



October 16, 2019

Ms. Monica Castrejon AAIA, LI, CNU-a  
Project Manager  
Capital Improvement Department  
218 N. Campbell St., Second Floor  
El Paso, TX 79901

RE: City of El Paso – Regional Aquatic Facilities – P.O. CEP35-1800000134  
Additional Services – Food & Beverage Operational Planning & Opening Proposal

Dear Ms. Castrejon,

With this letter Parkhill, Smith, & Cooper, Inc. would like to request an amendment to our contract of \$108,460.00 to provide Food & Beverage Operational Planning & Opening services. This work will be done by our sub-consultant Profitable Food Facilities Worldwide (PFF). PSC will provide coordination and management of their services, similar to the design phase. Attached is the proposal from PFF that details their approach, scope of work, work schedule, and fee.

**FEE AMENDMENT SUMMARY:**

Menu Planning	\$ 19,000.00
Opening Planning	\$ 25,000.00
Implementation	\$ 19,000.00
Opening/Manuals	\$ 17,600.00
Travel & Expenses (Reimbursable not to exceed)	\$ 23,000.00
Subconsultant Coordination and Management (10%)	\$ <u>10,360.00</u>

**TOTAL \$ 113,960.00**

If you have any questions, I can be reached at 915-533-6811 or on my cell at 915-543-0253.

Sincerely,

PARKHILL, SMITH & COOPER, INC.

By   
Marcelino N. Trujillo, P.E.  
Principal

MNT

Enclosures

\\Data\Projects\2018\7102.18\00A\_ADMIN\00\_CONTR\00\_FEE\Additional Services\06 PFF Operational\_N\_Opening\Additional Services Ltr 06 Self Operated 10\_16\_19.doc

Profitable Food Facilities

Worldwide

14026 Donart  
Poway, CA 92064  
Phone: 858-382-7323 Fax: 858-748-7370  
E-Mail: [mike@profitablefood.com](mailto:mike@profitablefood.com)  
Web: [www.profitablefood.com](http://www.profitablefood.com)

**City of El Paso  
Food & Beverage  
Operational Planning & Opening Proposal  
Option B – City Operates Waterparks F&B**

**October, 2019**



## **Profitable Food Facilities Partnership Proposal**

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14026 Donart Dr.  
Poway, CA 92064

Bus. Phone (858) 748-7333  
FAX (858) 748-7370

Tracy Novak  
Director Park & Recreation  
City of El Paso, TX

### **Re: Proposal- El Paso Waterpark Opening Proposal**

October 8, 2019

Dear Tracy,

It is so great to be on the front end of these projects so that we can assist in getting it right from the beginning and look forward to contributing to the ultimate success of this project.

As you know, our experience with captive market food operations is second to none. We have worked with over 650 projects worldwide, including country clubs, golf courses, ski resorts and more than 100 waterparks. PFFW recently took a waterpark doing \$386,000 in 2016 to almost one million in concession sales in 2017 and 1.8 million in 2018 to 2.7 million in 2019.

There are a number of factors that make family aquatic center food service unique, and the layout of the F&B facility and the proper menu can ultimately determine whether the operation will break even, be profitable, or be extremely profitable. We understand the challenges of the waterpark industry food model and work with your team to present a plan for opening the park.

This package includes all of the operating systems, the menus, the manuals and the training that will create a very successful operation for the park district. Based upon our discussions here is our proposal to assist in opening all of your waterpark operations in 2020:

Phase V – Operational Planning and Opening the Concession Operations



## **Phase V: Operational Planning and Opening the F&B Facilities**

The final phase consists of the Profitable Food Facilities team assisting with the opening of the water park's new food and beverage facilities from an operational side. This includes execution of menu planning, systems and controls, bar systems, opening, closing, cleaning procedures, etc.

- Assist in the hiring of the Food and Beverage team. Conduct phone interviews of 5 top prospective candidates in helping you facilitate this process. Personally interview through skype the final 3-5 candidates to collaborate with the final selection. (With PFFW involved, we can save at least 3-6 months of F&B salaries).
- Create a month-by-month timeline to open each new facility. The final eight weeks depicted as a week by week plan with the final two weeks detailed day by day plan
- Assist in developing all birthday party and special event menus to enable booking parties and corporate events as soon as possible.
- Develop a plan with our team to get all of these aquatic restaurant operations open. This will require the development of all of the standard operating procedures including:
  - F&B Organizational Chart
  - Menu Pricing,
  - Opening Procedures,
  - Closing procedures
  - Special Events/Birthday Party Planning
  - F&B Staff Training Program
  - Menus, recipes for the staff
  - Setting up all of the purveyors
  - Negotiating all of our prices with the vendors
  - Creating a master schedule for Payroll
- Assist with development of an approved vendor list for food purchasing
- Assist in training the staff for all of the new facilities.
- Assist with two "soft opening" (District 5 and District 4) to allow the staff to get their feet wet before official Grand Opening
- **GRAND OPENING WEEK:** One park opened each day prior to Memorial Day Weekend
- On-site during the first few days of opening (Memorial Day Weekend): observe status of processes, staff performance, food quality and overall facility execution. Make recommendations to maximize efficiency.



