



Society of Graduate and Professional Students: *Feasibility Study Proposal*

Consultants:

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Director:

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October 6, 2009

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Amir Nosrat
VP Finance and Services
Society of Graduate and Professional Students
John Deutsch University Centre, Room 021
Kingston, Ontario, K7L 3N6

Dear Mr. Nosrat,

Our Understanding of Your Requirements

Further to our meeting on Friday, Oct. 2, 2009, it is our understanding that you require Queen's Business Consulting (QBC) to investigate the feasibility of the Society of Graduate and Professional Students (SGPS) undertaking the following ventures:

1. A Housing Authority that provides affordable, high-quality rental housing to Queen's graduate and professional students. Throughout this proposal, the term 'Housing Authority' is meant to identify a corporation that exists for this purpose and accomplishes this by purchasing a piece(s) of real estate and leasing it out to tenants; and,
2. Taking over an on-campus establishment (e.g. Common Ground, Sidewalk Cafe) to launch a cafe which caters primarily to graduate and professional students.

SGPS Background

SGPS exists to defend and expand the rights of graduate and professional students at Queen's University. It also lobbies the Queen's administration and the provincial and federal governments on issues crucial to the well-being and success of graduate and professional students. SGPS has worked with QBC previously on a project to determine how well SGPS was meeting the needs of its members, and thus has sought out QBC once again to assess two options to see if they can meet those previously identified member needs.

Objectives for This Project

SGPS has financial reserves of \$250,000 and is looking to invest these reserves in a worthwhile effort. It is currently considering investing in one of two options: establishing a housing authority or purchasing an on-campus space to use as a cafe for graduate and professional students. SGPS wants a feasibility study and analysis done on both options to assess two key criteria:

- Serviceability
- Profitability

The term 'serviceability' in this proposal indicates a project's ability to satisfy the needs of the graduate and professional students. Other issues to consider are legal constraints and risks. Furthermore, this feasibility study will build upon the previous strategic report that QBC completed for SGPS in 2007.

Consulting Work and Methodology

A strategic assessment completed two years ago by QBC for an SGPS Meeting Centre outlined core student needs and a detailed analysis of SGPS's competitors. The steps we propose to take in order to complete a feasibility analysis for a Housing Authority and an SGPS cafe are as follows:

1. Establish Key Objectives and Success Factors
 - 1.1 It is important for QBC to meet early with SGPS decision makers to establish key success factors for this venture. Based on this initial meeting, we will identify criteria to assess and compare the options which QBC will investigate. This will allow QBC to determine measurable criteria upon which to make final recommendations for each of the two options.
2. Conduct a feasibility study for a Housing Authority
 - 2.1 Initial Assessment
 - 2.1.1 Legal Analysis: QBC will analyze the legal costs and procedures involved with purchasing and leasing real estate, as well as setting up an additional shell corporation to protect SGPS. To accomplish this, QBC may partner with the Queen's Business Law Clinic pending their confirmation; and,
 - 2.1.2 Research: QBC will investigate potential housing properties that match SGPS members' needs and the current market dynamics within the Kingston real estate market. This research will primarily be used for the purposes of financial analysis – to determine expected price, current quality, estimated maintenance cost, etc.
 - 2.2 Serviceability Analysis
 - 2.2.1 Added Value: QBC will assess the appropriate number of housing units that can be purchased within the budget. From there, the key success factors established in the first step will be used to estimate the added value that the Housing Authority will provide for students above current housing options. This analysis and research will be dependent on the initial meeting.
 - 2.3 Profitability Analysis
 - 2.3.1 Financial capacity: QBC will determine how much capital SGPS can afford to spend and how much on-going cash flows – from outside the housing income – SGPS can expect to have going forward; and,
 - 2.3.2 Revenues Streams and Costs: The costs of on-going operations will be analyzed alongside the financial capacity of SGPS and the income expected to be generated from this housing initiative. These analyses will break down the cash flow timings of operations, as well as take into account periods of vacancy or downtime due to maintenance.
3. Conduct a feasibility study for an SGPS Cafe
 - 3.1 Initial Assessment
 - 3.1.1 Location Prospects: QBC will meet with current managers of on-campus establishments that are potential locations for an SGPS Cafe, such as Common Ground or Sidewalk Cafe. QBC will also meet with relevant Queen's authorities to assess the potential of operating on campus. Pricing, timelines, and location specifics will be accounted for to assist in the profitability and serviceability analyses; and,
 - 3.1.2 Legal Analysis: QBC will analyze the legal costs and procedures involved with opening a cafe (e.g. licensing), as well as setting up an additional shell

