



## **2015 Concessions, Catering and Novelty Operations**

*“Where Nature and Wonder Meet”*

# *Why Switch to a New Service Model?*

- Funding Challenges and Revenue Pressures
- Looking to the Future for the Best Financial Investment
- Need for Industry Leading Programming for Growth Returns
- Enhance Guest Experience
- Need for Capital Investment Partner
- Guaranteed Revenue Streams

# *Request for Proposal Process*

- Worked with a consultant and Procurement to develop the Request for Proposal
- RFP released on July 18, 2014
- 11 companies responded
- 10 companies submitted a Letter of Intent
- RFP was due August 15, 2014
- 6 companies submitted a RFP proposal
- Top 2 companies were interviewed and site visits took place
- Service Systems Associates (SSA) was chosen

# *Service Systems Associates (SSA)*

- 40 years of service with both public and private zoological institutions across the nation
- 31 zoo partners (16 different states, approximately 25 million guests served in 2012)
- Most zoo experience
- Proven executives and industry leaders
- Single source vendor for concessions, novelties and catering
- Received the highest overall RFP score
- Consultant evaluation on financials showed the highest confidence factor on revenues/commissions
- \$30,000 in marketing support per year for the contract period for a total of \$150,000

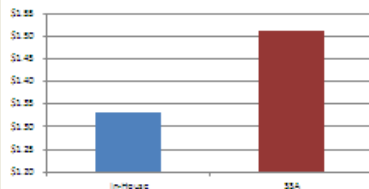
# *Service Systems Associates (SSA) Con't*

- \$3 million investment for capital funding – increase per capita spending, improve speed of service and enhance guest experience -- Totals \$600,000 per year for five years
- Quality food – a dedicated Chef for the Zoo
- Industry leading programming
- Thorough employee training programs for both front line “Associates” and management
- Current 3 Zoo full-time employees with food and retail operations will be incorporated into the SSA staffing plan
- Additional full-time staff to the Zoo with SSA – 6-8 salaried managers; 6-7 Full-time hourly supervisors; 4-9 Full-time hourly front line employees (30+ hrs a wk, benefit eligible); Up to 200 Seasonal employees per year; plus 8-10 regional managers, executives and chefs who are highly involved throughout the year

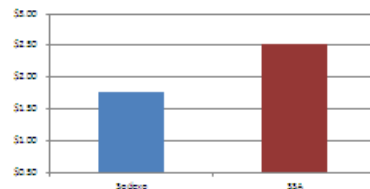
# SSA Proven Results



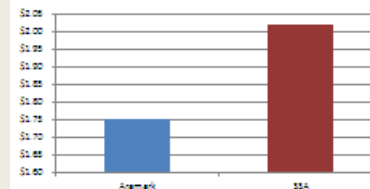
Retail Per Cap



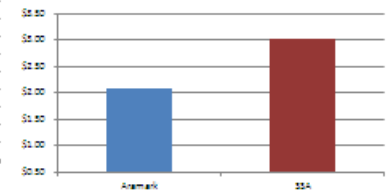
Food Per Cap



Retail Per Cap



Food Per Cap



SSA has increased per capita spending

# *Concessions With SSA*

- SSA will honor and continue Zoo's exclusivity programs (i.e. Pepsi)
- SSA will purchase the Zoo's ending inventories for concessions and novelties items
- SSA will work with the Zoo's sponsors
- SSA will increase the Food Quality and Customer Service
- SSA will work with Zoo Management on menus and food prices
- The Zoo will still allow Zoo guests to carry-in food

