# A Comparison of Company Owned and Franchised Fast Food Outlet Performance -------- Insights from Health Inspection Scores

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***Abstract***

The paper compares the performance of franchised and company owned fast food outlets located within the same region in the USA. These outlets are inspected by the same team of health inspectors who use a standardized forty four item scale derived from Federal Drug Administration guidelines. Analysis of the health inspection scores received by the fast food outlets over approximately two and a half years shows that franchised stores receive significantly better ratings. The inspection scores of franchised outlets also have a lower standard deviation than that of company owned stores. The results support the view that the incentives provided in the franchise contract as well as the additional layer of supervision by the franchisee are likely to lead to better and more consistent outlet performance. At the same time, there are a few chains where company owned stores get higher scores than their franchised counterparts. This suggests that there are inter chain differences in the operational efficiencies of the two organizational formats.

## 1. Introduction

An interesting phenomenon in retailing is the concurrent operations of two diverse economic systems, operating under the aegis of the same company brand name. This is particularly apparent in the fast food industry where some outlets within the chain are company owned, while others are operated by franchisees. In company owned stores, all operations are under the jurisdiction of a store manger who is a salaried employee of the firm. However, in franchised outlets, all workers are employed by the franchisee, who is an independent business entity. The firm (the franchisor) and the franchisee have a contractual relationship. In lieu of an initial fee and monthly royalties form the franchisee, the franchisor provides managerial advice and allows the franchisee to display the firm's brand name. Often, the franchisee oversees the operations at a single store. However, there are many incidences of the franchisee being responsible for multiple units which are often clustered within the same region.

There is significant research on the rationale behind the use of franchising (Mathewson and Winter 1985, Norton 1988, Rubin 1978). However, comparison of the performance at each

type of outlet still remains a relatively under-explored area (Shelton 1967, Krueger 1981). In their review of the franchising literature, Elango and Fried (1997) call for an improvement in performance measurement as one of their suggestions for future researchers. The topic is important because it is central to the theme of whether the use of franchising as an organizational form detracts or adds to the performance of a store, which would otherwise have been operated by the salaried employees of a firm. The present paper attempts to fill this gap by using the judgment of independent health inspectors as a measure of performance. While these health inspection scores are not necessarily related to output measures such as sales or profits, they are nevertheless an impartial measure of a restaurant staff's efforts in running their outlet. We analyze the comparative intensity of these efforts as well as their overall consistency as reflected by health inspection scores. Our results show that at the aggregate level, franchised stores out perform company owned outlets. However, there are inter-chain differences in the comparative performance of the two types of organizational formats.

The rest of the paper is organized into four sections. In the next section, we briefly review the incentive based explanation for franchising. The third section shows how health inspection scores avoid some of the inherent problems in comparing performance between various outlets. We describe the data source; the methodologies used for the analysis and present the results in the fourth section. We conclude the paper with a summary of the findings and its implications for the use of franchising in the future.

## 2. The Rationale behind the Franchise Decision

The use of franchising as an organizational form in different sectors has been justified from a resource scarcity perspective. An important resource is the financial capital that the franchisee invests in the outlet (Caves and Murphy 1986; Oxenfeldt and Thompson 1968-69; Ozanne and Hunt 1971). This investment by the franchisee is preferred to the option of having a few venture capitalists holding large blocks of shares and thereby acquiring some control

within the firm (Lafontaine and Kaufmann 1994). However, other researchers (Norton 1988, Rubin 1978), point to the need for human capital in managing outlets. This is particularly applicable in the fast food industry where outlets are expected to serve food meeting stringent quality specifications under acute time pressure. Within a vertically integrated system, the firm operates its own outlets through its store mangers, who are salaried employees. However, the cost of monitoring each outlet, particularly in remote locations, might be too high. Here, franchising is a suitable alternative as under the terms of the franchisee contract, the franchisee is allowed to keep a significant share of the outlets' revenues. This provides an incentive for the franchisee to put in his/her maximum effort in managing the store. In many cases, in master franchise systems, the franchisee also monitors his/her outlets on his own, through mystery shoppers, etc. This provides another level of supervision, in addition to the franchisor's own efforts, and is likely to improve worker performance.