corporation to protect SGPS. QBC may also be supported by the Queen's Business Law Clinic for this task, pending their confirmation.

3.2 Serviceability Analysis

3.2.1 Specific Needs: Because a thorough assessment on overall student needs in the last strategic report confirmed the need for a common space for graduate and professional students, QBC will focus on each potential location's ability to fulfill these needs and achieve the key success factors established in the initial meeting. Again, this will be compared to options that are currently available to students to assess added value.

3.3 Profitability Analysis

3.3.1 Financial Capacity: QBC will measure how much capital SGPS can afford to spend in start-up costs and annual costs. This will be affected by current available capital and cash flows in subsequent years;

3.3.2 Revenue Streams: Demand for food and beverage from graduate and professional students will be quantified to determine key revenue streams. This will be accomplished using a comparative analysis with other food and beverage establishments in the JDUC and at Queen's¹; and,

3.3.3 Profitability: A thorough financial analysis will identify the profitability of this venture based on different scenarios. This sensitivity analysis will shed light on the expected profitability and the potential variance.

4. Final Analysis, Presentation, and Relevant Documentation

4.1 QBC will complete a final comparative analysis of both options and present it to SGPS outlining the feasibility of the Housing Authority and the SGPS cafe. QBC will discuss the qualitative and quantitative merits of proceeding with each project and compare each option's serviceability and profitability. A final recommendation will be given as a 'go or no go' assessment on each option based on criteria established in step 1. Furthermore, relevant documentation (e.g. projected financial statements, comparative analyses) will be submitted to SGPS.

Consulting Fees:

The estimated fee for the work involved in this proposal is \$3,452.00, which includes:

24 days of consulting at \$135 per day	\$	3,240.00
GST	\$	162.00
Other expenses:		
Miscellaneous Expenses	\$	50.00
TOTAL	\$	3,452.00

This includes 2 copies of the final documentation. Costs that exceed the above estimates will be submitted to you for your prior approval. Again, should the findings of the first report justify the

¹ Subject to data availability

development of a subsequent project, a proposal will be submitted along with its own cost estimation for your approval.

Proposed Timeline / Responsibilities and Date of Completion:

The schedule for this project is ultimately defined by the school term within which we are working. It is important to note that the student consultants must complete this project within the term schedule or must secure special permission from the Director. As a result, your cooperation in maintaining project timelines is greatly appreciated.

If our proposal is accepted in writing within 3 days of the October 14 council meeting, we will be able to deliver this project based on the following timeline which reflects our proposed approach:

	Start Date	Completion Date
Establish Key Objectives and Success Factors	Oct 20, 2009	Oct 27, 2009
Housing Authority		
Initial Assessment	Oct 27, 2009	Nov 2, 2009
Serviceability Analysis	Nov 2, 2009	Nov 13, 2009
Profitability Analysis	Nov 13, 2009	Nov 23, 2009
SGPS Cafe		
Initial Assessment	Oct 27, 2009	Nov 4, 2009
Serviceability Analysis	Nov 4, 2009	Nov 11, 2009
Profitability Analysis	Nov 11, 2009	Nov 23, 2009
Final Analysis, Presentation, and Documentation	Nov 23, 2009	Dec 4, 2009

As indicated, we will have an expected date of completion of December 4, 2009. To expedite the process you may fax us a signed copy of the proposal and follow the original by post. Our fax number is 613 533 2370.

