



# DEFENSE LOGISTICS AGENCY

AMERICA'S COMBAT LOGISTICS SUPPORT AGENCY



## DLA TROOP SUPPORT, PHILADELPHIA, PA PRODUCE QUALITY AUDIT WORKSHOP MAY 30, 2012

Presenters: Ana Sanders, PhD  
Chief, Quality Audits & Food Defense and  
USDA-AMS - Sara Cano and Philip Brickner



# ADMINISTRATIVE ANNOUNCEMENT

## Security, Facilities, Workshop Agenda

### ➤ Security

- ✓ Visitors must be escorted by a DLA Troop Support Employee at all times
- ✓ Sign-in

### ➤ Facilities

- ✓ Restrooms
- ✓ Drinks/Snack Machines

### ➤ Workshop Agenda

- ✓ 0900 – 1030 - Presentation – Dr. Sanders, DLA Troop Support
- ✓ Break – 1030 - 1045
- ✓ 1045 – 1200 GAP/GHP/HACCP Audit – Sara Cano, USDA-AMS, AOIC, Weslaco, TX
- ✓ 1200 – 1300 Lunch (Base cafeterias, Subway)
- ✓ 1300 – 1500 - Product Review – Philip Brickner, USDA-AMS, OIC, Chicago, IL
- ✓ 1500 – Happy and safe travels



# Acronyms/Abbreviations

- CFR - Code of Federal Regulation
- DFAR – Defense Acquisition Regulation
- DNAD – Domestic Non-Availability Determination
- FAR – Federal Acquisition Regulation
- FDP – Food Defense Plan
- FSMA – Food Safety Modernization Act
- GAP – Good Agricultural Practices
- GHP - Good Handling Practices
- GMPs – Good Manufacturing Practices
- HACCP – Hazard Analysis Critical Control Point
- IAW – In accordance with
- ID – Item Description
- IPMP - Integrated Pest Management Plan –
- KO – Contracting Officer
- QSMV – Quality Systems Management Visit



## WORKSHOP OBJECTIVES

- **This workshop is Aimed in Providing You With ...**
  - ✓ **Overview of contractual requirements as applicable to Produce Quality Audits**
  - ✓ **Food Safety Modernization Act of 2011**
  - ✓ **Purpose of Produce Quality Audits**
  - ✓ **Audit Frequency, Format, Team Composition**
  - ✓ **Sampling Plan for Product Reviews**
  - ✓ **Produce Audit Ratings/Minimum Acceptability**
  - ✓ **Notification, preparation/pre-planning, documentation...**
  - ✓ **How to Prepare for a DLA Troop Support Produce Quality Audit**
  - ✓ **Performance of the Audit**



## **WORKSHOP OBJECTIVES continued**

- **This workshop is Aimed in Providing You With ...**
  - ✓ **How is your industry doing? Number of Audits performed, most common failures, weaknesses noted, overall acceptability rating...**
  - ✓ **Consequences of Failure – Our customers, Troop Support, You**
  - ✓ **Overview of the Joint Government Good Agricultural Practices/ Good Handling Practices/Hazard Analysis Critical Control Point Verification Audit**
  - ✓ **Produce Quality Audit Review**
  - ✓ **Questions, questions, questions...**



## **QUALITY AUDIT & FOOD DEFENSE BRANCH MAIN FUNCTIONS/RESPONSIBILITIES**

- **Operational Rations Quality Systems Audit Program**
- **Prime Vendor Product Quality Audit Program**
- **Produce Quality Audit Program**
- **Quality Systems Management Visit (QSMV) Program**
- **Subject Matter Experts: Provide training/advice to internal and external personnel (DLA, contractors, customers, US Department of Agriculture, US Department of Commerce, Defense Contract Management Agency, Military personnel, etc.) on the following areas of expertise - food defense, food safety, quality/food defense audits, traceability, entomology, other quality assurance areas.**

**DLA TROOP SUPPORT SUBSISTENCE WEBSITE**

**<http://www.troopsupport.dla.mil/subs/support/quality/index.asp>**



# CONTRACTUAL REQUIREMENTS

## As applicable to Produce Audits

1 of 2

- **Product Requirements** – USDA No. 1 or Better, as applicable
- **Item Description** – The accuracy of the contractor's Item Catalog is the responsibility of the contractor. DLA Troop Support review catalog updates to check for Price and other changes.
- **Market Forecast** – Vendor required to provide weekly Produce Market Forecast Bulletin for the following week regarding supply availability, product quality, associated growing areas, price trends, weather conditions, and handling tips.
- **Product Substitutions** – Customer informed within 24-hours of NIS. Contractors shall offer customer a substitute or equal or higher quality and at an equal or lower cost. Substitutions must be approved by the customer.
- **Packaging, Packing, Labeling and Markings (PPLM)** – PP IAW good commercial practice and labeling IAW commercial labeling complying with the FDA Cosmetic Act and regulations promulgated thereunder.



