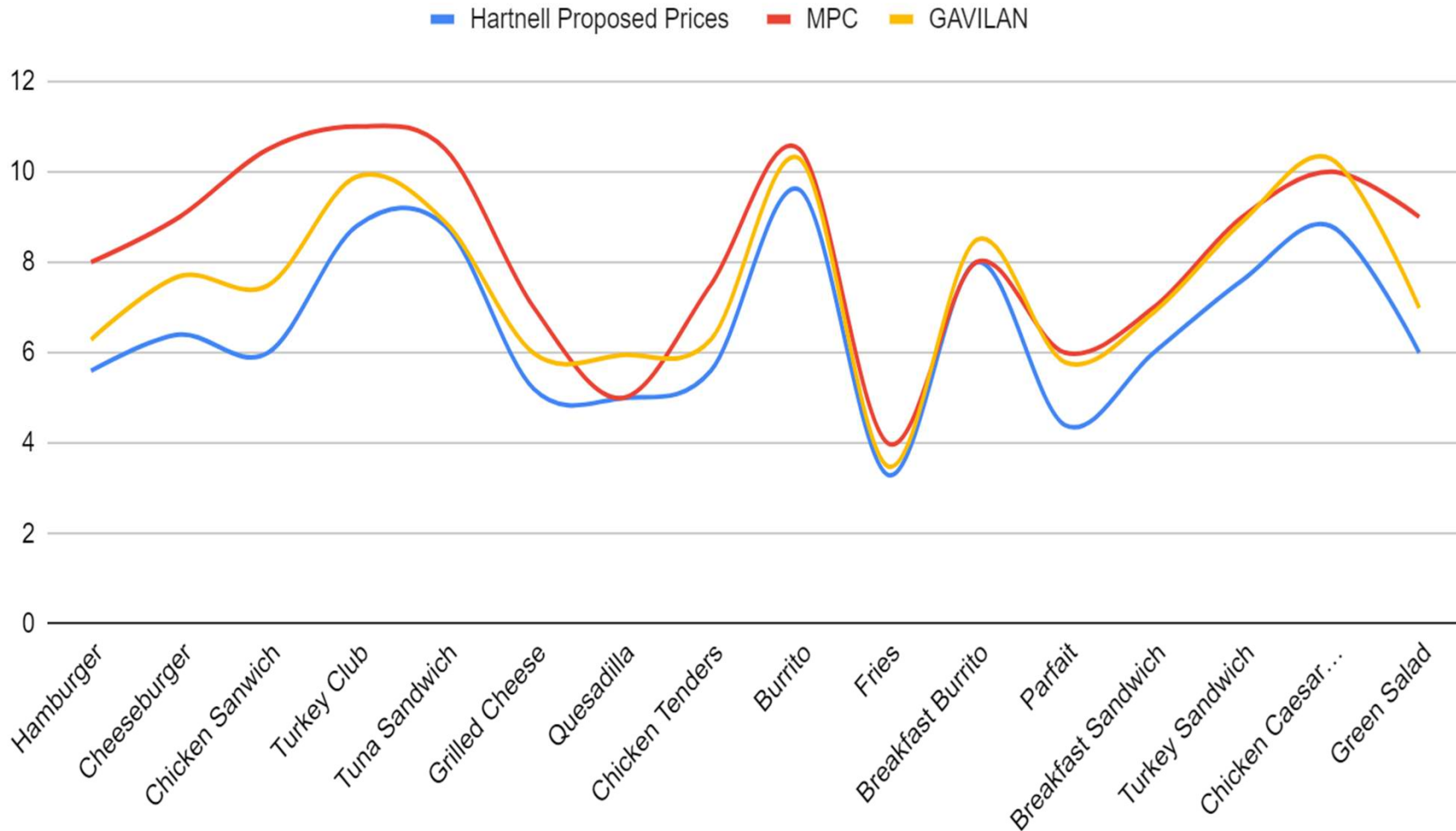
ITEM	Hartnell Proposed Prices	MPC	GAVILAN	Hartnell to MPC %Change	Hartnell to Gavilan %Change
Hamburger	5.6	8	6.29	42.86%	12.32%
Cheeseburger	6.4	9	7.69	40.63%	20.16%
Chicken Sandwich	6	10.5	7.49	75.00%	24.83%
Turkey Club	8.8	11	9.89	25.00%	12.39%
Tuna Sandwich	8.8	10.5	8.89	19.32%	1.02%
Grilled Cheese	5.2	7	5.99	34.62%	15.19%
Quesadilla	5	5	5.95	0.00%	19.00%
Chicken Tenders	5.6	7.5	6.29	33.93%	12.32%
Burrito	9.6	10.5	10.29	9.38%	7.19%
Fries	3.3	4	3.49	21.21%	5.76%
Breakfast Burrito	8	8	8.49	0.00%	6.13%
Parfait	4.4	6	5.79	36.36%	31.59%
Breakfast Sandwich	6	7	6.89	16.67%	14.83%
Turkey Sandwich	7.6	9	8.89	18.42%	16.97%
Chicken Caesar Salad	8.8	10	10.29	13.64%	16.93%
Green Salad	6	9	6.99	50.00%	16.50%
Average Item =	6.56875	8.25	7.475	27.31%	14.57%