# *Concessions – Other Locations*

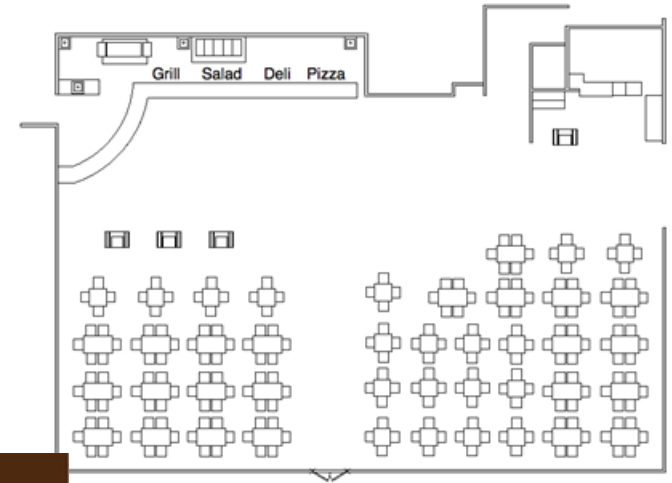




# *Concessions Continued*



# Sample Concession Concepts



## Flamingo Café

### — Carved Deli —

#### Pritzlaff Chicken Salad Club

Local grilled chicken salad with slab bacon,  
Siracha mayo on challah bread

#### All-Natural Turkey, Pesto with Fresh Mozz

Roasted turkey with basil pesto, fresh mozzarella  
and cucumber tomato relish on house baked  
bread

#### B.B.L.T with Wisconsin Cheese

Double Bacon with leaf lettuce, hot house  
tomatoes, mascarpone and cheddar cheese on  
challah bread

All Sandwiches are Served With Kettle Chips  
\$6.95

- Home made Chicken Tenders
- Grilled Burgers
- Premium Sandwiches
- True Pizza-Café Quality
- Grilled Chicken Sandwich
- Salads Built to Order
- Healthy & Fun Additions



# Sample Concession Concepts

**Woodland Concessions**



**Bear Garden & Food Truck**



*Updated/  
Rebranded  
Facilities*

**Sea Lion Show Concessions**



**Farmer's Market**



# *SSA Catering*

- SSA will have exclusive catering sales – exceptions will be made for long-term major corporate clients
- Joint group sales between SSA and the Zoo to increase rentals and catering revenues – will have positive impact on attendance and paid admissions
- 2015 commitments for rentals and outside vendors will be honored
- Catering service is a core strength; solid leadership under Corporate Executive Chef Travis Knight
  - Chef Knight leads almost 3 dozen executive chefs and almost 100 sous chefs in the goal of “best in class” culinary operations
  - Chef Kurt Boucher, currently the Executive Chef at SSA’s client History Colorado Center in Denver has been featured in numerous culinary magazines and nationally syndicated TV shows. He was the challenging chef on the Food Network’s hit show, Iron Chef America, Season 4.
  - SSA’s Executive Chef David Miller, serving guests at the Nashville Zoo has garnered international renown for his restaurant and culinary skills.

# *Catering*





# *SSA Retail*



- SSA will sell Zoo specific plush merchandise and exclusive items only available at the Milwaukee County Zoo
- Their store designs will tell the Zoo story – exhibits, animals and conservation message
- Retail eco-friendly
  - Require pollution and environmental standards from vendors regarding their manufacturing process
  - Incorporate local vendors in purchasing products
  - Paper and packing management – internally and with outside vendors
- Other Green Choices / Fair Trade
  - Mbare Ltd specializes in importing high quality African art made from natural and recycled materials. All of the items are uniquely created by artisans and craftspeople in Zimbabwe, South Africa, Swaziland, Niger and Senegal.