To confirm your acceptance of this proposal, please sign and return one copy of this proposal with a retainer of \$1,726.00 and another post-dated cheque for December 18, 2009 in the amount of \$1,726.00. A late fee equaling 5% of the existing balance will be charged if your payment is not received within 30 days as well as an additional 2% for every 30 days thereafter. Please make your cheques payable to **Queen’s Business Consulting** and send both these cheques and one signed copy of this proposal letter to:

Queen’s Business Consulting
Queen’s School of Business
Goodes Hall
Queen’s University
Kingston, ON K7L 3N6

Should you require an invoice in order to process our retainer and fee payments, one can be provided upon request.

Client Acceptance of the QBC Business Model

QBC is committed to ensuring our clients are satisfied with the value of the work done and the quality of our reports. As a client of Queen's Business Consulting, you understand the project is entirely managed and executed by Queen's School of Business students. It is your responsibility to accept or reject the findings and recommendations of the work conducted. However, acceptance or rejection does not reduce your financial responsibility for the work conducted unless the consultants failed to complete the work outlined in the proposal above. Our work is reviewed by student managers and the Director for overall quality and consulting practice standards, but it is not supervised for analytical or strategic context. As a client of QBC you understand you are paying nominal per diem fees reflecting the nature of student-based consulting.

Disclaimer:

Finally, as a client of QBC you understand that the work will be conducted entirely by students. Proposals and final reports will be reviewed by the Director of QBC for clarity and overall content, and the work will follow industry best practices. The Director will also contact you once during the project and again after completion. However, reflective of the nominal fees charged and as a student-based consulting service, the work is not otherwise supervised. As a client, it is up to you to accept or reject any advice which will be offered as part of this work. Please review the proposed steps listed under the paragraph entitled "Consulting Work / Methodology" to ensure the steps match your expectations.

Thank you and we look forward to working with you on this very interesting project.

Sincerely,

Teddy Lui
Consultant
Queen's Business Consulting

David Wen
Consultant
Queen's Business Consulting

Client Approval:

This certifies that I

Name

Title

have the authority to bind my organization to engage with Queens Business Consulting for this project.

Approved and accepted this ____ day of _____, 2009.

Client Signature



SCHOOL OF GRADUATE STUDIES
AND RESEARCH

Memo

TO: Dr. Michael Tschakovsky, Ms Angie Maltby,
School of Kinesiology and Health Studies

FROM: Janice Deakin, Associate Vice-Principal and Dean,
Graduate Studies and Research

DATE: June 8, 2009

RE: Changes to Graduate Student Conference Travel Awards: CORRECTED VERSION

Gordon Hall, Room 425
Queen's University
Kingston, Ontario, Canada K7L 3N6
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The purpose of this memorandum is to explain changes to Conference Travel Awards (CTA) provided to graduate students through the School of Graduate Studies.

The School currently grants a \$300 CTA to all applicants who satisfy the eligibility requirements. This practice is less than optimal as it poses an undetermined liability on the School's budget. Furthermore, the fixed \$300 amount per eligible applicant may be insufficient to allow some worthy candidates from benefiting from it. For these reasons we have decided to administer the CTA account in a new way.

Starting in September 2009, the School of Graduate Studies will allocate a lump sum to each department or graduate program based on enrolment in master's and PhD degree programs. Funds could then be allocated to students who meet the award criteria. There will be flexibility to determine the amount of each award, so that CTAs could be awarded in variable amounts.

The terms and conditions of holding a CTA would remain unchanged. Reporting to the SGS from units would consist of a list of award recipients and the amounts awarded. The School of Graduate Studies would then process payment of the awards to the students. Departments may not retain unspent CTA funds from one academic year to the next.

The departmental allocation is based on a formula using weighted multipliers (see the table below) and the University November 1 frozen student count of all funding eligible graduate students.

Program	Weight
PhD	1
Master's in 2-year program	0.32
Master's in 1-year program with doctoral stream	0.15
Master's in 1-year program without doctoral stream	0.12

Please note that the minimum allocation for a department is \$500.

The amount available to your department for 2009-10 for CTAs is: \$4980.

You may be interested to know that this proposal has been discussed with representatives of the SGPS who believe that this change is positive and will be more beneficial to students and result in a better use of the funds.

