70249

DATE: April 29, 2014
TO: Board of Supervisors
FROM: Amy Brown, Director, Agriculture and Environmental Management
SUBJECT: Restaurant Grading/Placarding Program

RECOMMENDED ACTION
Held from April 15, 2014 (Item No. 19): Approve a Restaurant Placarding/Scoring Program, consisting of posting color-coded - Green (Pass), Yellow (Conditional Pass), or Red (Fail/Closed) - placards at restaurants and posting detailed inspection results on the Department of Environmental Health website with numerical values relating to all violations that will result in a cumulative online score. (Department of Agriculture and Environmental Management)

FISCAL IMPLICATIONS
There is no impact to the General Fund as a result of this action. All revenues and expenditures in the Department of Environmental Health (DEH), Consumer Protection Division (CPD), are accounted for under Budget Unit 261. The Consumer Protection Division Programs are fee supported through permitting, registration, and inspections established by fee resolution.

DEH will use its current operating budget to fund all set-up costs, including development of the program, initial training of staff and operators, and interim staffing costs for new staff, who are needed to support the grading and placarding program.

Since the full cost of the placarding and scoring program is not fully known, DEH will review the program after its initial year and, if needed, make recommendations to the Board in the FY16 budget. Program implementation and staff costs are not expected to exceed the annual increase of $100 per facility, which was found to be acceptable by the stakeholders working group. Because implementation of the placarding and scoring program is not anticipated until the fall of 2014, DEH is prepared to defray the cost associated with development and implementation of the program for the remainder of the current fiscal year.
and all of FY15.

DEH is a Special Revenue Fund Department and finances its public purpose by charging permit and service fees, in addition to receiving revenue from grants and contracts with other governmental jurisdictions.

REASONS FOR RECOMMENDATION

The Board of Supervisors directed the Department of Environmental Health to provide the public with clear information regarding the health and safety of the food in restaurants throughout the county. DEH incorporated input from the Board into the Department’s existing work plan for upgrading data collection and public access.

At the March 12, 2013 Board of Supervisors meeting, DEH presented the work plan that was already underway to make restaurant inspection data more understandable to the public and streamline the transfer of data from inspections performed in the field to the Department’s website. DEH has been posting restaurant inspection report information on its website since 2001, and had been in the planning phase of a work plan to deploy significant changes to the content and the presentation of information on the DEH website. The changes have been a component of a planned upgrade from a paper-based reporting system to a computerized inspection system using laptops or tablets for the Consumer Protection Division field staff.

From this Board meeting, the Department was directed to initiate a feasibility study of a grading and/or placarding program and determine if a program would meet the needs of the business community and residents.

Pursuant to this direction, the Department convened a stakeholder group and engaged in a process to evaluate and develop a grading and placarding proposal. The Department presented its proposal and programmatic options at the October 8, 2013 Board of Supervisors meeting.

At this Board meeting, the Board expressed its preference for a Restaurant Grading/Placarding System comprised of two components: 1) Color-coded placards (Green-Pass, Yellow-Conditional Pass, or Red-Fail/Closed) at restaurants in full public view and, 2) a numerical score tallied from all documented violations posted online with copies of current and past facility inspection reports.

Color-coded Placards
The placard color will reflect the number of “Major” violations (i.e., those violations that
have a direct connection to foodborne illness). Restaurants are permitted to have no more than one “Major” violation identified during the inspection, in order to receive a Green-Pass Placard. Two or more “Major” violations will result in a “Yellow-Conditional Pass” placard. As part of statewide inspection standards, the restaurant is required to correct all “Major” violations at the time of the inspection, or they will be closed by DEH until corrections of “Major” violations have been made. DEH will continue with the requirement of mandatory immediate correction of “Major” violations. Any restaurant closed by DEH will be issued a “Red-Failed” closure sign, which will remain until corrections of all “Major” violations are made.

DEH will re-inspect a closed food facility within three business days (Monday-Friday), once notified of violations being corrected. Currently, DEH responds to requests for re-inspection the same day or the next business day. Every effort will be made to maintain this inspection frequency.

