

## Oak Grove City High School, Home of the Wildcats

TO: Student Council, Oak Grove City High School via Bart Stravinsky, Student Council President

FROM: Dr. Stanley Campbell, Principal, Oak Grove City High School

REGARDING: Food Court in the New Student Center

As you know, the School Board unanimously voted last night to allow the Student Council to select the restaurants for the Food Court that will be housed in our new student center. We advertised widely throughout the city inviting restaurants to apply for a space in the Food Court. Twelve restaurants have applied for space. Unfortunately, we have space for only five restaurants. The School Board has set the following parameters to help you make your decision as to which five restaurants should be allowed space in the Food Court.

- 1) Restaurants will share a percentage of their profits from food sold at the Food Court with the Student Council. The Student Council will be allowed to spend this money in any way they see fit subject to the guidelines set by the Student Council by-laws. Since this revenue is the only money the Student Council has in its budget, your first task might be to determine which restaurants will yield the most profit. The more revenue you generate from the Food Court, the more clubs, student activities, and social events you can afford to fund.
- 2) Each of the twelve restaurants has agreed to pay the Student Council 20% of its profits for space in the Food Court. Should the restaurant not make a profit, no money will be paid to the Student Council. The less money paid to the Student Council, the more you will have to cancel, or charge fees, for events you sponsor.
- 3) There will be no set-up fees for the restaurants and each restaurant requires the same space allocation.
- 4) You are free to use whatever criteria you wish to select the five restaurants that will ultimately operate in our Food Court. However, keep in mind that you are, as members of the Student Council, representatives of all the interests in the school. You need to take into account the needs of all the students when making your restaurant selections. This is particularly important since we have a closed campus and students must buy their lunch at our Food Court.
- 5) The President of our Board is an economist. So, remember that regardless of your decision, the rationale must be grounded in sound economic thinking.
- 6) Your selection will be in effect for four years as each restaurant you choose will be given a four year contract.
- 7) You must justify your selections to the School Board at its meeting in one week.
- 8) The School Board will vote on whether to approve your recommendation. They must reach a consensus on your recommendation, which means that the Board members must all agree that the plan is. Their vote will be based upon how compelling your presentation is. You must be able to justify your choice of restaurants based upon whether they meet the needs of students and are profitable. If the School Board does not accept your proposal and its justification, they will ask you to return the following week with a revised proposal. Your visual presentation, with posters and graphs, must be given to the Board's secretary two days before the meeting for its inclusion in the meeting agenda.

## Restaurant Bidders

1. **Taco Villa:** Taco Villa is a fast-food franchise that will serve meat-filled tacos at the Oak Grove High School Food Court. Outlets are located in virtually every mall in the United States. High school students always enjoy a quick, cheap meal at Taco Villa.
2. **The Wildcat's Den:** Our student-run enterprise offers good food at reasonable prices. By purchasing our processed meat and cheese submarine sandwiches, you will be helping your fellow students learn about running a restaurant. Profits from the Wildcat's Den will go back to the School-to-Work program and will help support additional course offerings.
3. **Veggie Vittles:** Veggie Vittles bases its cooking in the philosophy of eating low on the food chain. Its menu is limited to whole grains, raw fruits and vegetables, and no animal products. Veggie Vittles will serve a veggie sandwich at the Oak Grove High School Food Court. Your good eating habits are our major concern.
4. **Home Economics Kitchen:** The Home Economics Kitchen offers good food at low prices. To keep our prices low we work closely with the Department of Agriculture's County Extension Office and purchase our cans of meat and bags of potatoes in bulk. Although our food may not be as taste tempting as our fast-food competitors, our nutritionally balanced meals are cheap and approved by the FDA. Profits from the meat and potatoes entree sold at the Food Court will support students in the Home Economics program.
5. **Fleur de Lys:** Fleur de Lys' nationally acclaimed chef, Pierre Gerard, serves traditional Northern French cuisine. Enjoy Pierre's famous crab crepe at the Food Court. Add a touch of elegance to your high school experience.
6. **Bubba's Steak House:** This popular steak house serves generous portions of prime rib, T-bone and Porter House steaks. Our Montana raised, grass fed beef packs more protein per pound than any other lunch around. When you've been to Bubba's, you've been well fed.
7. **Sally's Soups and Salads:** Healthy, low calorie soups and salads are Sally's specialties. We will offer a wide variety of vegetable, fruit, and pasta salads at the Food Court. Low fat does not have to be low taste.
8. **Bennie's:** Bennie's has attracted customers all across the United States by offering great food at great prices. Bennie's is known as a popular high school hangout serving its signature hamburgers in a friendly, informal setting. Bring Bennie's hamburgers to the high school Food Court for that "at home" feeling.
9. **Hunan Wok:** Hunan Wok has been serving fast food for over thirty years. Its lemon chicken and pork chow mein are favorites among teenagers. Oak Grove students will love the low prices and flavorful choices at the Hunan Wok.
10. **The Borsch Palace:** Beets, cabbage, and vinegar in a beef broth never tasted so good. Our borsch won the Cleveland Founders Day Cook Off three years running. Eat like a czar at the Borsch Palace.
11. **The Pizza Place:** The Pizza Place offers family-style, Italian fare, lots of food, and cheap prices. Every teen will love the spaghetti in a meat sauce served at the Food Court by the Pizza Place.
12. **The Roastery:** Enjoy chicken that has been spit-roasted over a hickory and apple wood fire. Because gourmet magazines are raving about our special cooking techniques, we know that our half chicken on a bed of rice will be a tasty meal for the discerning palate.