The SGS will implement the change effective September 1, 2009 for the 2009-10 academic year. Please address any comments or concerns to me at deansgsr@queensu.ca

Topic for Question Period/Departmental Debates:
Changes to Graduate Student Conference Travel Awards

Heather Gainforth, SKHS SGPS Rep

The School of Kinesiology and Health Studies (SKHS) recently received a memo from the School of Graduate Studies (SGS) about changes to the Graduate Student Conference Travel Award (CTA). Previously, SGS awarded students, who satisfy the eligibility requirements, a \$300 CTA. In September 2009, SGS stated that they have decided to change the administration of the award by now allocating a lump sum to each department or graduate program based on the programs enrolment. The memo also states that the decision to change the administration of the award was discussed with the SGPS and that SGPS representatives believe that the “change is positive and will be more beneficial to students and result in a better use of the funds.”

The SKHS consists of 53 graduate students. Most, if not all of our students, would have been eligible to receive a CTA. Given the previous CTA administration our department would have been eligible for \$15,900 in travel funding. Yet, the SGS provided us with a lump sum of \$4980. This change in administration is actually a budget cut of \$10,920 to our department. The SKHS graduate students wonder why the SGPS believes that this a positive change and which SGPS representative approved the change?

September 24, 2009

Questions jointly submitted by Senator Stevens and Senator J. Welsh:

The following questions have been referred to the Vice-Principal (Academic) for response at future Senate meetings.

Given that Ontario's Reaching Higher program has begun providing Queen's with millions of dollars for facility expansion that is tied to the growth in Graduate Student enrollments, a) what specific measures have been taken to increase graduate student workspace (i.e., office and lab space) in proportion to enrollment growth in each academic unit of the university, and b) where specifically have the funds been allocated?

What has been the change from last year in the number of TAs and paid TA hours in each Department and Faculty?

What is the existing University policy regarding the hiring and duties of undergraduate TAs, including allowing them to lead tutorials?

Will senior administrative job searches at the Queen's be subject to the same equity provisions as other staff and faculty hirings (i.e., will the same procedures be followed and the same data be collected)?

Has Queen's met its equity commitments under the Federal Contractors Program since its inception?

Does the Vice-Principal Academic plan to replace the Equity Advisor in his office, and if not, why?

MOTIONS AND QUESTIONS

SENATE, OCTOBER, 2009

SUBMITTED BY ANDREW STEVENS, SGPS SENATOR

MOTION: Senate support for November 5, 2009, Campaign for a Poverty Free Ontario

WHEREAS the Society of Graduate and Professional Students has planned activities for the week of November 5, 2009 to raise public awareness about the role of post-secondary education, rising tuition, national student debt, and to pressure governments to reinvest in affordable, high-quality public services, which includes post-secondary education;

WHEREAS the Campaign for a Poverty Free Ontario initiative falls within Rule 17 of Senate's mandate to "determine all matters of an academic character which affects the University as a whole, and to be concerned with all matters which affect the welfare of the University";

WHEREAS the Campaign affects the welfare of the University and all of its stakeholders and has no affiliation to a political party;

WHEREAS Senate approved an academic amnesty motions supporting events of a similar nature and intent in 1998, 2001, 2007, and 2008;

BE IT RESOLVED THAT Senate encourage academic units and professors to be flexible in making alternate arrangements, including re-scheduling examinations and the deadlines for submission of assignments, and provide reasonable access to materials covered during lectures for students who are absent from classes on November 5th, 2009 so that they may freely participate in the Day of Action with no fear of academic repercussions;

BE IT FURTHER RESOLVED THAT Senate acknowledges the usefulness of a strong student effort to increase financial support for public services and post-secondary education;

BE IT FURTHER RESOLVED THAT the Senate endorses lawful activities to increase awareness of the need for Canada and Ontario to reinvest in affordable, high-quality public education and public services generally.

QUESTION

"How is the University working to achieve incoming AODA [Accessibility for Ontarians with Disabilities Act] requirements for accessible spaces considering the decision carry out a less-costly 'scan' of physical infrastructure rather than a more complete audit?"