# CONTRACTUAL REQUIREMENTS

## As applicable to Produce Audits

2 of 2

- **Contractor Quality Program Requirements** – Elements of the Quality Program may be verified during the planning stage and/or during the On-site Produce Quality Audit.
- **Warehousing and Sanitation Program/Stored Product Integrated Pest Management (IPM) Program**– Contractors required to develop, maintain, and comply with programs meeting industry standards and Code of Federal Regulations (CFRs) such Title 21, Part 110, Good Manufacturing Practices in Manufacturing, Packing, and Holding Human Food. The “GMPs ” as well as other Federal laws (OSHA, EPA, FDA) as applicable to the facility/product.
- **Sanitarily Approved Source Requirement** – Applicable food products, including fresh-cut products, packaged veggies and salads, mushrooms, and sprouts shall originate from either an establishment listed in the “Directory of Sanitarily Approved Food Establishments for Armed Forces Procurements” OR one which has been inspected under the Guidance of the USDA (currently that guidance is USDA-AMS Good Agricultural Practices/Good Handling Practices/Hazardous Critical Control Point Survey/Checklist).
- **Food Defense/Force Protection (DLA Food Defense Checklist)** – Required to implement a program to ensure measures are taken to prevent intentional tampering/ adulteration/contamination of products intended for DLA customers. NOTE: The DLA Food Defense checklist can be found at [http://www.troopsupport.dla.mil/subs/fs\\_check.pdf](http://www.troopsupport.dla.mil/subs/fs_check.pdf) (copy address to you're your browser or go to DLA Troop Support Website)



# FOOD SAFETY AND MODERNIZATION ACT (FSMA) 2011

## As applicable to Produce Audits

- **Purpose:** Enables FDA to better protect public health by strengthening the food safety system. Focus more on preventing food safety problems rather than reacting to problems after they occur.
- **Why the new Act?** About 48 million people (1 in 6 Americans) get sick, 128,000 hospitalized, and 3,000 die each year from foodborne diseases IAW recent data from the Center for Disease Control and Prevention. Most of these are preventable.
- **Why the emphasis on Fresh Fruits and Vegetables?** Produce was left out or not specifically addressed in recent Gov Food Safety Regulations. Increased in Produce recalls and problems recalling
- **Food Safety/Food Defense** – The FSMA contains a mix of food safety and food defense preventive measures/requirements, FF&V specifically addressed, and strengthens FDA authority to enforce FSMA's requirements



# CONTRACTUAL REQUIREMENTS

## Food Safety and Modernization Act (FSMA) of 2011

### ➤ Key Elements of the FSMA

- ✓ Prevention
- ✓ Inspection and Compliance
- ✓ Response/Mandatory Recalls
- ✓ Imports/Non-domestic
- ✓ Enhanced Partnerships

### ➤ Joint Government (DLA/USDA) GAP/GHP/HACCP Food Defense Produce Audits

- ✓ If you receive an acceptable rating during the DLA Troop Support Produce Quality Audit, rest assure, with some improvements for the certification of foreign facilities and products, that you will have no problems in meeting the FSMA requirements. NOTE: USDA-AMS GAP/GHP checklist can be found at <http://www.ams.usda.gov/gapghp>
- ✓ **Follow-up Audits** - After you receive an acceptable rating in the documentation of preventive controls plan/procedures of the GAP/GHP/HACCP/FD, these audits will require review of only those changes your company made to the plan/procedures in place during the initial audit and verify the implementation, compliance, and continued effectiveness of the plan/procedures.



