Guide and Steps
Food Service Project Development

The following is a guide for you to use if you are considering developing a restaurant or food service project.

We encourage you to study this Project Development Steps Guide, as it will save you an enormous amount of time and money over the course of your project. It will also clarify for you whether or not it is financially feasible for you to undertake your project.

1. Initial Contact and Proposal

At this initial phase in the process, the client is encouraged to explore with the consultant what services the consulting firm can provide and what the costs of those services are.

Conversely, the food service consultant uses this initial contact to discuss the proposed project in general terms, to determine the scope of the potential project, and to gather enough information to prepare an initial design proposal. Often there is no fee charged for this initial contact. The initial proposal is written for three primary purposes:

- To establish the credentials of the design consultant
- To describe the work to be completed/accomplished by the design consultant
  Primarily of a technical nature, this area covers items such as:
  - scheduling regular meetings with the client and all other professions, contractors, etc. who will be involved with the job
  - drawing preparation
  - equipment and facilities inspection
  - submission of equipment manuals and similar types of documentation.

    The list of items falling into the category of "Work To Be Completed" is extensive and covers all phases and components of the design process.
- To establish the fee and fee payment structure for the design.

This initial phase is designed to establish the ground rules and future working relationship between the design consultant and his/her client.

The client then considers all the information and hires the design consultant he/she feels will best serve the needs of the project.

2. Feasibility Study

The primary goal of a feasibility study is to determine a food service facility's potential to generate sales and profits. This will in turn have a direct impact on the ROI (return on investment) analysis, which is critical to each investor in the operation.

A comprehensive feasibility study consists of the following:

- A comprehensive analysis of the demographics of the proposed geographical area to be served. This would include, but not be limited to, age, sex, income level, size of household, occupation, ethnicity, etc.
- An analysis of the buying and eating-out habits of the individuals in the area under study. This information could be obtained through the questionnaire process.
- An analysis of the traffic patterns of the area, including an assessment of the highway accessibility, future street development, availability of public transportation, availability of parking, etc.
- An analysis of general economic factors, such as employment statistics, industry growth, future economic development plans, tax structure, and general growth plans for the area.
- A detailed competitive analysis that include size (number of seats), customer counts, menu items, pricing, decor, professionalism of the staff, etc.
- A projection of sales based on a "guestimated" customer count over a specific period of time, as well on an estimation of what the average check amount might be.

Thoroughly understanding and properly responding to the market that a prospective owner is trying to penetrate are two of the keys to success for any food service operation.

Another critical component that needs to be tackled is the Financial Feasibility Study. The financial feasibility study is intended to paint a prospective financial picture of the proposed operation, based on a lot of the information obtained in the market feasibility study. Some of the individual components of this study include:

- A pro forma profit and loss statement supported by a sales analysis, analysis of the cost of goods, fixed and variable cost analyses, etc.
- A pro forma balance sheet detailing all assets and liabilities
- A projected cash flow analysis: this particular document is critical. If done properly, it will provide the operator with invaluable information about the short and long-term cash requirements of the project.

Once the comprehensive feasibility study is complete, it is up to the prospective operator and/or investors to make the critical "go/no go" decision. If, after a careful analysis of the finding and projections, the project looks financially sound -- the market is identified and easily reached, a need for the proposed food service facility exists, and sufficient funding and working capital is available -- the decision to proceed with the project can be made with confidence.

3. Programming

A "program" for a food service facility describes in words the function of each area in the building, how that particular space will be most frequently used, and the number of square fee required to serve the stated needs. A typical food service facility's program includes the following categories of information:

- The room number
- The name of the room (i.e., the kitchen)
- A description of use
- The amount of square footage that is required
- Finishes. This includes the types of materials and finishes to be used on the floors, walls, ceilings, etc.

The key element in the programming phase is the establishment of space relationships among all of the functional areas of the food service facility. After the space relationships are established and the program is summarized, the total square footage space requirements are discussed with the client.

It is at this point that if changes need to be made (for example, a reduction in the total amount of square footage in the proposed facility) because of financial constrains, or for any other reason, they be initiated.

4. Initial Design & Cost Estimates

The primary purpose of the initial design, or schematic, drawings is to show the shape of the building, the various entrances and flow patterns, and the location of the dining room, kitchen, and all other functional areas within the proposed facility.

Acceptance of the actual floor plan of the building or food service facility should be stated in writing by the owner and the architect, as well as by the food service design consultant. The implications of acceptance of these initial design drawings, or schematics, are as follows:

- The food service facilities design consultant can be assured that the basic layout is acceptable to the client and, as such, further development of the project can take place without fear of major changes being made by the client.
- The architect can proceed in obtaining cost estimates for the entire facility with some degree of assurance major changes affecting the cost of the facility will not be made.
- After this initial acceptance, if the client makes any major changes to the initial design, the food service consultant may request additional compensation.

Obtaining cost estimates is the other major component of this particular phase of the process. The owner/investor of the proposed food service facility must have some idea of the cost of the total project before he/she can obtain the necessary financing and before a final decision to build can be made.

