USDA

United States
Department of
Agriculture

Farm and Foreign
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Farm Service
Agency

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NOTICE TO THE TRADE
FOR NATURAL AMERICAN CHEESE SUPPLIERS

Subject: TOTAL QUALITY SYSTEMS AUDIT

Effective April 1, 2002, the Farm Service Agency (FSA) will add Total Quality Systems Audit (TQSA) as an approved method for supplier verification under United States Department of Agriculture (USDA) contracts for the purchase of natural American cheese (Announcement BCD2). At the suppliers' discretion, TQSA or inspections performed by the Agricultural Marketing Service may be used. Under TQSA, auditors will review and assess a firm's documented quality management system which addresses all aspects of production. Auditors will review documents and records and conduct on-site audits based on a TQSA report to confirm that the supplier is following its quality management system plan. Product reviews may also be performed at the point of delivery.

Individual commodity purchase announcements and the TQSA Supplier Guidelines will provide further details; however, suppliers are advised of the following:

- Only suppliers who are able to demonstrate that a quality management system plan has been established and is maintained will be determined qualified to participate in USDA food assistance program contracts.

- A numerical rating of the supplier's quality management plan will be assigned by the auditors upon completion of the audit.

- The minimum score necessary for suppliers to submit bids will be contained in the applicable announcement. Presently, 80 is the minimum score needed for bidding and for contract performance.

- Suppliers are responsible for ensuring that all product meets contract specifications and requirements. Laboratory analysis of each lot may be conducted by the supplier's own TQSA compliant laboratory. To further validate the supplier's own test results and to ensure consistent product conformance, suppliers shall submit periodic product samples for comparative laboratory testing either to the USDA, Agricultural Marketing Service, Testing Laboratory; or to an independent, private laboratory capable of performing the tests according to AOAC International's official methods. The scheduled frequency of such comparative tests shall be firmly established and documented in the supplier's quality control plan.

- Records of comparative testing will be reviewed during Total Quality Systems any time. USDA reserves the right to conduct random, unannounced sampling Audits and may also be requested by the Kansas City Contracting Officer at and testing of final product to verify compliance with all product specifications.

- Under TQSA, suppliers are required to establish and maintain effective quality control procedures, tests, and records that verify each production lot's compliance with the contract specifications and requirements prior to shipment. The results of analysis must be evidenced by a Certificate of Analysis (COA). The supplier must retain the COA. Product found not to be in compliance in all respects with the applicable commodity procurement specification shall not be delivered to USDA without written authorization signed and executed by the Contracting Officer.

- Discount schedules will remain the same for these products as stated in the Announcements. Certificate of Analysis must be submitted with invoices. Discounted factors must be asterisked. Suppliers will contact the Contracting Officer for guidance on product that falls outside the required commodity specifications or the discount schedule.

- Domestic Origin Compliance Reviews will be done through TQSA.

For more information, please refer to the Supplier Guidelines or contact the applicable marketing specialist. The Supplier Guidelines website location is www.fsa.usda.gov/pdd/tqsa.htm.

To request a TQSA, audit contact Kathy Wienberg, 816-926-2514.

George W. Aldaya
Director