# Proposed Cost of Food Increase Compared to Local Institutions



## Proposed Cost of Food at Hartnell Compared to Local Institutions



# Actual Revenue in Comparison to What Revenue Should be.



<b>Actual Revenue in Comparison to Missed Revenue</b>	
9/1/23-10/1/23 Fresh Lunch Sales	52,573.10
If 60% price increase had been applied*	84,116.96
Lost revenue for last month*	31,543.86
*Broad estimation without applying to each item individually	

<b>Actual Revenue in Comparison to Missed Revenue</b>	
10/2/23-10/16/23 Fresh Lunch Sales	30,016.10
If 60% price increase had been applied*	48,025.76
Lost revenue for last 2 weeks*	18,009.66
*Broad estimation without applying to each item individually	

# Hours of Operation We're Able to Provide vs. Contracted out Institutions



	HARTNELL	MPC	CSUMB (approx. 4k students live on campus)	GAVILAN	CABRILLO
<b>Summer Hours</b>					
Mon.	7:30am-2pm	9am-1pm	Closed on both of my visits, 11am & 2pm. No hours posted.	8:30am-1:30pm	7:30am-3pm
Tues.	7:30am-2pm	9am-1pm		8:30am-1:30pm	7:30am-3pm
Weds.	7:30am-2pm	9am-1pm		8:30am-1:30pm	7:30am-3pm
Thurs.	7:30am-2pm	9am-1pm		8:30am-1:30pm	7:30am-3pm
Fri.	Closed	Closed		Closed	Closed
Sat.	Closed	Closed		Closed	Closed
Sun.	Closed	Closed		Closed	Closed

	HARTNELL	MPC	CSUMB (approx. 4k students live on campus)	GAVILAN	CABRILLO
<b>Fall Hours</b>					
Mon.	7:30am-7pm	8am-3pm	(7am)11:00am-8pm	7:30am-2pm	7:30am-5pm
Tues.	7:30am-7pm	8am-3pm	(7am)11:00am-8pm	7:30am-2pm	7:30am-5pm
Weds.	7:30am-7pm	8am-3pm	(7am)11:00am-8pm	7:30am-2pm	7:30am-5pm
Thurs.	7:30am-7pm	8am-3pm	(7am)11:00am-8pm	7:30am-2pm	7:30am-5pm
Fri.	7:30am-2pm	8am-1pm	(7am)11:00am-8pm	Closed	Closed
Sat.	Closed	Closed	10am-4pm	Closed	Closed
Sun.	Closed	Closed	11am-4pm	Closed	Closed

# Recommendations/Requests



- Implement 1st phase of pricing increases at the beginning of the upcoming Spring term
- Complete all pricing increases by the end of FY25 (while basic needs funds are still available)
- No changes to most packaged food pricing as its pricing is dictated by the purveyor and has a more sustainable margin.
- Increase prices of handmade/fresh food by 50-75% which will still keep us below the pricing at other local institutions. We will roll this out in 3 phases, not all at once.
- Increase foot traffic through increased enrollment, advertising, customer satisfaction, and online ordering. (A majority of our handmade food is being sold at a loss. If we simply increase volume without increasing pricing, we will only increase the deficit.)
- Increase catering sales.
- Operate during hours consistent with class and work scheduling to provide food service when reasonable.
- Continue to provide students with a wide variety of options at the best price possible.
- Eventually be able to offer food at a discounted rate to the students.

Questions?