The incentive based explanation for franchising is related to the principal agency theory and provides a justification for the use of franchising in particular locations. Previous researchers (Brickley and Dark 1987, Brickley, Dark and Weisbach 1991, Lafontaine and Slade 1998, Minkler 1990, Norton 1988) provide some support for this through empirical studies. However, the question of whether the incentives in the franchise contract actually lead to improved performance at the outlet level has, with a few exceptions (Shelton 1967; Krueger 1991), been relatively under researched in the academic literature.

Shelton (1967) uses data on twenty two restaurant outlets which changed their organizational structure from being company owned to being franchised, or vice versa. He evaluates possible differences in their sales and profits. His results show that while sales revenue increased when there was a change over to franchising, the increase in the profit margins was more significant. While the profit margins (profits / sales) for the company owned outlets averaged 1.8 percent, the similar statistic for franchised outlets was 9.5 percent.

Shelton's (1967) results are consistent with the belief that franchisees manage their inputs better, thus contributing to an improvement in X-efficiency[1].

A later study by Krueger (1991) on workers in the fast food industry shows that a higher percentage of employees in franchised stores compared to company owned outlets felt that they were being more closely supervised by their managers. The results of the survey support the belief that franchisees supervise their employees more closely. This finding is significant in light of the fact that Krueger (1991) found that wages were higher and the earnings tenure graph steeper for employees in company owned stores.

The relatively sparse list of research on comparative performance is perhaps linked to the difficulties of measuring the effectiveness of outlet operations. It should be noted that outlet performance can be based on two types of measures ----- one based on inputs and the other on outputs. Surveys of worker perceptions of their supervisor performance are an example of an input based measure. Here, apparently franchised stores have closer supervision by their managers (Krueger 1991). However, it is not clear whether the greater supervision leads to better collective performance at the respective outlet. This can be measured through outputs such as revenues or profits. Unfortunately, sales revenues (and consequently profits) can be affected by circumstances beyond the control of an outlet's manager. Thus, regional differences in economic circumstances might lead to variances in revenues and profits that do not reflect actual outlet performance. Shelton (1967) alleviates this problem by comparing revenues and profits at the same outlets when they changed their organizational format. While shifts in time periods could influence sales revenues, Shelton's (1967) results show that converting to franchised operations has a greater impact on profit margins than on sales. Thus, closer control on operations appears to be the key to the improved financial performance at franchised outlets.

## 3. Health Inspection Scores as Measures of Performance

[1] In economics, 'x-efficiency' is the effectiveness with which a fixed set of inputs are used to produce a given output (Leibenstein 1966).

The studies by Shelton (1967) and Krueger (1991) support the view that franchisees oversee downstream operations more closely. The question of whether this leads to both improved and more consistent outlet performance is addressed by this paper using health inspection scores as a surrogate for operational efficiency.

Fast food chains specialize in serving standardized menus to large volumes of customers, many of whom are pushed for time (Luxenberg 1985). One of the few outside bodies which monitor the quality of restaurant operations is the local health inspection board that ensures that each restaurant conforms to food safety standards. Jones et al (2004) report that more than 54 billion meals are served at 844,000 commercial eating establishments in the USA. Because of the large number of customers who consume food in the U.S.A., preventing the outbreak of food related diseases is an important task of the local health department. While each state has its own standardized form, most follow a Food and Drug Administration model that is based on a forty four item scale (Jones et al 2004). These forty four items cover various operational areas some of which are deemed as critical because of their greater contribution to food safety. Each county in the state has its own inspectors who report on its restaurants. Many of these counties also post these scores on their websites, thus allowing customers to view a restaurant's previous scores. While visits by an external monitoring agency could be an imposition on a restaurant's staff, some franchisees reportedly use them as a motivational tool for their staff, rewarding them for achieving high health inspection scores (Ruggless 1998).

