



INSPECTION FREQUENCY STANDARD (IFS): A New Risk-Based Model for Inspecting Food Establishments

City of Austin Health & Human Services Committee

City Hall

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May 16 H&HSC Meeting

- Summary of major changes since May 16th meeting:
 - Per Committee input, revised the size thresholds of the three food establishment risk groups to better reflect small-medium sized restaurants:
 - May 16 Proposal: <10, 10-100, 100+ employees
 - Revised Proposal: 1-25, 26-50, 50+ employees
 - Also, deleted market scale descriptions
 - Revised Cost of Service factors for the new size ranges to more accurately reflect worker-hours needed to permit and inspect establishments in each of the nine risk-size classes.

Inspection Frequency Standard (IFS)

- Currently, each fixed food establishment in Austin is programmed for two (2) food safety inspections per year.
 - Drawback: all food establishments are inspected at the same frequency (2/YR) regardless of degree of complexity or level of food safety risk posed
- Approx. 12 years ago, the U.S. Food & Drug Administration launched a new standard for food safety inspections: the Inspection Frequency Standard (IFS)

Inspection Frequency Standard (IFS)

- IFS is a risk-based approach based on the U.S. Food & Drug Administration and Centers for Disease Control guidelines that classifies all fixed food establishments as Higher Risk, Medium Risk and Lower Risk based on:
 - The complexity/ risk of an establishment's food preparation processes
 - The establishment's use of control measures to reduce the risk of foodborne illness: e.g., temperature logs, Certified Food Manager present at all times, handling of ready-to-eat foods with barehands, etc.

Inspection Frequency Standard (IFS)

- Higher Risk Food Establishments (Tier 3):
 - Use complex processes: cooling/ re-service; cooking/ re-heating
 - Example: A full service restaurant with table service
- Medium Risk Food Establishments (Tier 2): :
 - Cook some food, but for same-day service
 - Example: A pizza parlor, McDonalds, etc.
- Lower Risk Food Establishments (Tier 1):
 - Serve pre-packaged foods; Do not cook or re-heat
 - Example: Convenience store selling only pre-packaged sandwiches

An Incentive-Based Approach to Risk-Based Inspections

- Higher Risk Estab's (Tier 3) are typically inspected 3 times per year
 - A consistently high scoring Tier 3 would require only 2 routine inspect's/yr
 - Past 24-month period has an average inspection score of 90 or above
- Medium Risk Estab's (Tier 2) are typically inspected 2 times per year
 - A consistently high scoring Tier 2 estab would require only 1 inspect/yr
 - Past 24-month period has an average inspection score of 90 or above
 - A consistently low scoring Tier 2 estab would require 3 inspect's/year
 - Past 24-month period has an average inspection score below 80
- Lower Risk Estab's (Tier 1) are typically inspected 1 time per year
 - A consistently low scoring Tier 1 estab would require 2 inspect's/year
 - Past 24-month period has an average inspection score below 80

Current Fee Schedule (2 x YR)

| <u># of Employees</u> | <u># Estab.</u> | <u>Permit Fee</u> |
|-----------------------|-----------------|-------------------|
| ● 1-9 | 2750 | \$475 |
| ● 10-25 | 1500 | \$540 |
| ● 26-50 | 650 | \$605 |
| ● 51-100 | 250 | \$670 |
| ● Over 100 | 95 | \$734 |

Proposed IFS Fee Schedule

(Inspections 1-3 x YR)

9 Total Categories of Establishments by Risk + Size

- 3 Risk Categories:
 - 3 (higher risk)
 - 2 (medium risk)
 - 1 (lower risk)
- 3 Size Sub-Categories:
 - A (>50 emp's)
 - B (26-50 emp's)
 - C (1-25 emp's)

Proposed IFS Fee Schedule (1-3 x YR)

- IFS Methodology:

- On August 6, the City Manager's Budget was presented to the City Council incorporating 100% cost of service factors as well as the IFS methodology presented to the Committee on May 16.
- The fee schedule summarized in this presentation, includes 90% COS factor for IFS Category 3C
- An addendum must be made to the fee schedule

*Cost of Service factors are based on the personnel cost of performing inspections, plus applicable administrative and overhead-related costs

Original IFS Fee Schedule (1-3 x YR)