# PRODUCE QUALITY AUDITS

## Purpose

- **To verify product contractual compliance** - Grade, Item Description, other
- **Quality System/Program** - To verify the capability and effectiveness of the system implemented in consistently providing DLA customers with safe quality product meeting contractual requirements
- **Service to Our Customers** – Product meeting customer needs and expectations
- **Informational Transfer** – Customers, Contractors, Suppliers, other
- **Other** – To verify Food Defense, approved sources, selection of suppliers, cataloging, item acquisition, warehousing, receiving, storage and distribution systems.
- **Continuous Improvement** - Contractor and Government



# PRODUCE QUALITY AUDIT PROGRAM

## Audit Frequency, Format, Team Composition

- **Audit Requirement and Frequency** – Audit requirement and the frequency is not new. Produce contracts require audits on an annual basis. What is new? That DLA management decided to invoke the contract option to perform these audits in FY 2011 and that more detailed information in new solicitations/contracts of what contractors can expect and what DLA expects from contractors during a DLA Produce Audit.
- **First QSMV/On-Site Visit** - First QSMV performed in March 2010 as a fact-finding visit to develop program. Procedures/SOP/Protocols developed 3<sup>RD</sup> Quarter FY 2010. Program Implemented FY 2011.
- **Audit Format, Sampling Plan, and Minimum Acceptability** – Mimics Prime Vendor Product Audits and its also a “Show-and-Tell” format.
- **Joint Gov Team Composition:** One DLA Troop Support Lead Auditor and 2 External Auditors from USDA-AMS. One USDA-AMS’s leads the GAP/GHP/HACCP Audit and the other USDA-AMS Auditor performs the product review/grading. The DLA Lead Auditor makes the decision as to the acceptability of the product (based on USDA review results) and the system/programs implemented meeting other requirement of the contract/Federal Law using the USDA-AMS GAP/GHP/HACCP Checklist (based on USDA review and his/her own review/observations).



# PRODUCE QUALITY AUDIT PROGRAM

## Sampling Plan for Product Review

- Statistical Sampling Plan
  - ✓ IAW ANSI/ASQC Z1.4 Sampling Procedures and Tables For Inspection by Attributes – Special Inspection Level S-3, AQL based on 85% acceptability per commodity
  - ✓ Lot size based on range of 51-150 Items on a produce Catalog
  - ✓ Sample size for commodity ratings >85% in initial audit – 8
  - ✓ Sample size for commodity ratings <85% in last audit – 13
- Sample Unit - 2 cases per sample
- Random sampling - All samples selected proportionally from Produce catalogs and different type of commodity items
- Audit Sample List - Provided by lead auditor during In-Briefing



## Produce Quality Audit Ratings (Color Code Rating Symbology)



- Acceptable (green)
  - Acceptable, no departures from contract or product description, US 1 requirements



- Minor nonconformance (yellow)
  - Not fully acceptable, progressive condition defect



- Major nonconformance (blue)



- Critical nonconformance (red)



# Produce Quality Audit

## Minimum Acceptability Rating by Commodity

**85%**

**(no. of acceptable items) ÷ (total items) x 100 = rating**



# Produce Quality Audit Notification

## ➤ Audit notification

- ✓ Not more than 60 calendar days prior to date of audit for all DLA Troop Support external elements (contractors, customers, inspection agencies, etc.)

## ➤ Unannounced QSMVs

- ✓ Ratings below 85%
- ✓ ILO Initial/follow-up Audit
- ✓ Customer complaints
- ✓ Other or as deemed necessary by the Gov



# GOVERNMENT/CONTRACTOR AUDIT PLANNING

## ➤ Information/Documentation

- ✓ Request feedback from Contracting Officer/Customer Ops, other...
- ✓ Contractor's POC for the audit
- ✓ Verify Place of Performance
- ✓ Location of the Audit
- ✓ Approved Sources - Identify if contractor's facility has a fresh-cut operation or list of suppliers supplying fresh-cut products intended for DLA customers
- ✓ Plant restrictions, dress code, etc.
- ✓ Invite customers, suppliers, others....
- ✓ Request/Provide other information as deemed necessary



# HOW CAN A CONTRACTOR PREPARE FOR A DLA PRODUCE QUALITY AUDIT?

## ➤ **Product**

- ✓ Do What You Do On a Daily Basis to Meet US 1 Grade Requirements and to Keep DLA Customers Satisfied with the Quality of Products and Customer Support
- ✓ Trust but Verify - (1) Buy product only from reliable suppliers (2) Perform random receipt inspections to insure these meet contractual requirements (3) Monitor progressive condition defects/color of Bananas during storage

## ➤ **Quality/System Program** – (1) See 4 “Ds” of an Effective System/Program (2) Review /compare implemented program/procedures against USDA-AMS GAP/GHP/HACCP and DLA Food Defense Checklists (3) Develop/improve as necessary

## ➤ DO NOT deviate from the contractual requirements. Be ready to “show” objective evidence if a waiver, change, or special permission was granted by the Contracting Officer. Ignorance is not an excuse.