Appendix 1 displays a replica of the form used by the St. Louis Health Inspection Department during the time period of this study. As indicated in the form, each restaurant receives a score of hundred less the total weight of the items that the inspectors marked for code violation. The health inspection items are classified into different areas such as food, personnel, water, etc. The weights of critical items are higher than others, being in the range of four to five. Any violation of the thirteen critical items must be corrected immediately. A perfect score of hundred indicates that there were no deductions for any violations. Most counties have a set of inspectors who carry out unannounced visits to each restaurant under

their jurisdiction. These visits are usually semi-annual, with restaurants having lower scores being inspected more frequently (Claridge 1997).

Improved health inspection scores do not necessarily mean that an outlet has higher revenues or profits. However, in all probability, higher scores indicate that an outlet's staff is exceptionally diligent on some important aspects of restaurant operations. Comparison of outlet scores could therefore prove a useful surrogate for outlet performance. Based on the incentive contracting explanation for franchising, our prediction is that franchised outlets should have higher scores on health inspection reports. We also expect that franchised outlets to be more consistent than company owned outlets in the scores received from the health inspectors.

## 4. Results

### 4.1 The Data

In order to make a valid comparison between outlets, we restrict ourselves to scores from a single county thereby limiting the scores to the same set of inspectors. This is important because Jones et al (2004) show that inspection scores vary by region and by persons performing the inspection. Thus, we choose scores from the health department in the St. Louis (U.S.A.) metropolitan area, collected between 1988 and 1991. This particular time period is appropriate for comparing health inspection scores between franchised and company owned stores as many chains used both organization structures in the region at that time. We select the outlets of the national fast food chains operating in the area during that time. Some new stores opened during this period and therefore had only one recorded health inspection report. On the other hand, there were as many as six health inspection scores for some existing outlets. Table 1 contains descriptive statistics on key variables. These include the number of franchised and company owned outlet within each chain as well as the total number of scores received. One of the outlets changed its organizational format during the time period of the study. Following Shelton (1967), we do not disclose the names of the various chains. In sum, we have 839 observations (scores), from 153 outlets belonging to 12 chains.

**(Insert Table 1 here)**

### 4.2 Methodology and Findings

Our analysis consists of three parts. First, we compare the means of health inspection scores obtained from all company owned and franchised outlets. This is done through a T test, the results of which are presented in Table 2A. As can be seen, the mean score of franchised outlets (93.829) is significantly higher than that of company owned stores (92.097). This support the view that franchised outlets surpass company owned stores in meeting operational standards, as judged by the local health inspection agency. Table 2A also contains a test for equality of variances. The standard deviation of the scores of franchised stores (4.924) is significantly lower than that of company owned outlets (5.635). This suggests the franchised outlets have scores within a narrower range and are therefore likely to be more consistent in meeting operational standards.

**4.2.1 Means Tests and Wilcoxon Rank Sum Tests**

One of the important conditions regarding the use of the T-Test in comparing group means is that the population of both groups should have a normal distribution (Mendenhall et al 1989). However, an analysis of company owned and franchised outlets indicates that both groups have negative skewness. In this case, one alternative is to use a non-parametric test that analyzes the distribution of the ranks from the two groups rather than the actual scores. We use the Wilcoxon rank sum test (equivalent to the Mann Whitney U Test) to ascertain whether the distribution of the scores is the same between company owned and franchised outlets. Table 2B contains test of the normal distribution of the scores of company owned and franchised outlets. It also shows the results of the Wilcoxon rank sum test. The results show that the scores of the franchised outlets are statistically higher than that of company owned stores ($Z = -4.7613$; $p < .0001$). These findings reinforce the view that franchised outlets outperform the company owned outlets on health inspection scores.

