

## Selecting a Commissary

One of the most important aspects of running your hot dog cart business is selecting a commissary. A commissary is a licensed food establishment such as a deli or restaurant that will prepare and store certain perishable foods for you. This is essential since perishable foods require special storage facilities to remain fresh and edible for human consumption.

Here are some tips which will assist in the process of selecting a suitable location for your commissary.

- Deal Locally

Selecting a near by commissary will help ensure food freshness. Since you don't want to leave cold food in a hot car, shorter transportation time is important. You can also use this location as a shipping depot for items that you use for your hot dog cart.

- Compare pricing

Pricing is not the only factor, but it is a factor. It is good to comparison shop with all of the local deli and restaurants that offer commissary services. Along with the price, what services are included in the price?

- Consider the quality of service

The main reason you want to use a commissary is to avoid the potential issues that come from spoilage or health department fines. So you want to make sure that the commissary you select follows all health department regulations in connection with proper food storage and preparation.

- Consider the potential work relationship

Any business you deal with should be viewed as a partner in the growth of your business. So you want to be able to develop a good rapport with whatever companies you choose to use.

Once you select a company which could serve as your commissary you will need to write out and sign an agreement. Here is what a sample commissary agreement may look like:

### **Letter of Agreement between Commissary and Hot Dog Cart Vendor**

Date:

This is a letter of agreement between Michael Tasty, owner of Mike's Delicatessen, and John Frankfurt, owner of John's Hot Dog Cart Vending Company, to lease the use of the refrigerated storage area of Mike's Deli.

Mike's Delicatessen agrees to set aside room for the estimated 5 day supply of meat for John's Dogs and to allow for supplies to be delivered and stored there. Mike's Delicatessen will also provide the estimated daily supply of shredded cheese, chopped onions, chili, and coleslaw to John's Dogs at the agreed upon amounts and rates as shown below.

Shredded Cheese: 6 lbs/day \$2.25/lb

Chopped Onions: 6 lbs/day \$ 2.25/lb

Chili: 6 lbs/ day \$ 2.25/lb

Cole Slaw 8 lbs / day \$ 2.75/lb

The lease amount will be \$475.00 monthly paid at the beginning of each month. The food items supplied will be billed weekly and payable upon receipt of invoice.

The lease will be in effect for one year from the above date and begin when the first supplies are received on site at Mike's Delicatessen. Non-payment or non-compliance may result in the termination of the lease. The lease may also be ended with 30 days notice from either party.

Signed and Agreed by:

Michael Tasty, Mike's Delicatessen

John Frankfurt, John's Hot Dog Cart Vending Company

### **Alternative Locations for a Commissary**

At times it can be a challenge finding a restaurant or deli that is willing to serve as a commissary. So here are three additional alternatives. These alternatives are also generally cheaper and at times can even be negotiated for free (you can't be free!). Of course you will need to be aware of all health department regulations to make sure that these locations can properly function as a commissary.

#### 1) Churches

Many Churches have kitchens, and these have to meet health department regulations (but they don't tend to get inspected as often, which can cut down on potential hassles).

Quite often you can negotiate free rent by volunteering. For example if they have a youth group you can volunteer one evening a month to provide free food to their youth group. Of course there is cost, but this will generally be considerably less than rent. This can

also lead to positive word of mouth advertising. The barter system continues to be an effective negotiating tool.

## 2) Day care centers

Day care centers also generally have kitchens that have to meet health department regulations. Once again you may even be able to negotiate free rent in exchange for offering to a free hot dog day once a month.

## 3) Nursing Homes

This works on the same premise as the previous two locations. Once again you can offer a hot dog day once a month in exchange for free rent.

### **Principles in Dealing with Your Commissary Partners**

Here are some general guidelines in helping to maintain good working relationships with your commissary partners. This definitely applies if you are using community service organizations (and apply even more if you are not paying rent).

- Be nice

Being nice is just good business in general. But it definitely helps in maintaining a good relationship with your commissary partner.

As a way of example, maybe there are aspects of the commissary you are unhappy with. Well if these are not up to health department code these need to be address. But if you are provided with free or cheap rent you want to make sure you are not overly demanding. Also it may be feasible to offer a solution. For example you may be able to donate a new hot water heater to the community organization if it isn't working properly.

There may be cost involved (but through bartering you may be able to obtain a free or cheap hot water heater, in exchange for a free hot dog day to the company employees). In the long run it can be worth your while if it means maintaining a good relationship with your commissary.

- Never charge a business partner for a hot dog ever

It is a simple way to show appreciation to your business partners. Plus if they enjoy your hot dogs they are likely telling others. So this is good word of mouth advertising.

For further assistance here is a sample commissary agreement letter:

## Commissary Letter

Date: \_\_\_\_\_

**<name of restaurant business>**

Attn: **<name of person, if applicable>**

**<Address Line 1>**

**<Address Line 2>**

**<City, State, Zip Code>**

**<Applicable Telephone Number for Resturant>**

Dear Sirs / Madams:

I, \_\_\_\_\_ **<Name>** \_\_\_\_\_ am the authorized owner/agent of \_\_\_\_\_

\_\_\_\_\_ **<Restaurant Name>** \_\_\_\_\_. I hereby authorize for the exercised term

period, \_\_\_\_\_ **<Your Name Here>** \_\_\_\_\_, owner / operator of the following

business, "**<Your business name>**", to lease the use of our commissary and storage area.

**USES:**

1. The lessee hereby has the use of stated space for storage for his equipment cart and perishable
2. Items and to have access to have deliveries to be made to that location.
3. Lessor agrees to stated area described below:

**<Describe the area you are to be allowed to use>**

4. The above described will be used as the business address of "**<Your business name>**".