# Four “Ds” of an Effective Company’s Quality System/Program

- **The four “Ds” are the four essential basic steps to an effective system/program. It will assist you in passing the GAP/GHP/HACCP Audit and meeting the contractual Quality Program requirements:**
  - ✓ **DO – “Say what YOU do” (in your written policies/procedures)**
  - ✓ **DO – “Do what YOU say YOU do” (implement/comply)**
  - ✓ **DO – “Do Verify Yourself” (verify compliance/effectiveness of system/program)**
  - ✓ **DO – “Demonstrate” (“Show&Tell” during Internal or Gov Audits)**



# Produce Quality Audit – Performance Sequence

Government Meeting, In-Briefing

Selection of Audit Samples

GAP/GHP/HACCP Audit: Document Review/Personnel Interview

GAP/GHP/HACCP Audit Performance: Show-and-Tell by contractor personnel - Food defense /Safety/IPM/Sanitation/Storage/Personnel/Equipment /Conveyances/Internal/external facilities/Lighting/ Climatic controls/Environmental conditions (ceiling, floors, condensers, pipes, walls, drains, Defense seals, etc.

Product review/Grading: Show-and-Tell by USDA/Lead Auditor

Government Meeting, Out-Briefing





# Verification of Compliance/Conflicting Requirements

- **DLA Troop Support Quality Auditors must always perform audits by this contractual statement:** To the extent of any inconsistency between the contract or its general provisions and a contractor's implemented quality program and/or other ancillary documents, the contract and the general provisions shall control. Only the Contracting Officer can authorize otherwise.
- The Lead Auditor's responsibility at the contractor's plant is to verify compliance with, **not to interpret**, the requirements of the contract. Immediate action must be taken by the by the Lead Auditor to request clarification from developer of the contractual requirement. Only USDA-AMS is authorized to interpret the intent of a requirement cited in a US Grading Standards or the GAP/GHP/HACCP Checklist.
- Disagreement over interpretation of a requirement between the contractor and the DLA Quality Audit Team **does not authorize** a contractor to deviate from the requirement. Immediate action must be taken by the contractor to request clarification from the Contracting Officer .
- All requests for clarification MUST be submitted through the Contracting Officer to DLA Quality Audit Branch (FTSB) for coordination with applicable offices.



# Produce Quality Audit – Performance Government-Only Meeting, Briefings, Audit

## ➤ 1<sup>st</sup> Day of the Audit

- ✓ Government–Only Meeting - Lead Auditor brief protocols and assign roles
- ✓ In- Briefing – Lead Auditor goes over contractual requirements, entire audit process, what the contractor can expect during the audit, and what DLA expects from the audit, etc.
- ✓ GAP/GHP/HACCP Audit
- ✓ Selection of Sample

## ➤ 2<sup>nd</sup> Day of the Audit

- ✓ Product Review/Grading
- ✓ Other verifications as deemed necessary
- ✓ Out-Briefing - Lead Auditor goes over audit results, contractor's Corrective and Preventive Action Plan (CPAP), suspense dates for Gov reports and contractor's CPAP, follow-up audit, etc.