Table 1: Demand for Entrees at Oak Grove High School

Restaurant	Taco Villa	Wildcat's Den	Veggie Vittles	Home Ec Kitchen	Fleur de Lys	Bubba's	Sally's	Bennie's	Hunan Wok	Borsch Palace	Pizza Place	Roastery
Entree	meat tacos	sub sandwich	veggie sandwich	meat and potatoes	crab crepe	steak	salad	hamburger	lemon chicken	borsch	spaghetti	chicken
Price	Quantity Demanded Daily:											
\$10.00	0	0	0	0	1	1	0	0	0	0	0	3
\$9.50	0	0	0	0	2	1	0	0	0	0	0	3
\$9.00	0	0	0	0	3	1	0	0	0	0	0	3
\$8.50	0	0	0	0	4	1	0	0	0	0	0	3
\$8.00	0	0	0	0	5	1	0	0	0	0	0	4
\$7.50	0	0	0	0	6	1	0	0	0	0	0	5
\$7.00	0	0	0	0	7	1	0	0	0	0	0	6
\$6.50	0	0	0	0	8	3	0	0	0	0	0	7
\$6.00	0	0	0	0	9	4	0	0	0	0	0	8
\$5.50	0	0	0	0	10	5	0	3	0	0	0	10
\$5.00	0	0	0	0	11	10	0	10	5	0	3	12
\$4.50	0	0	4	0	13	15	5	25	15	0	7	15
\$4.00	10	0	7	0	15	20	10	40	25	0	25	20
\$3.50	20	5	10	0	18	30	14	55	45	0	35	30
\$3.00	35	10	15	0	25	45	18	70	55	0	50	60
\$2.50	50	20	17	0	30	60	25	100	75	0	80	100
\$2.00	100	37	20	10	55	100	35	150	150	0	100	150
\$1.50	150	63	25	15	70	200	84	188	250	0	140	275
\$1.00	200	75	30	25	80	250	150	225	300	5	200	425
\$0.50	300	100	30	25	120	350	200	350	350	10	250	500

Table 2: Cost Data

Restaurant	Taco Villa	Wildcat's Den	Veggie Vittles	Home Ec Kitchen	Fleur de Lys	Bubba's	Sally's	Bennie's	Hunan Wok	Borsch Palace	Pizza Place	Roastery
Entree	meat tacos	sub sandwich	veggie sandwich	meat and potatoes	crab crepe	steak	salad	hamburger	lemon chicken	borsch	spaghetti	chicken
<b>Cost Item</b>	<b>Unit</b>											
<b>Variable Costs</b>												
labor	\$0.20	\$0.05	\$0.20	\$0.10	\$0.60	\$0.30	\$0.40	\$0.20	\$0.20	\$0.20	\$0.20	\$0.40
per serving												
ingredients	\$0.20	\$0.75	\$0.50	\$0.025	\$2.80	\$2.20	\$0.75	\$1.00	\$0.20	\$0.10	\$0.75	\$2.15
per serving												
<b>Fixed Costs</b>												
stall rental	\$25.00	\$25.00	\$25.00	0	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00
daily												
equipment rental	\$5.00	\$5.00	\$5.00	0	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00
daily												

## Total Revenue

Restaurant	Taco Villa	Wildcat's Den	Veggie Vithles	Home Ec Kitchen	Fleur de Lys	Bubba's	Sally's	Bennie's	Hunan Wok	Borsch Palace	Pizza Place	Roastery
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	\$3.00											
	\$2.50											
	\$2.00											
	\$1.50											
	\$1.00											
	\$0.50											

Total Revenue at Each Price:

Total Revenue = Price X Quantity Sold at that price (All information is contained in Table 1 in Appendix IV.)