**4.2.2 Chain and Organizational Form Effects**

For the second part of our analysis, we attempt to evaluate whether chain sponsorship has an impact on the relative performance of company owned and franchised stores. Thus, we incorporate information about chain identity in addition to the type of organizational format into a predictive model. As there could be inter-chain variation in the relative performance of

the two organizational formats, we also account for inter-chain differences in efficiencies by including the interaction between chain identity and organizational format. Thus, the predictive model is denoted as:

Health Inspection Scores = f(Chain Identity, Type of Organizational Structure, Chain Identity x Type of Organizational Format)

We run a generalized linear model (ANOVA) and present the results in Table 3. We find that the complete model has a significant influence on health inspection scores. Moreover, each of the explanatory variables has a significant impact. Thus, even accounting for chain sponsorship, the type of organizational format plays a part in explaining health inspection scores. However, the significance of the interaction term suggests that there are inter-chain differences in the performance of both kinds of stores.

**4.2.3 Organization Form within Chains**

The impact of the interaction term in the generalized linear model prompts the third part of our analysis ----- a chain wise analysis of differences in health inspection scores for both types of outlets. Thus, we carry out a T-tests as well as the Wilcoxon rank sum tests for health inspection scores for each chain. The results are summarized in Table 4.

As can be seen from the table, for two chains, “E” and “G”, the scores of the franchised outlets are significantly higher than that of company owned stores. There were 80 and 112 health inspection scores respectively for these chains which had 15 and 19 outlets in the region. However, two chains, “A” and “K”, had the opposite effect. For these chains, which had 44 and 66 health inspection scores from 9 and 12 outlets respectively, the company owned stores outperformed the franchised outlets. Five chains: “B”, “D”, “F”, “H” and “I”, did not have a significant difference in the health inspection scores between their company owned and franchised outlets.

Our findings suggest that while on aggregate, franchised outlets perform better, on an individual chain level this is not a uniform result. These results are similar to that of Shelton (1967), who found that three restaurants (out of twenty two) showed an increase in profit margins when their management structure from being franchised to being company owned. The

reasons behind these inter-chain differences and its implications for the use of franchising as an organizational form are areas that should be probed further by future researchers.

## 5. Conclusions

An analysis of health inspection scores of fast food outlets within the St. Louis metropolitan area indicates that franchised outlets have significantly higher scores than company owned stores. We also find that scores of franchised stores are more consistent than that of company owned stores. However, at the chain level, company stores outperform franchised stores on the inspection scores for two chains. The comparative performance of the different types of stores at the chain level suggests that chains excel differentially in the operationalization of the two types of organizational formats. Over time, chains could either change over to the type of organizational format they excel in and/or learn how to improve their use of a particular system. However, it should be noted that while on aggregate, franchised stores fare better than company owned outlets, both types of outlets have average scores that are in their nineties on a hundred point scale. Thus, on average, both types of stores do relatively well on the health inspection scale and might not be compelled to change their overall mix of outlets.

It should be noted scores on the forty four item health inspection scales reflect performance on various aspects of restaurant operations that are related to food safety and health issues. Here, some variations in the scores might exist because of inconsistencies in health inspector judgments. However, while these are a subset of all restaurant operations, we assume that overall performance on the forty four item health inspection scale is likely to be closely related to other restaurant operations that are not associated with food safety. On the other hand, this performance encompasses control of important inputs and is not necessarily correlated with other important details of running a restaurant, such as choice of the appropriate menu items, the restaurant ambience, etc. This is in line with Shelton's (1967) view that his comparison between restaurants supports the importance of X-efficiency. Shelton's (1967) paper provides another explanation for the use of dual distribution by many chains. X-

efficiency is related to the effectiveness with which a given set of inputs are used to produce outputs. It is not related to whether the given set of inputs is the optimal selection or whether the outputs are the finest that can be produced. These questions are related to allocative efficiency. Thus, while franchised outlets may excel in X-efficiency, it is also imperative that a chain excel on allocative efficiency. This can be improved through decisions taken at the corporate level, that take into account the experiences at the company owned stores. These might include the choice of appropriate menu items, price points for various products, etc. The need for allocative efficiency could therefore be one of the reasons why a dual distribution system is used by many chains (Bradach 1997).