Follow up for 1-2 Site visits at week 4 and week 8 weeks to fine-tune the operations

**Anticipated days on site: 15 days in 2020**

**Total Fees: \$29,900 + exp. For the first waterpark in 2020 District 5**  
**\$16,900 + exp for District 2**  
**\$16,900 + exp for District 4**  
**\$16,900 + exp for District 7**

(Number of Consultants/Trainers involved: 2-4)

**Travel Fees**

Anticipated Number of trips per site: up to 3 site visits per opening

Number of sites: 4

Four additional trips if needed for follow up.

Maximum number of trips: 16

We think the City of El Paso will need one FTE to manage these operations along with a seasonal manager (not an FTE) at each park.

We anticipate the return on investment (ROI) of our fees to come back in the first season alone. PFFW has proven time and time again that our knowledge and expertise in waterpark concessions means great quality food served fast by the park district! If the city selects an outside vendor, PFFW would support this group in providing all of the support to insure the menu recommended is implemented and both the vendor and the city are a huge success.

In 2020, with 4 waterparks open, we would anticipate the concession sales at \$250,000 per park with a minimum of a 30% return creating a profit for the city of \$300,000 or 3 million over 10 years.

If the waterpark concession operations are outsourced, the city would earn approximately \$100,000 in annual revenue or more than 1 million over the next 10 years. Just to let you know, I feel these estimates are conservative...we could earn much more! If you have any questions, please contact me directly.

Sincerely,

*Mike Holtzman*

Mike Holtzman  
President, PFFW



**Notes for Consulting Project:**

These fees plus expenses include all of the preliminary work and analysis, our time on site, travel time and ongoing communications and meetings with the city.

- Travel Expenses to be billed as reimbursable.
- Consulting Fees and expenses are due per billing agreement with PSC.

**Timeline for 2020**

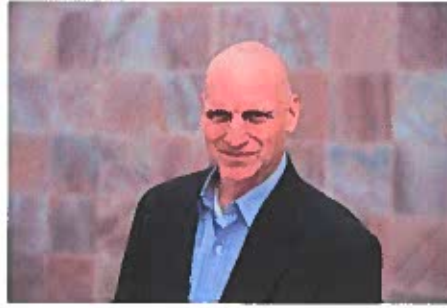
Initial Planning for all 4 projects, follow up on initial visits:

<b><u>Eastside Recreation &amp; District 2, 4, and 7</u></b>		<b>Payment Schedule</b>
Menu Planning	December 1, 2019	19k
Opening Planning	January 1, 2020	25k
Implementation	March 1, 2020	19k
Opening/Manuals	May 1, 2020	17.6k
Follow up	Selected Dates, June/July 2020	included (just travel)

**Travel & Expenses**

Reimbursables not to exceed \$23,000

**Liability limitation: Per Contract w/PSC**



## **Professional History**

### **Michael E. Holtzman**

Michael Holtzman received his BS in Restaurant Management from California Polytechnic University in Pomona, California, and now has over 39 years of restaurant industry experience. His focus has been on improving the sales, quality, and profitability of food service operations.

Mike is a hands-on operator with experience in all aspects of food service. He has worked with more than 490 facilities in North America, Europe, Jamaica, Asia and the Middle East. Mike is President of Profitable Food Facilities Worldwide (PFFW), a company specializing in captive market restaurant locations including Aquatic Facilities, Waterparks, Private Country Clubs, City Clubs, Yacht Clubs, Hotels, Resorts, Waterparks, Theme Parks, Ski Resorts and Casinos. Mike has managed 15 different waterpark operations and has helped multiple clients open more than 40 waterparks.

PFFW is recognized worldwide as Mike spoke in 2015 for the 8<sup>th</sup> year in a row at the Asian Golf Conference in Jakarta, Indonesia. He was the only speaker discussing the topic of maximizing foodservice sales and profits. He just returned last week speaking in Australia at the GMA conference to more than 240 managers. They have asked PFFW to create and design a Food and Beverage certification program for all of their managers. Michael has also spoken at the WWA conference and just spoke at the IAAPA conference in November. He was ranked the #1 Speaker at IAAPA in 2016 and is on the food and beverage committee for IAAPA as well. Here is just a sample of the 490 projects he has completed:

**Mall of America - Design & Open the Largest Indoor Waterpark in the United States – opening 2021)**

**Vana Nava Waterpark -Thailand – Designing the F&B for the Largest waterpark being built in Asia**

**Bangladesh Waterpark – Design and open the first waterpark in the region**

**Typhoon Texas Waterpark – Houston – 2.7 million F&B sales in first 100 days, now up to 4.1 million in 2018.**

**Typhoon Texas Waterpark – Austin – Increased sales from \$386,000 to 1 million in the 2017 season and 1.8 million in the 2018 season**

These operations have saved millions of dollars by working with PFFW in just 18 months.

Over the past 20 years, PFFW has taken on angle: Kitchen Design! As you know, the restaurant business has significantly changed over the years. Guests want fresher ingredients and fast casual food and are less patient to receive it. Yet many kitchens that are built are not designed to handle the number of guests in the facility. We have now designed and remodeled more than 200 kitchens (100 of them are waterparks) and **we DON'T sell equipment**....We design for efficiency and work with our clients to truly understand the challenges and concerns, so we can solve the kitchen problems. PFFW is committed to transforming the restaurant model while providing the best possible experience for every guest.