Scoring System
In addition, DEH has developed a scoring system that will reflect the overall compliance of a facility by assigning point values to all violations noted during an inspection. Because of the public health hazard, “Major” violations will be assigned a higher point value (8 points), while less critical food handling violations would receive a value of 3 and violations of good retail practices 2 points. The points will be deducted from a base score of 100 and will be posted online along with copies of past inspection reports for public access.

Program Resource Requirements
The proposed placarding program will closely resemble the programs in place in other jurisdictions; therefore, DEH communicated with the Counties of Sacramento and San Diego to identify the additional resources required for inspections, as well as program oversight. DEH has determined that successful implementation would require a dedicated Senior Environmental Health Specialist for development and oversight of staff and operator training specific to placarding, additional oversight of inspection standardization, implementation of a placarding appeals process, outreach to the public, and implementation of the Award of Excellence Program. An additional average inspection time of six minutes per inspection for 17,000 estimated inspections per year will require an additional Environmental Health Specialist.

Implementation Activities To-Date
The DEH Information Technology Unit has been working closely with County Information Systems Department to coordinate the new computerized inspection system with the DEH website, as part of the work plan’s implementation. Since June 2013, DEH has purchased 49 laptops and upgraded the Department’s database in order to support the computerized field
inspections. This technology improvement would allow direct electronic access to inspection reports by the public through its website. The ability to provide electronic inspection reports and data to the public is the corner stone for the Restaurant Placard and Scoring Project. This electronic inspection system will allow the Department to transition to the determination of Placard colors and automate the online restaurant Scoring System.

DEH has already begun internal preparation for the placarding/scoring program (data management improvements, developing educational materials and staff training) and will begin posting placard results and providing online scores for public viewing in the Fall of 2014.

**CHILD IMPACT**
The recommended action will have no/neutral impact on children or youth.

**SENIOR IMPACT**
The recommended action will have a positive impact on seniors by providing an easily viewable summary of the most recent restaurant inspection report in a prominent location at the restaurant.

**SUSTAINABILITY IMPLICATIONS**
The recommended action will have no/neutral sustainability implications.

**BACKGROUND**
The County of Santa Clara DEH is responsible for food safety regulatory oversight of all retail food service in Santa Clara County. While placarding and scoring of food facilities is authorized by the California Health and Safety Code, it is not required, and although this County previously considered such a system, the County has not yet adopted placarding and scoring system.

Since the County last considered grading or placarding in September 2000, nearly a dozen counties have initiated grading and placarding systems for food establishments. Two Bay Area counties have a grading and placarding program in place (Alameda and Sacramento), while six more jurisdictions (City of Berkeley, and the Counties of Contra Costa, Yolo, Marin, San Mateo and Sonoma) are developing programs.

At its March 12, 2013 meeting, the Board of Supervisors directed DEH to evaluate the feasibility of a restaurant grading and/or placarding system for Santa Clara County. DEH
established a stakeholder advisory group and held a series of meetings evaluating both other existing programs and the needs/desires of this community in order to develop a recommended approach for Santa Clara County.

As follow-up to the Board directive relating to the feasibility of placarding/scoring, DEH has thus far taken the following major actions:

- **March 29, 2013:** An invitation was mailed to more than 80 contacts representing food retailers associations, Chambers of Commerce, City representatives, County Public Health Department, Board members, as well as independently-owned food service businesses. The invitation provided a brief description of the feasibility study, and invited interested parties to participate in a “kick-off” meeting to discuss the scope of the project and to identify additional stakeholders.

- **April 15, 2013:** At the initial scoping (kick-off) meeting, goals and objectives of the feasibility study were discussed, as well as steps moving forward. From among the 22 attendees, 12 volunteers were eager to serve as part of an advisory group for the feasibility study. Participants offered numerous concrete ideas for obtaining diverse input from additional contacts.

- **May 15-17, 2013:** DEH discussed the restaurant placarding feasibility study on Vietnamese and Chinese language radio stations.

- **May 24, 2013:** Multilingual mailer (English, Korean, Vietnamese, Chinese, and Spanish) was sent to approximately 9,000 businesses announcing the Feasibility Study and soliciting participation by food facility operators.

- **On May 23, 2013, June 17, 2013 and July 30, 2013,** DEH held meetings with the placarding/scoring advisory group. Meeting discussions have focused on ideal placarding programs, potential and perceived problems with placarding programs, a review of several types of programs, and an independent analysis by stakeholders of various presented programs.