Overall, our paper highlights the overall superior performance of franchised scores relative to company owned cones on the basis of health inspection stores within a particular region. These results are in line with the findings of Shelton (1967) and Krueger (1981) on relative outlet performance. However, our results also show that for some chains, company owned stores outperform franchised on health inspection scores. The underlying reasons behind inter-chain differences in performance, including franchisor experience, salary compensation packages, contractual arrangements, etc. should be interesting research topics for future researchers.

## TABLE 1

## Descriptive Statistics of Key Variables

### Variable: Health Inspection Scores

| Mean | Std. Deviation | Minimum | Maximum | N |
|---|---|---|---|---|
| 93.145 | 5.281 | 57.000 | 100.000 | 839 |

### Distribution of Health Inspection Scores by Chain

| Chain | Number of Company Owned Outlets | Number of Franchised Outlets | Total Available Scores | Frequency (%) |
|---|---|---|---|---|
| Chain “A” | 3 | 6 | 44 | 5.24 |
| Chain “B” | 1 | 13 | 80 | 9.54 |
| Chain “C” | 0 | 11 | 58 | 6.91 |
| Chain “D” | 4 | 12 | 82 | 9.77 |
| Chain “E” | 9 | 6 | 80 | 9.54 |
| Chain “F” | 5 | 11 | 92 | 10.97 |
| Chain “G” | 10 | 9 | 112 | 13.35 |
| Chain “H” | 12 | 6 | 91 | 10.85 |
| Chain “I” | 10 | 1 | 59 | 7.03 |
| Chain “J” | 0 | 10 | 52 | 6.20 |
| Chain “K” | 2 | 10 | 66 | 7.87 |
| Chain “L” | 3 | 0 | 23 | 2.74 |
| Total | | | 839 | 100.00 |

## TABLE 2A

## T Test Results of Comparison of Health Inspection Scores

Variable: Health Inspection Scores

| Type of Outlet | N | Mean | Std. Deviation |
|---|---|---|---|
| Company Owned | 331 | 92.097 | 5.635 |
| Franchised | 508 | 93.829 | 4.924 |

T Test (Unequal Variances assumed; Satterthwaite Method):-

T Statistic: - 4.57 (DF: 637) (Pr. > | t | = < 0.0001)

Test for Equality of Variances:-

F value: 1.31 (DF: 330, 507) (Pr. > F = 0.0064)

## TABLE 2B

## Distribution of Health Inspection Scores

a) Scores from Company Owned Stores

N = 331; Mean = 92.097; Std. Deviation = 5.635; Skewness = − 1.501

Shapiro-Wilk (W) Statistic (Test for Normality) = 0.8972 (Pr < W = < 0.0001)

b) Scores from Franchised Stores

N = 508; Mean = 93.829; Std. Deviation = 4.923; Skewness = − 1.940

Shapiro-Wilk (W) Statistic (Test for Normality) = 0.8662 (Pr < W = < 0.0001)

c) Wilcoxon Rank Sum Test

| Type of Outlet | N | Sum of Scores | Expected Under Ho |
|---|---|---|---|
| Company Owned Stores | 331 | 122728.0 | 139020.0 |
| Franchised Stores | 508 | 229652.0 | 213360.0 |

Z Score for Wilcoxon two sample test = − 4.7613 (Pr > |Z| = < 0.0001)

