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APRIL 2016

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The Risk Presented By Food-Borne Illness And The Benefits Of A Managed Produce Program

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While the legal and financial impacts of the Chipotle foodborne illness situation are still being tabulated, restaurant owners across the country are considering what would happen to them should a similar situation occur inside their operations.

Many independent restaurant owners will find that they have much less protection than they may have originally thought.

A restaurant operator's first line of defense from legal action stemming from food-borne illness claims is in its contracts with suppliers. Those contracts generally lay out how much responsibility distributors have if there is an issue, and what things the distributors and growers promise they'll do to make sure that the food they provide is safe.

The problem is that many times, the terms in those contracts are often vague and skewed heavily in the favor of the distributor.

For example, sometimes suppliers say they will use "commercially reasonable efforts to obtain representations and warranties from our suppliers."

As an operator, ask yourself when the last time was that your distributor told you exactly how their suppliers are promising to protect the food supply chains. For independent restaurant owners, the answer is most likely "never."

The recent events at Chipotle serve as a needed reminder why it is important to read and understand the terms and conditions of your supplier agreements:

- When a product recall occurs, what is your distributor's obligation to notify you of the recall and take steps to get contaminated product off of your shelf or out of your coolers?

- What is the consequence or penalty if your distributor fails to notify you of a product recall?

- What is your distributor's and the grower's or manufacturer's respective Hazard Analysis Critical Control Point plans, which set the procedures for how the distributor or grower will respond to potentially hazardous food at critical points in preparation in processing?

- How is your distributor and the grower or manufacturer insured for foodborne illness? Are you covered as the operator under these policies?

Many large operators know the answers to these questions because they have the internal expertise to understand and negotiate favorable terms with their distributors. That may not always be the case for independent operators who carry

much less purchasing power and clout. Unless, of course, those independent operators are part of a group purchasing organization that offers managed produce programs for its members.

Dining Alliance is one such organization. With more than 20,000 restaurants and more than \$18 billion in purchasing power, our network has both the clout and the legal expertise to ensure that our members are informed and protected by restaurant-friendly contract terms.

At Dining Alliance we take supply-chain based issues and how our members buy seriously. Through our group purchasing network, our members secure higher quality produce, sourced directly from reputable growers and produce distributors, as well as insulation from commodity pricing throughout the year, making it possible to secure higher quality product at lower costs. Managed produce programs were typically only available to large national brand chains. Through our group purchasing network, not only are significant cost savings and improved quality produce possible, our members now also realize significant food safety-related benefits that are among the best in the foodservice industry.

- A full-time Food Safety Manager, tracking food safety practices of the growers/shippers, processors and distributors in our network in compliance with Global Food Safety Initiative Standards.

- All distributors are audited periodically throughout the year to ensure product quality and safety management consistent with our high standards, including checking all aspects of the distribution network.

- We ensure adequate insurance is in place in the event of product/supply-chain issues.

- We employ full-time instructors to educate and train operators and their staff on the proper storage, handling and management of produce.

Because of these protections, and because independent restaurant owners are beginning to recognize the potential issues they may face with a serious foodborne illness issue, Dining Alliance has seen a significant increase in calls, questions and signups from independent restaurants in the weeks since the Chipotle issue first surfaced.

The scary news for independent restaurants is that the risk of an issue and the legal ramifications is very real. The good news is that they do not have to face that challenge alone.

Dining Alliance is a major group purchasing organization in the U.S. for local restaurants. Dining Alliance partners with more than 18,000 independent restaurants throughout the U.S. and in parts of Canada. The company is based in Waltham, Massachusetts. For more information, log on to diningalliance.com.