Everyone involved in the project is part of the process of obtaining cost estimates. Architects will gather construction estimates; engineers will look at the HVAC (heating, ventilation, and air conditioning) requirements and make cost estimates based on the proposed facility's total requirements for these functions; utility requirements including gas, electricity, steam, and water; and the food service design consultant will provide estimates on equipment and supply costs. Cost estimates must be obtained for all of the other related items and functions that are part of the overall design of the facility, as well.

Once all of the estimated costs are compiled, they are then presented to the client, along with a set of the preliminary drawings and a brief set of specifications. It is now up to the client whether to make a decision to proceed, to cut back on the scope of the project, or to abandon the project altogether.

Assuming that it is a "go" situation, the process will quickly move into the next phase.

5. Design Development, Engineering, Equipment Specifications

It is in this particular phase that the food service design consultant, along with the engineers and architect, begins the detailed work. Working drawings, the detailed plans that will guide and be used by those individuals who will actually be building the facility, are developed during this particular phase of the process.

The selection of the various pieces of equipment to be used in the facility, the accumulation of equipment literature and performance specifications, and the development of utility schedules will all occur in this step of the planning process.

The design development/engineering step in the design sequence is usually concluded by the preparation of the contract documents. These documents normally include:

- The final drawings of the project which includes site drawings, floor plans, mechanical drawings (plumbing, electrical, HVAC, etc.), elevations, schedules, and other data needed to construct or renovate the facility.
- Specifications that have been broken down into various sections according to general construction, landscaping, electrical HVAC, plumbing, structural, kitchen equipment, and/or any other major component of the project.
- Special instruction to the bidders including all required legal documents, permits, and licenses

As the name implies, these "contract documents" become a part of the contract between the owner and the general contractor or the kitchen equipment contractor.

6. Plan Submittal/Permits

The next step of the process is for the plans to be submitted for permits. Typically, the best results are attained by submitting a complete package (architect's drawings, kitchen drawings, mechanical drawings) to the proper agency.

In most areas the Building Department does not want plans submitted to them until the Health Department has approved the plans. However, in some cases the Building Department will accept plans submittal without first having Health Department approval.

The plans can be submitted by anyone connected with the project. However, it is usually best for either the architect or the owner to submit the plans. There are forms that need to be completed and fees to be paid at the time of submittal.

Once the plans are approved (there may need to be changes made to the plans for permit purposes) either the owner or a licensed General Contractor can pick up the plans at the building department and pay for the permits.

7. Bidding and Awarding the Contract

The bidding and the awarding of the contract are processes that can vary in length of time, depending on the complexity and size of the project under consideration. For example, a simple project such as the replacement of one or two pieces of equipment might only take a couple of days. For a very large project, such as the design and construction of a totally new facility, the bidding may take up to six or seven weeks, with the contract being awarded two or three weeks after that.

The bidding and awarding of the contract occur as the plans are in for review. Once the contract is awarded to a successful bidder, the construction or renovation phase of the project can begin.

8. Project Construction

During the construction phase of the overall process, the roles of the food service design consultant are primarily:

- To review the shop drawings for the fabricated equipment that has been specified.
- To work closely with the general contractor and architect, and answer any questions relative to the design work the consultant has done.
- To inspect the fabricated equipment to make sure it has been fabricated as specified and that it meets all of the specification requirements that have been written into the specification documents.

Throughout the construction process, several different inspections (building, electrical, plumbing, fire, health) need to take place. The General Contractor arranges these inspections with the

appropriate agency. All inspections need to be done and signed off by the inspector before food can be delivered to the premises. A Certificate of Occupancy needs to be completed by the building department before the food service facility can begin operation.

9. Inspection and Acceptance

The design consultant, owner/operator, equipment dealer, and all other constituents in the process will inspect the new food service facility at least twice. The first inspection normally occurs after all of the equipment has been set in place, with most of the pieces having been connected to their proper utility.

This initial inspection usually involves the design consultant, the dealer or kitchen equipment contractor, and possibly someone from the architectural firm. Any problems that are discovered during this initial inspection are noted and compiled into what is termed a "punch list." The items that have been mentioned on this list must be corrected or rectified before the second inspection is made.

The second inspection, and any subsequent inspections, should be made after all of the equipment has been connected tested, and is ready for the preparation of food. The second punch list is normally much shorter than the original.

The final step in the design process is often a letter from the food service design consultant to the owner of the establishment and the architect recommending acceptance of the facilities.

10. Implementation & Training

Demonstration of all the new equipment found in the facility, along with thorough training sessions designed to explain the equipment to all the employees, is an extremely important function that should not be overlooked. The proper training of the employees in regards to the installed equipment will lead to less confusion, greater efficiencies, and a greater utilization of the equipment.

The food service design consultant, the manufacturer’s sales representative, and the kitchen equipment dealer, or a combination of these individuals normally handles the training of the employees.