## TABLE 3

## Generalized Linear Model Results

Dependent Variable: Health Inspection Scores

| Source | DF | Sum of Squares | Mean Square | F Value | Pr > F |
|---|---|---|---|---|---|
| Model | 20 | 2476.552 | 123.828 | 4.85 | < .0001 |
| Error | 818 | 20891.708 | 25.540 | | |
| Corrected Total | 838 | 23368.260 | | | |

| Source | DF | Type I Sum Of Squares | Mean Square | F Value | Pr > F |
|---|---|---|---|---|---|
| Chain Identity | 11 | 1382.675 | 125.698 | 4.92 | < .0001 |
| Type of Org. Structure | 1 | 128.312 | 128.312 | 5.02 | 0.025 |
| Interaction: Chain ID x Type of Org. Structure | 8 | 965.565 | 120.696 | 4.73 | < .0001 |

## TABLE 4

## Comparison of Health Inspection Scores of Individual Chains

| Chain | Mean Score Company Outlets (n) | Mean Score Franchised Owned Stores (n) | T Stat. | Prob. > \|t\| | Wilcoxon Test Z Score/ (Pr. > \|Z\|) |
|---|---|---|---|---|---|
| Chain "A" | 95.667 (15) | 92.138 (29) | 2.82 | 0.0078 | 1.64 (0.1005) |
| Chain "B" | 96.200 (5) | 94.000 (75) | 1.11 | 0.2721 | 1.15 (0.2513) |
| Chain "D" | 93.550 (20) | 95.274 (62) | - 1.54 | 0.1366 | - 1.34 (0.1818) |
| Chain "E" | 90.500 (54) | 92.885 (26) | - 2.30 | 0.0243 | 2.72 (0.0066) |
| Chain "F" | 94.391 (23) | 93.638 (69) | 0.66 | 0.5113 | 0.72 (0.4720) |
| Chain "G" | 90.292 (65) | 95.404 (47) | - 4.65 | 0.0001 | 4.53 (0.0001) |
| Chain "H" | 91.403 (62) | 91.448 (29) | - 0.02 | 0.9804 | 1.17 (0.2420) |
| Chain "I" | 93.685 (54) | 94.200 (5) | - 0.58 | 0.5703 | - 0.21 (0.8375) |
| Chain "K" | 95.900 (10) | 92.839 (56) | 2.70 | 0.0089 | 2.62 (0.0087) |

Note: a) n denotes number of scores received from each type of outlet within the chain.

b) Chains "C", "J" and "L" are not included as they use only one type of organizational format.

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## APPENDIX 1

### Inspection Report Food Service Establishment
### St. Louis Health Division-Food Control Service

**Based on an inspection this day, the items marked below identify the violation in operation or facilities which must be corrected by the next routine inspection or such shorter period of time as may be specified in writing by the health authority. Failure to comply with this notice may result in immediate suspension of your permit (or downgrading of the establishment). An opportunity for an appeal will be provided if a written request for a hearing is filed with the health authority within the period of time established in this notice for the correction of violations.**

**X- Initial Violation** **O- Consecutive Violation** **☑ - Abatement**

| No. | Description | Wt. |
|---|---|---|
| | | |
| | **FOOD** | |
| **01*** | Source: sound condition No Spoilage | 5 |
| **02** | Original container, properly labeled | 1 |
| | | |
| | **FOOD PROTECTION** | |
| | | |
| **03*** | Potentially hazardous food meets temperature requirements during storage preparation display service transportation | 5 |
| | | |
| **04*** | Facilities to maintain product temperature | 4 |
| | | |
| **05** | Thermometers provided & conspicuous | 1 |
| | | |
| **06** | Potentially hazardous food properly thawed | 2 |
| | | |
| **07*** | Unwrapped and potentially hazardous food not reserved | 4 |
| | | |
| **08** | Food protection during storage preparation dietary service transportation | 2 |
| | | |
| **09** | Handling of food (ice) minimized | 2 |
| | | |
| **10** | In use food (ice) dispensing utensils properly stored | 1 |
| | | |
| | **PERSONNEL** | |
| **11*** | Personnel with infections restricted | 5 |
| | | |
| **12*** | Hands washed and clean good hygienic practices | 5 |
| | | |
| **No.** | **Description** | **Wt.** |
| **13** | Clean clothes, hair restraints | 1 |
| | | |
| | **FOOD EQUIPMENT AND UTENSILS** | |
| **14** | Food (Ice) contact surfaces designed constructed maintained installed located | 2 |
| | | |
| **15** | Non food contact surfaces designed constructed maintained installed located | 1 |
| | | |
| **16** | Dishwashing facilities designed constructed maintained installed located operated | 2 |
| | | |
| **17** | Accurate thermometers kits provided chemical test gauge cock (1 ¼" IPS Valve) | 1 |
| | | |
| **18** | Pre-flushed, scraped, soaked | 1 |
| | | |
| **19** | Wash/ rinse water clean proper temperature | 2 |
| | | |
| **20*** | Sanitization rinse: clean, temperature concentration exposure time equipment/utensils sanitized | 4 |
| | | |
| **21** | Wiping cloths clean use restricted | 1 |
| | | |
| **22** | Food-contact surfaces of | 2 |