# Daily Costs

Restaurant	Taco Villa	Wildcat's Den	Veggie Vittles	Home Ec Kitchen	Fleur de Lys	Bubba's	Sally's	Bennie's	Hunan Wok	Borsch Palace	Pizza Place	Roastery
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	\$2.00											
	\$1.50											
	\$1.00											
	\$0.50											

Total Daily Costs at Each Price:

Daily Costs are computed by multiplying the amount sold at each price (for a given restaurant)—information located in Table 1 in Appendix IV—by the variable costs (labor and ingredients costs) and adding it to the fixed cost (stall and equipment rental). The cost information for each restaurant is located in Table 2 in Appendix IV.

## Daily Profit

Restaurant	Taco Villa	Wildcat's Den	Veggie Vittles	Home Ec Kitchen	Fleur de Lys	Bubba's	Sally's	Bennie's	Hunan Wok	Borsch Palace	Pizza Place	Roastery
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\$2.00												
\$1.50												
\$1.00												
\$0.50												

Daily Profit at Each Price:

Profit is computed by subtracting total cost from total revenue at each price for each restaurant.

Name \_\_\_\_\_

**The Food Court / Chart of Concerns**

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Name	Group/Representing	Concerns

How do these concerns influence your selections for the food court?



## **Food Court Presentation Instructions**

- Length: No more than 7 minutes
  - Every person should speak an equal amount
  - “Sell” your proposal; don't just announce your choice (i.e., rehearse)
  
- Structure: 1 slide per restaurant. Each restaurant slide should/may include information like:
  - Price you will be selling at
  - Profit you will generate at this price (daily and/or yearly)
  - Opportunity costs of this choice
  - Opportunity benefits of this choice
  - Elasticity of demand
  
- Goals: Be prepared to defend your choices considering your charge
  - How will your choices satisfy different constituencies? (gourmet club, low-income students, parents/PTSA, school-to-work, wealthy alumni, environmentalists, etc.)
  - How will your choices reach the goals set by the principal and school board?

OAK GROVE CITY HIGH SCHOOL  
*Home of the Wildcats*

Board of Directors

Dr. Leslie Tucker, Board President

TO: Student Council, Oak Grove City High School via Bart Stravinsky,  
Student Council President  
FROM: Mr. Eric Wong, Board Secretary  
REGARDING: Food Court Restaurant Selections - Presentation to the Board

At the upcoming Board meeting you will be giving a presentation to the Board discussing the restaurants you think should be included in the new Food Court. You will be giving your presentation to the following Board members:

Dr. Leslie Tucker, an economist, is President of the Board of the Oak Grove City Schools. As an economist, Dr. Tucker is concerned about maintaining profitable restaurants in the Food Court so that the students are able to afford their clubs, student activities, and social events.

Mr. John Cash, husband of our PTA president, Ms. Edith Cash. Like his wife, Mr. Cash is concerned about the health and well-being of Oak Grove City High School students. He wants to see healthy food served in the Food Court and he wants Oak Grove students to have the opportunity to learn valuable job skills through running and operating a restaurant in the Food Court. Mr. Cash is also concerned about low-income students who cannot afford high priced lunches.

Mr. John Muir, is a staunch environmentalist. His concern is for the right of vegetarian students to have a non-meat source of food on campus. He is also boycotting Hunan Wok and Taco Villa because of their dismal environmental record. As a no-growth advocate, Mr. Muir does not consider building the tennis courts or the pool a high priority.

Ms. Tanya Stravinsky is a non-voting, honorary member of the School Board. As one of the school's major contributors, she is interested in the long term well-being of the school, including the building of the tennis courts and pool. She has a special interest in cooking from her homeland and in gourmet food from around the world. She supports the Galloping Gourmet Club's desire to have quality food on campus.

The three voting members of the Board, Dr. Tucker, Mr. Cash, and Mr. Muir must reach a consensus on your plan. They must all agree that the plan is acceptable.

Please remember that your presentation is to be five minutes long. The Board will not allow you to exceed your time limit. Make sure that your visual presentation, with posters and graphs, is delivered to me two days before the meeting so that your materials can be included in the meeting agenda.