Pre-plating got you down? Learn from Chicago Public Schools’ innovative approaches to provide fresher and higher quality meals, despite the limitations of offsite preparation.
Today’s Presenters

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Overview

• Background & Objective
• Transition – Getting the Board “On Board”
• Finding the Right Partner – Vendors and Suppliers
• Process Development & Implementation
• Menu Development
• Marketing & Communication
• Staffing
• Financials & Assets
• Impact on Program & Participation
• Q&A
The Background

- 400,000 students - 650 locations – the largest foodservice operation in Chicago & Illinois
- 650+ locations, significant variability in size, shape, age, and infrastructure, many unable to accommodate full production kitchens
- Strategy – convert to warming kitchens for restricted locations, limit space and equipment requirements, simplify and improve service while lowering staffing costs
- 35 years of 177 warming kitchens utilized a pre-plated, frozen modular meal program, limiting food quality, variety, and visual appeal
- Due to these product and service challenges, CPS partnered with Aramark to develop alternative solutions for these 177 locations
The Objective

Fresh meals, prepared and delivered to heat & serve.

Improve:

• Quality
• Variety
• Visual Appeal
• Participation

Before: Pre-plated, frozen meals heated / thawed to serve – including both hot and cold offerings
Transition: *Getting the Board “On Board”*

- Aligning two different food service unions
- Pilot 10 school conversions to hot bulk cafeteria-style service model
  - Evaluate feasibility / scalability of process to convert 167 more locations
  - Evaluate alternative pre-packaged solutions
- Conducted multiple surveys to assess quality / acceptability
- Determinations: based on infrastructure
  - 55 schools transition to “bulk cafeteria-style” service model
  - 122 schools transition to fresh “heat and serve” modular model
- CPS & Aramark partnered on strategy, logistics, procurement & training
- Comprehensive implementation plan presented to the Board & approved
Finding the Right Partner

• **Critical Attributes**
  • Existing facility with capacity for growth
  • Demonstrated process knowledge - HAACP, recipes, inventory, ordering, equipment and distribution
  • Ability to leverage Aramark’s supply chain for product sourcing / procurement; ability to leverage Aramark capital investment
  • Community backing – city and alderman support in financing and acquisition of additional space
  • Either local or national entities
Process Development & Implementation

- Developing a Timeline

**April**
- Conduct site survey
- Develop scope of work for equipment installation
- Prepare ROI analysis
- Staffing review to determine updated labor needs

**May**
- Place equipment order
- Contract with 3rd Party Vendor to supply services (ARAMARK to contract)
- Notify Principals and staff of impending change

**June**
- Source necessary products
- Receive equipment
- Begin equipment installation
- Sample all new products to determine quality

**July**
- Conclude equipment installation
- Prepare employee training plan
- Communicate with Principals and Parents on details of change
- Building inspection for readiness

**August**
- Staff training
- Final site walk-throughs for readiness
- Receive initial product deliveries
- Final routing for new distribution
Process Development & Implementation

• Defining Health Department Requirements
  • Key components that must be in place for the new service model (e.g. 3 compartment sinks, sneeze guards, utility tables, etc.)

• Identify Labor Needed to Execute

• Identify Equipment Needed to Execute

• Distribution Capability
  • Providers’ access to vehicles, labor and logistics capabilities
Purchasing develops projections for all locations / service models, applying acceptability rates.

Purchasing orders product applying 3% waste factor.

Individual schools place order directly with central production site.

Orders are delivered to schools within 24-48 hours of service day.

Location staff receives fresh meals, to warm and serve; prepares cold alternate entrées fresh onsite.

Track and measure waste.

A – Bulk Cafeteria Style
B – Fresh Heat to Serve Modular
Process Development & Implementation

• Key Participants
  • Operations Team - District Managers, Food Service Directors
  • Project Coordinator
    ✓ Providing weekly updates on the status of all project areas
  • Electrical Work Teams / Installation Teams
  • Purchasing Team
    ✓ Developed order guides, made accessible to targeted staff only
    ✓ Menu and recipe
    ✓ Develop forecast / projection procedures

• Contingency Plan

• Managed work-arounds for summer schools in session while electrical work was completed
Menu Development

• **Cycle Menu**
  • Hot Selections (ex.: macaroni, chicken drumstick, beef, broccoli)
  • Cold Selections – produced onsite (sandwiches, salads, sides)
  • Special Offerings – Vegetarian, religious dietary needs, etc.

• **Product Quality**
  • Select items with best hold / heating capability - 24-48 hrs.