# AUDIT DOCUMENTATION/REPORTS

- **CONTRACTOR'S CORRECTIVE AND PREVENTIVE ACTION PLAN (CPAP)** - Form used by contractors to respond to Audit Results and/or Corrective Action Request (CARs) issued by Lead Auditor as a result of audit failures/observations. Form not mandatory, but must address the following 6 elements:
  - ✓ Root cause of the deficiency
  - ✓ Action taken to correct the deficiency
  - ✓ Action taken to prevent recurrence of deficiency (root cause)
  - ✓ Identify if product was affected by the deficiency
  - ✓ Date the corrective action plan was implemented
  - ✓ Date the effectiveness of the CPAP was verified
- **GOVERNMENT REPORTS –**
  - ✓ USDA/DLA Produce Quality Review Report
  - ✓ USDA-AMS GAP/GHP/HACCP Audit Report
  - ✓ Contracting Officer's Letter of Findings summarizing audit results and requesting a contractor's CPAP
  - ✓ GAP/GHP/HACCP Certificates



# DLA Troop Support Produce Quality Audit Certification

The Establishment named below received an Acceptable rating during a DLA Troop Support Produce Quality Audit performed in April 2012, by DLA Troop Support, with USDA-AMS Technical Experts:

## ***POPEYE'S FRUIT AND PRODUCE***

**100 Main Street, Any City, USA**

This certification verifies that, at the time of the audit, the establishment named above complied with DLA requirements for:

- General condition of Wholesale Distribution Center/Terminal Warehouse, and Preventive Food Defense Procedures (in accordance with USDA Good Agricultural /Handling Practices/Hazard Analysis Critical Control Point Guidelines);
- DLA Troop Support Food Defense Measures; and
- Other Government-Specific Quality/Safety measures required by DLA Troop Support applicable to produce distribution facilities.

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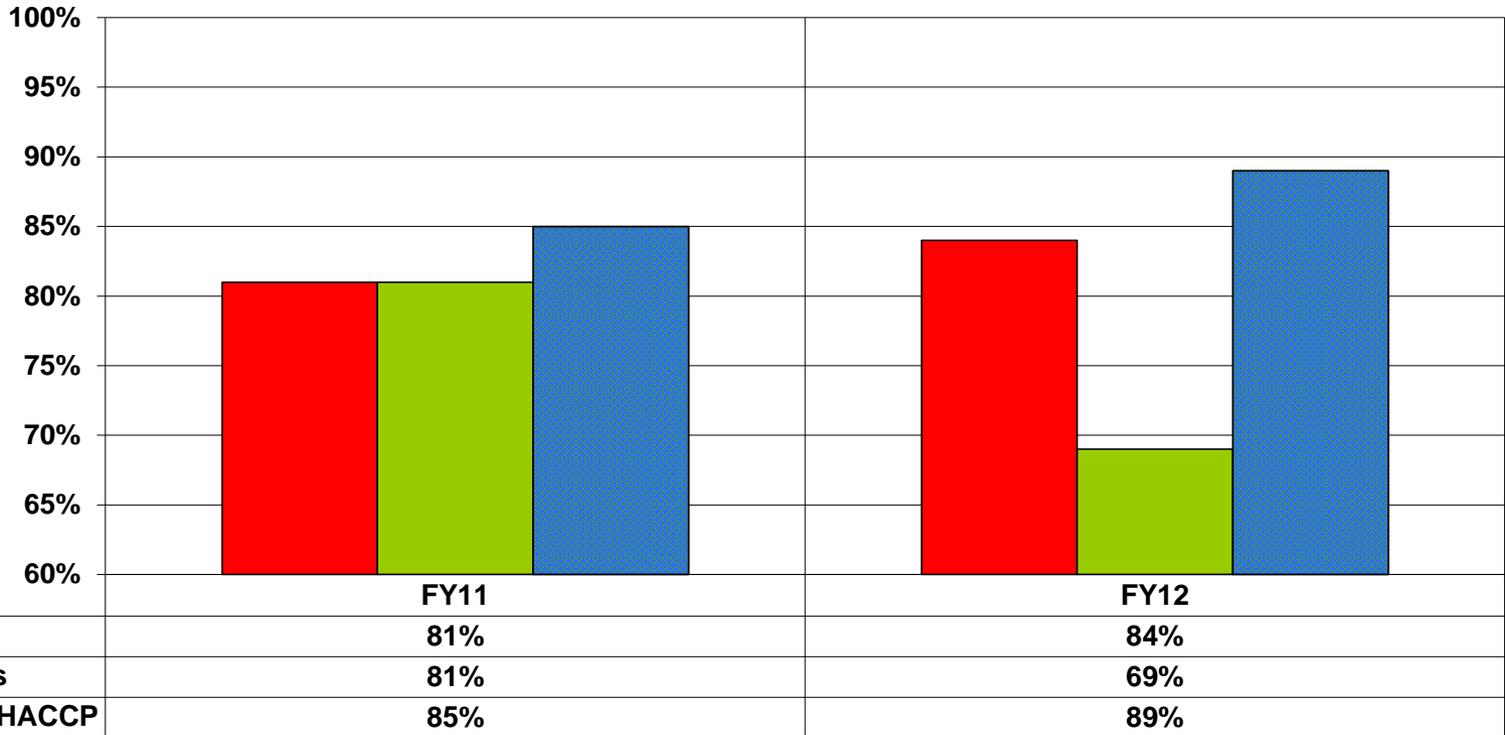
*Ana E. Sanders, PhD  
Chief, Quality Audits and Food Defense Branch  
Supplier Support Division  
Subsistence Supplier Operations Directorate  
DLA Troop Support*