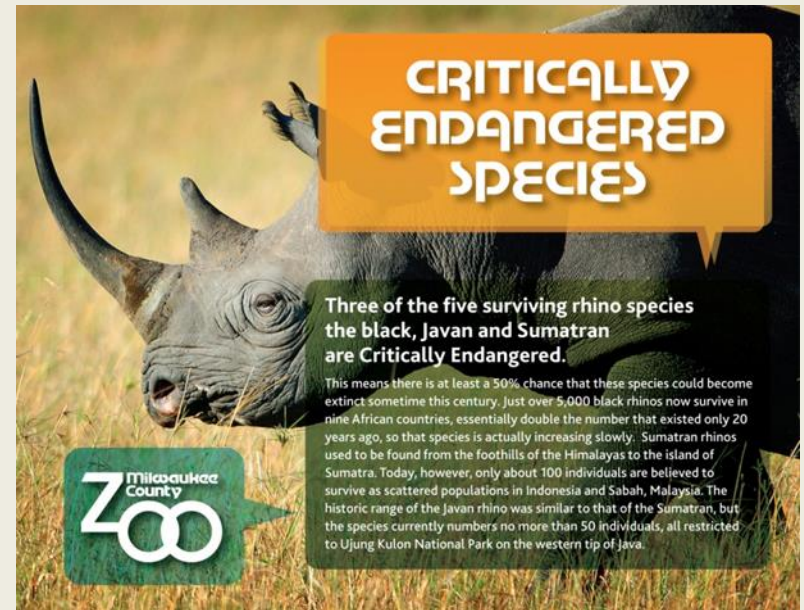
## *Retail*

### ECO STORY : PROJECT OCEAN SOLE

The Flipflop Recycling Company –  
The company collects discarded flip-flops that were previously blighting waterways and coastlines in Kenya, transforming the collected waste into wonderful flip-flop creations (recycled over 400,000 flip-flops each year)

