



Everything Jersey

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For the small fast-food operator, supplier is someone else's choice

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The fast-food world is divided into franchisors and franchisees.

Franchisors are big companies such as Yum! Brands, which owns the rights to the Taco Bell name. Franchisees are independent small businesses that operate restaurants such as the South Plainfield Taco Bell, which was patronized by some of the E. coli victims in recent weeks.

Franchisees generally are forced to buy food and produce from companies affiliated with or approved of by the franchisor, according to franchising experts.

"You are totally reliant on your franchisor" for supplies, said Paul Steinberg, a franchising expert based in New York. "If your franchisor is not constantly monitoring the quality of food coming in the door, the franchisee is left holding the bag."

Franchisors often have financial reasons for mandating that store owners buy everything from food to napkins and cleaning supplies from a certain vendor.

"Unfortunately, companies have arrangements with vendors whereby they get large rebates from vendors for steering their franchisees to that vendor," said Justin Klein, a franchise law attorney with the Red Bank firm Marks & Klein. Those rebates can amount to millions of dollars in payments to the corporate parent, he said.

Yum! Brands spokesman Rob Poetsch said Taco Bell restaurants buy food from an approved vendor, which he would not identify.

Taco Bell, he said, "takes food safety very seriously and adheres to strict food safety and handling procedures, including regular training of employees on proper food handling, requiring strict and regular hand-washing with an anti-microbial soap and hand sanitizing gel."

Bacteria in fast food sometimes can be traced to produce or the way meat or chicken is cooked. In 1993, three children died and 600 people became ill from E. coli after eating undercooked hamburgers at Jack in the Box restaurants. A decade later, Taco Bell, Chili's and Panda Express pulled green onions from their kitchens after scallions from Mexico were blamed for a hepatitis epidemic.

"The problem is that when you deal with fertilizer you can end up with pathogens," Steinberg said. "Some people do only a cursory rinsing of the produce."

Franchise systems such as McDonald's and Subway have strict guidelines on food safety, often requiring inspections of records as well as inspections of food-preparation areas of their stores, he said. They typically bar franchisees from purchasing lettuce from local vendors, to maintain safety and consistency in the food supply chain.

Yum! Brands has a reputation for health safety, Klein and Steinberg said. "I don't think this is indicative of a systemic problem," Steinberg said. "It's an anomaly. Something slipped through."

Based in Louisville, Ky., Yum! is one of the world's largest fast-food companies, with 34,000 restaurants in 100 countries under the KFC, Pizza Hut, Taco Bell and Long John Silver's brands.

The South Plainfield Taco Bell is operated by El Rancho Foods of Carlstadt, which is owned by Ricardo Davila and John Antonaccio. They declined to comment yesterday and referred calls to Yum! Brands.

Antonaccio and Davila own 88 Taco Bells and two KFC-Taco Bells in the metropolitan area. Their company has \$100 million in sales and 2,300 employees. El Rancho operates 47 Taco Bells in New Jersey with 1,300 employees in the state.

Antonaccio took a gamble when he opened a Taco Bell in Middlesex Mall in South Plainfield, then only the chain's second restaurant in northern New Jersey. A deli and a fried chicken franchise had failed in the same location.

El Rancho maintains a four-person staff in Carlstadt to drill associates on improving hospitality and customer service. During an interview last summer, Antonaccio said he and Davila make unannounced visits to their stores to check the parking lot and the men's room or stand in line to find out how long it takes to get a taco.

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