| | | |
|---|---|---|
| | equipment and utensils clean, free of abrasives detergents | |
| | | |
| **23** | Non food contact surfaces of equipment and utensils clean | 1 |
| | | |
| **24** | Storage handling of clean equipment utensils | 1 |
| **25** | Single-service articles, storage, dispensing | 1 |
| | | |
| **26** | No re-use of single service articles | 2 |
| | | |
| | **WATER** | |
| | | |
| **27*** | Water source safe hot and cold under pressure | 5 |
| | | |
| | **SEWAGE** | |
| | | |
| **28*** | Sewage and waste water disposal | 4 |
| | | |
| | **PLUMBING** | |
| | | |
| **29** | Installed maintained | 1 |
| **30*** | Cross-connection, back siphonage backflow | 5 |
| | | |
| | **TOILET & HANDWASHING FACILITIES** | |
| | | |
| **31*** | Number, convenient, accessible, designed, installed | 4 |
| | | |
| **32** | Toilet rooms: enclosed, self-closing doors. Fixtures: good repair, clean. hand cleanser and sanitary towels/ hand drying devices provided proper waste receptacles | 2 |
| | | |
| | **GARBAGE & REFUSE DISPOSAL** | |
| | | |
| **33** | Containers or receptacles: covered, adequate number, insect/ rodent proof frequency clean | 2 |
| | | |
| **34** | Outside storage area (Enclosures) properly constructed clean controlled incineration | 1 |

| | | |
|---|---|---|
| | | |
| | **INSECT, RODENT, ANIMAL CONTROL** | |
| | | |
| **35*** | Presence of insects, rodents, outer openings protected, no birds, turtles other animals | 4 |
| | **FLOORS, WALLS & CEILINGS** | |
| **36** | Floor: constructed, drained, clean, good repair, covering installation, dustless cleaning methods | 1 |
| | | |
| **37** | Walls, ceilings: attached equipment, constructed, good repair, clean surfaces, dustless cleaning methods | 1 |
| | | |
| | **LIGHTING** | |
| **38** | Lighting provided as required fixtures shielded. | 1 |
| | | |
| | **VENTILATION** | |
| **39** | Rooms and equipment-vented as required | 1 |
| | | |
| | **DRESSING ROOMS** | |
| **40** | Rooms clean lockers provided facilities clean | 1 |
| | | |
| | **OTHER OPERATIONS** | |
| **41*** | Toxic items properly stored labeled used | 5 |
| | | |
| **42** | Premises maintained free of litter, unnecessary articles cleaning maintenance equipment properly stored authorized personnel | 1 |
| | | |
| **43** | Complete separation from living/sleeping quarters laundry | 1 |
| | | |
| **44** | Clean/Soiled linen properly stored | 1 |
| | | |
| ***Critical items required immediate correction.** | | |
| | | |
| **RATING SCORE: _____** | | |
| ***100 Less Weight of Items Violated** | | |