- **September 3, 2013:** The Advisory Group reviewed the final two proposals, and addressed issues and concerns brought up by stakeholders. At this meeting, the Advisory Group selected a restaurant grading/placarding system closely modeled on Sacramento County’s Green-Yellow-Red grading system. The Sacramento County model emphasizes critical risk factors of food-borne illness, poses a lower cost to businesses, and is easy for the public to understand. Minor violations that do not pose an imminent health hazard will be addressed using the Department’s existing protocols.

- **September 23, 2013:** A multilingual flyer mailed to over 7,000 businesses outlined a workshop schedule for food facility operators. This invitation described the restaurant placarding/scoring project goals and encouraged food facility operators to attend and provide input before the restaurant grading/placarding proposal was brought to the Board of Supervisors. A press release with background information and all meeting
dates was sent to major media outlets.

- **October 2013**: DEH conducted 17 workshops for food facility operators (8 English, 3 Spanish, 2 Chinese, 2 Korean, and 2 Vietnamese) to review the proposed Green-Yellow-Red placarding program and online scoring element.

- **October 28-30, 2013**: Three public meetings were conducted at various County locations to provide an opportunity to familiarize consumers about the proposed Green/Yellow/Red placarding program and online scoring element, and to seek additional input from consumers.

- **During October 2013**, media outlets were contacted by DEH staff who conducted interviews in English, Spanish, Korean, Chinese, and Vietnamese. Newspaper articles, as well as television and radio news reports, announced the placarding proposal, County-held workshops, and where restaurant operators and the public could find more information.

DEH reported progress to the Housing, Land Use, Environment and Transportation (HLUET) Committee twice during this process, at its May 16, 2013 and August 15, 2013 meetings. After reviewing multiple placarding models and identifying concerns that needed to be addressed, the Stakeholders Group recommended that the County consider a model mirroring Sacramento County’s placarding program.

On October 8, 2013, the Board of Supervisors reviewed the Advisory Group and staff recommendations and provided direction to include online numerical scores as part of the County’s placarding/scoring program.

The Green-Yellow-Red grading system is easily understood by food operators and the public and utilizes clear, objective rating criteria. Food facilities are graded based on major violations related to food-borne illness. Detailed information on all violations, including previous inspections and online scores to facilitate comparison of businesses, will be available on the DEH website.

**CONSEQUENCES OF NEGATIVE ACTION**

The proposed Restaurant Placarding/Scoring Program would not be approved, and DEH would not recover costs associated with providing services associated with the Restaurant Grading/Placarding Program.

**LINKS:**

- Linked To: 70250 : Adoption of Salary Ordinance No. NS-5.14.93 amending Santa Clara County Salary Ordinance No. NS-5.14 relating to compensation of employees adding one Environmental Health Specialist position and one Senior Environmental Health Specialist position in the Department of Agriculture and Environmental
Management, Department of Environmental Health. (Department of Agriculture and Environmental Management)

- Linked To: 70413: Adoption of Ordinance No. NS-517.86 amending Chapter III of Division B11 of the Santa Clara County Ordinance Code relating to food and swimming pool permits to establish display requirements for the grading system for food facilities within Santa Clara County. (Department of Agriculture and Environmental Management)

- Linked From: 71502: Held from April 15, 2014 (Item No. 20): Adoption of Ordinance No. NS-517.86 amending Chapter III of Division B11 of the Santa Clara County Ordinance Code relating to food and swimming pool permits to establish display requirements for the grading system for food facilities within Santa Clara County. (Department of Agriculture and Environmental Management)

- Linked From: 71505: Held from April 15, 2014 (Item No. 21): Adoption of Salary Ordinance No. NS-5.14.93 amending Santa Clara County Salary Ordinance No. NS-5.14 relating to compensation of employees adding one Environmental Health Specialist position and one Senior Environmental Health Specialist position in the Department of Agriculture and Environmental Management, Department of Environmental Health. (Department of Agriculture and Environmental Management)

ATTACHMENTS:

- Restaraunt Placarding Ordinance Opposition (April 11) (PDF)

HISTORY:

04/15/14 Board of Supervisors HELD Next: 04/29/14