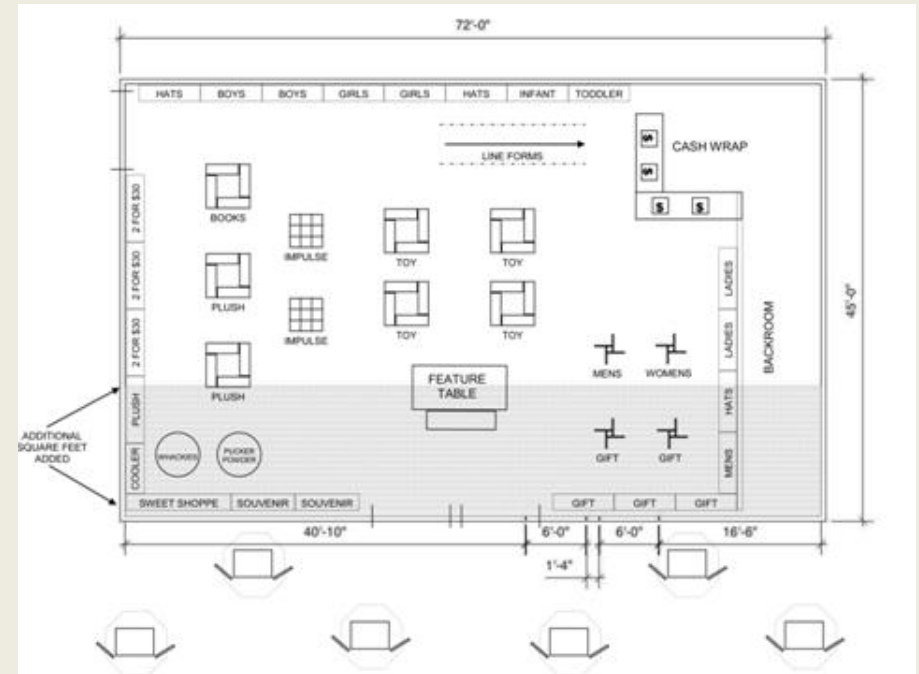


# Telling Zoo Story Through Retail





# *Retail Concept*



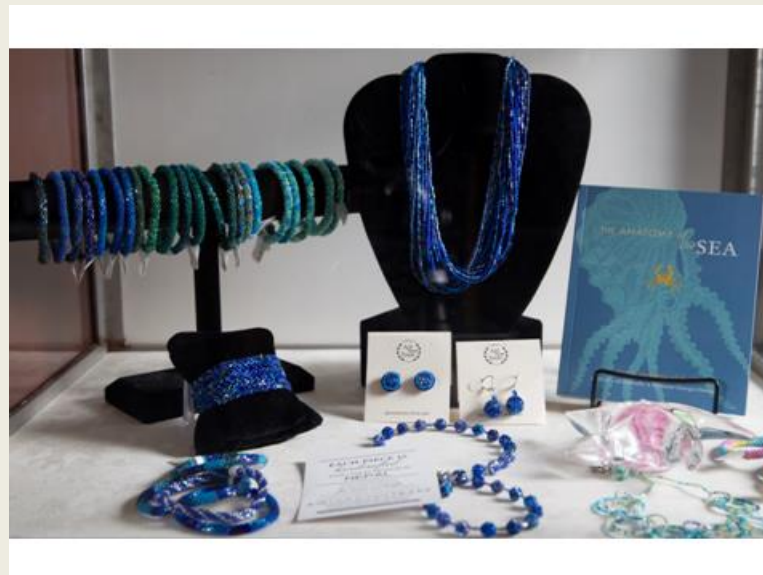
## Karibu Gift Shop

# *Retail Store Designs*





# Retail Merchandise Samples



# Financial Summary

## Percentage of Gross Sales

Category	Sales	Commission
Concession Food & Beverages and Vending	\$0 - \$2,000,000	25%
	In excess of \$2,000,000	28%
Retail Gifts	All Sales	30%
External Catering Food & Beverage	All Sales	15%

## Five-Year Projected Commissions and Guarantees

	2015	2016	2017	2018	2019
ATTENDANCE	<b>1,309,500</b>	<b>1,329,143</b>	<b>1,349,080</b>	<b>1,369,316</b>	<b>1,389,856</b>
Projected Commissions	\$1,700,000	\$1,908,647	\$2,013,545	\$2,096,498	\$2,174,535
Guaranteed Commissions	\$1,450,000	\$1,650,000	\$1,700,000	\$1,750,000	\$1,800,000

# *Financial Summary*

	2015	2016	2017	2018	2019	Five-Year Total
Projected Commissions	\$1,700,000	\$1,908,647	\$2,013,545	\$2,096,498	\$2,174,535	\$9,893,225
Revenue Increase Over Prior Year	--	\$208,647	\$104,898	\$82,953	\$78,037	\$474,535

- Projected commissions and guaranteed revenues increase each year of the contract
- Attendance projections increase over the five-year period which will bring additional revenue to the Zoo in admissions, rides and group sale rentals.
- SSA will invest up to \$3,000,000 in amenity improvements over a five year period with the majority of improvements made in the first 3 years
- \$30,000 annual investment of their own funds in marketing the Zoo for a total of \$150,000 over the life of the contract
- Guaranteed revenues – consistent revenue streams

# Financial Summary

2015 Budget Impact Analysis	Expenditures	Revenue	Tax Levy
<i>Zoological Gardens</i>			
2015 Budget – New Service Model	\$ (3,293,837)	\$ (4,041,187)	\$ 747,350
2015 Product Cost Increase Avoidance	\$ (78,810)	\$ -	\$ (78,810)
2015 Replacement Equipment Cost Avoidance	\$ (67,000)	\$ -	\$ (67,000)
Net 2015 Operating Impact	\$ (3,439,647)	\$ (4,041,187)	\$ 601,540
<i>Service Systems Associates</i>			
Capital Investment*	\$ -	\$ 600,000	\$ (600,000)
SSA Annual Marketing Support	\$ -	\$ 30,000	\$ (30,000)
Total Additional Support from SSA	\$ -	\$ 630,000	\$ (630,000)
<b>Net 2015 Contract Impact</b>	<b>\$ (3,439,647)</b>	<b>\$ (3,411,187)</b>	<b>\$ (28,460)</b>

\* SSA's capital investment is \$3,000,000. For presentation purposes, capital support is spread over the life of the contract.

Additional cost savings and operational efficiencies will occur in the following areas: hiring, training, payroll, purchasing, and inventory monitoring

# *Financial Summary*

Five-Year SSA Contract Summary	
Capital Investment	\$ 3,000,000
Marketing Support	\$ 150,000
Projected Five-Year Commissions	\$ 9,893,225
Total Five-year Contract Value to the Zoo	\$ 13,043,225

**SSA is a proven leader in the concessions, catering and novelty industry and will help the Zoo by enhancing the guest experience and providing revenue growth opportunities.**