• **Culinary**
  • Culinary team developed learning modules, trained FSDs / Site Managers; conducted on-site 4-hour courses
  • Identify specialty items that must be pre-cooked / ready for assembly prior to delivery to site
  • Conducted pre-start up workshop for managers onsite
Menu Development

• Culinary (continued)
  • Instituted batch cooking, reduced risk of degraded product quality
  • Recipes defined hot holding, transfer, mixing & temping requirements
  • New recipes numbers - subset of core “cooking” recipes

• Packaging Specifications
  • Stainless pans / lids for bulk “cafeteria style” hot holding model
  • Sealable paperboard modular containers
  • Products containing sauces needed to be specially sealed
  • Dry goods (e.g. rolls & buns) delivered in bulk by separate vendor
  • Cold entrees & items packaged fresh on site; whereas previously too were pre-plated & delivered by a third party
Marketing & Communication

- Ordered front-of-house merchandising smallwares & developed planograms
- Developed promotional signage for serving lines & public announcements
- Student & parent focus groups assembled to document before & after satisfaction levels
- Developed / distributed communication plan & customized tools to impacted principals, parents, administrators, and employees
Staffing

- **Job Classifications**
  - Specific duties distinguishing a Manager from a Cook (Union)

- **Scheduling**
  - Assess impact of the cold production; the decision-making process around staffing ability to produce sandwiches, salads & sides

- **New Skills Development**
  - HAACP (receiving, holding / storing, serving)
  - Waste management & reduction
  - Merchandising and presentation

- **Potential Impact on Turnover**
  - Increase in meal participation could result in increased hours
  - Resistance to change in work process / requirements
Financials & Assets

- **Cost Comparison**
  - Full kitchen installation - $800K - $4M depending on size
  - Warming kitchen installation - $250K
  - Conversion kitchen installation - $30K - $50K
  Average savings of $500K per site

- **Equipment** (including parts & warranty)
  - $7K per cold food serving counter (drain)
  - $5K per hot food electric serving counter
  - $2.8K per hot holding cabinet
  - $2.3K per utility table
  - $450 per oven conversion kit

- **Conversion of Onsite Freezers to Coolers**
  - $200 per unit in-kitchen (from frozen to fresh holding)

- **Merchandising/Display Smallwares**
  - $1K per kit (pans, fruit & bread baskets, signage, utensils, etc.)
Financials & Assets

- **Return on Investment**
  - Investment recovery in 4 years
  - Assumes flat funding for school lunch program (increased funding would drive ROI higher)
  - 122% return on investment over useful life of assets

<table>
<thead>
<tr>
<th>Total Investment</th>
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<tbody>
<tr>
<td>Useful Life</td>
<td>5 Years</td>
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<tr>
<td>Annual Depreciation Expense</td>
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<td>Incremental Annual Profit</td>
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<td>5 Year Profitability</td>
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<td>ROI (Annual)</td>
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<td>Pay Back Period (in Years)</td>
<td>4.1</td>
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<tr>
<td>5 Year ROI</td>
<td>122%</td>
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Impact – Visual Appeal
Conversion Sites
Impact – Visual Appeal

Fresh Heat to Serve Modular Sites
Impact – Program & Participation

**Food Quality**
- Reduction in undercooking / overcooking
- True heat & serve (vs. reheat from frozen) reduced cooking time allowing staff more time to work on fresh-cold production

**Appeal & Satisfaction**
- Same menu, same product; improved production & better presentation
- Fresh appearance eliminating perception of “processed” foods

**Employee Engagement**
- Pride and excitement in “getting back to real food, cooking and serving the kind of food our students demand”
Impact – Program & Participation

- **Enhanced Partnership with Aramark**
  - Partnership allowed for:
    - Expedited execution of implementation plan (4 months)
      - *Without the partnership, a pilot could have taken years present a case to the Board for approval*
    - A thorough, investigative process
    - Collaborative solutions for mutual growth and innovation
Impact – Program & Participation

• Enhanced Growth for Local, Third-Party Vendor Partnership allowed for:
  • Ability to grow / scale within the school food industry and service additional agencies / districts:
    • Chicago Park District
    • Archdiocese of Chicago Catholic Schools (176 locations)
    • Meals on Wheels
  • Ability to upgrade systems
  • Support from city alderman to gain financing for additional space, vehicles and products needed for menu expansion
  • Aramark systems helped vendor prepare / obtain regulatory approvals
Impact – Program & Participation

- Enhanced cost efficiency in daily production through reduced food waste and product costs savings

- Increase in Participation
  - 30% increase in lunch across all 55 conversion sites
  - Increase in OKI sites - 122 locations opened September 2014
    - 113% average growth at all sites
  - 20% increase in breakfast across all sites
  - Overwhelming increase in customer satisfaction
  - An additional 8 schools converted in 2015
Q&A