Proposed May 16, 2018

| <u>IFS Risk Category by Size of Estab.</u> | <u># Estab.</u> | <u>New Fee</u> | | <u>Current Fee</u> |
|--|-----------------|----------------|-----|--------------------|
| • Higher Risk – Larger Size Estab. 3A | 588 | \$937 | ↑↑ | \$734 |
| • Higher Risk – Medium Size Estab. 3B | 1121 | \$740 | ↑↑ | \$540-670 |
| • Higher Risk – Smaller Size Estab. 3C | 371 | \$567 | ↑ | \$475 |
| • Medium Risk – Larger Size Estab. 2A | 296 | \$597 | ↓ | \$734 |
| • Medium Risk – Medium Size Estab. 2B | 877 | \$521 | ↓↓ | \$540-670 |
| • Medium Risk – Smaller Size Estab. 2C | 552 | \$445 | ↓ | \$475 |
| • Lower Risk – Larger Size Estab. 1A | 228 | \$301 | ↓↓↓ | \$734 |
| • Lower Risk – Medium Size Estab. 1B | 474 | \$263 | ↓↓↓ | \$540-670 |
| • Lower Risk – Smaller Size Estab. 1C | 609 | \$225 | ↓↓↓ | \$475 |

Proposed IFS Fee Schedule (1-3 x YR)

Revised August 8, 2018

| <u>IFS Risk Category by Size of Estab.</u> | <u># Estab.</u> | <u>May 16</u> <u>#</u> <u>Fee</u> | <u>New</u> <u>Fee</u> | | <u>Current</u> <u>Fee</u> |
|--|-----------------|--------------------------------------|--------------------------|-----|------------------------------|
| • Higher Risk – Larger Size Estab. 3A | 224 | 588 \$937 | \$896 | ↑↑ | \$670-734 |
| • Higher Risk – Medium Size Estab. 3B | 363 | 1121 \$740 | \$782 | ↑↑ | \$605 |
| • Higher Risk – Smaller Size Estab. 3C | 1490 | 371 \$567 | \$601 | ↑↑ | \$475-540 |
| • Medium Risk – Larger Size Estab. 2A | 80 | 296 \$597 | \$684 | ↑↓ | \$670-734 |
| • Medium Risk – Medium Size Estab. 2B | 179 | 877 \$521 | \$608 | ↑ | \$605 |
| • Medium Risk – Smaller Size Estab. 2C | 1474 | 552 \$445 | \$532 | ↑↓ | \$475-540 |
| • Lower Risk – Larger Size Estab. 1A | 56 | 228 \$301 | \$416 | ↓↓↓ | \$670-734 |
| • Lower Risk – Medium Size Estab. 1B | 62 | 474 \$263 | \$378 | ↓↓ | \$605 |
| • Lower Risk – Smaller Size Estab. 1C | 1188 | 609 \$225 | \$359 | ↓↓ | \$475-540 |

Proposed IFS Fee Schedule (1-3 x YR)

- Revenue Projections: Current Approach vs. IFS Approach
 - Current Approach (2 X Year): \$2,746,730
 - Proposed IFS Approach: \$2,847,315
 - Delta: IFS will generate approx. \$ 100,585 in additional revenues
 - This is a 3.6% increase in revenues, which is less than the 7.5% increase in the total number of inspections that will be required in transitioning from 2 inspections/year to IFS
 - This revenue projection is based on a full year of collections, and includes fees from 129 custodial care facilities

Proposed IFS Fee Schedule (1-3 x YR)

- Due to the larger size of the higher-risk Tier 3 category, adoption of IFS will increase the total number of required inspections by approx. 771, which will be absorbed by existing staff resources through efficiency measures.
- The projected \$100,585 increase in revenue is sufficient to fund the purchase of 3 additional fleet vehicles to replace the ongoing use of unofficial, un-decaled personal vehicles in the field

Proposed IFS Fee Schedule (1-3 x YR)

- Stakeholder Input: The Greater Austin Restaurant Association (GARA) is the local chapter of the Texas Restaurant Association. GARA represents food establishments in Austin and Travis County, and is Austin Public Health's primary stakeholder regarding food-related permit fees & regulations.
- On April 11, staff met with representatives of GARA (including the current and past Presidents) to discuss this IFS proposal.
- Staff did incorporate a key GARA recommendation (incentives for high-scoring establishments; disincentives for low scorers).

Questions

- For Follow-up & Engagement

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