*May 30, 2012*



# How is Your Industry Doing? Acceptability Ratings

FRUIT/ VEGETABLE/GHP/GAP/HACCP



Minimum Acceptability Rating >85% per Commodity

GAP/GHP/HACCP Minimum Acceptability Rating 80%

\* Produce Quality Audit Program Established FY 11

FY 2012 - as of 16 May 2012 - 11 audits in FY 2011, FY 2012 currently 13 Audits



# FY11/12 Most Common Findings

## Product Defects

### Condition

- Decay
- Bruising
- Shattered berries

### Quality

- Scars
- Discoloration
- Size / Misshapen

## Most Common F&V

- Apples
- Lettuce
- Strawberries
- Tomatoes
- Oranges
- Grapes

## GAP/GHP/HACCP

- Documentation
- Visitor Control
- Defense seals

## Other

- Un-Approved Sources



# GAP/GHP/HACCP/Approved Sources Findings/Suggestions for Improvement

## ➤ GAP/GHP/HACCP and DLA FD Checklist

- ✓ Review Program/Procedures: Review current policies/procedures against Checklists, develop policies/procedures as deemed necessary
  - ✓ Implement, comply and verify yourself - See 4 “Ds” of an Effective Program/System
  - ✓ Ask for clarification
- 
- Supplier Certifications – Verify if supplier is an Approved Source and buy only from Approved Sources. For FSMA compliance, request copy of third-party certification for Non-domestic suppliers.
    - ✓ Check USDA Website <http://www.ams.usda.gov/FVDoD>
    - ✓ Check US Army Public Health Command (VETCOM) website- <http://phc.amedd.army.mil/topics/foodwater/ca/Pages/DoDApprovedFoodSources.aspx>



# Product Common Findings Suggestions for Improvement

## ➤ **Trust but Verify -**

- ✓ Perform random receipt inspections to insure these meet contractual requirements (especially “problem” items)
- ✓ Monitor progressive condition defects/color of Bananas during storage
- ✓ Inspect product prior to shipping
- ✓ Closely monitor “Problem” items at every stage

## ➤ **Suggestions**

- ✓ Know your suppliers
- ✓ Buy product only from reliable suppliers
- ✓ Know who and where your supplier is buying from... ask for documentation, certification, etc. DLA Troop Support Auditors will ask!!!
- ✓ Know and check what you’re buying...shelf life requirement (fresh-cut/processed products) so that you can issue oldest stock first and for better shelf life cycle (inventory mgmt); check labeling/markings.....
- ✓ Meeting the contractual requirements is the contractor’s responsibility!!!!
- ✓ Communicate with your suppliers, customers, DLA Contracting, other



# Consequences of Failure

- Customers – Unhappy customers due to unavailable product, wrong product, quality of product, safety concerns, etc.....
- Troop Support - Contracting Officers will use audit results to make business decisions, unhappy customers
- Your Company – Termination of contract, no future contracts, other



# Improvements for Better Quality DLA Troop Support

- Management involvement
- Increase compliance reviews... during audits, QSMVs
- Catalog reviews... updates and changes, ensure item matches description from NSN/catalog, and what is available in the marketplace - Auditors will consult with KO/Field Customer Rep/USDA-AMS
- Involvement... discuss common problems with all interested parties during Customer Conferences/meetings (Contractors, customers, inspection agencies, brokers, suppliers, etc.)
- Continuous improvement... Produce Quality Audit Program standardization, customer visits along with Produce QSMVs, contractor's feedback , etc.



**THAT'S ALL FOLKS!!**



# Questions

