



USDA FOOD BOX PURCHASE PROGRAM VENDOR VERIFICATION AUDIT

Background

As part of the Coronavirus Farm Assistance Program Secretary Perdue announced on April 17, 2020 the USDA exercised authority under the Families First Coronavirus Response Act to purchase and distribute up to \$3 billion of agricultural products to those in need. Of this \$3 billion are \$461 million in fresh fruits and vegetables boxes, and \$175 million in a combination box of fresh produce, dairy or meat products. USDA/AMS Commodity Procurement Program (CPP) will partner with regional and local distributors to purchase fresh produce via the Food Box Purchase Program.

CPP awarded purchase orders (POs) to selected vendors supplying food boxes to non-profit organizations, identified by the offeror, on a mutually agreeable, recurring schedule. CPP will procure an estimated \$100 million per month in fresh fruits and vegetables. Vendors will provide a pre-approved box of fresh produce, dairy, and meat products to food banks, community and faith-based organizations, and other non-profits serving Americans in need.

Specialty Crops Inspection (SCI) Division will conduct verification audits of the vendors packing boxes containing fresh produce, among the vendors selected under the Food Box Purchase Program. SCI audit teams may be comprised of auditors, Agricultural Commodity Graders (ACGs) and Federal-State market licensees. Audits may be onsite at time of packing or offsite desk audit.

Audits will consist of three scopes:

- Food Safety
- Quality Assurance
- Domestic Origin Verification

Selection of Vendors

Under the Food Box Program, all vendors will be evaluated based on past performance history with Federal government food purchasing and AMS programs, professional experience, PACA licensing, Food Safety awareness and planning, accredited third party audit history, product origin handling and volume based potential risk to the food supply. The results of these evaluations will be used to ascertain the overall potential risk(s) associated with the vendor's proposal and if instructed by CPP will do a combination of onsite and offsite desk audits based on this analysis. All review findings will be documented and communicated with the CPP Contracting Officer. SCI will respond to proposal deviations as instructed by the Contracting Officer using a mutually agreed upon approach. Review considerations will consist of:

Performance History

- SCP Applicant
- Previous Qualified Vendor such as DOD/DLA/CPP/FNS
- Relevant Professional Experience

Food Safety

- Food Safety/Food Defense program
- Third Party Accredited Audit history
- Contracted volume

Domestic Origin Requirement

- Sourcing
- Foreign Product Handling
- Segregation Procedures (as appropriate)

Potential additional contractor specific findings may affect overall risk assessment.

CPP will approve the list of identified vendors resulting from the review before audits are performed.

Audit Format

Once identified vendors are approved by CPP, SCI will identify which audits will be performed onsite while product is being packed, or offsite via desk audit. Audits may also be either a full scope audit or a limited scope audit depending on the area(s) identified for review. SCI will inform the auditor(s) of the scope of the audit when assigning the audit to field personnel.

SCI will utilize questionnaires issued to the identified vendors to determine if audit will be onsite or offsite. Determination will be made on the following risk-based criteria:

- Status in providing commodities to the Commodity Procurement Program (CPP)
- Status in participating in SCI inspection and audit programs
- Status of food safety plan or lacking a proper supplier verification process.

Audit Frequency

A minimum of one audit per identified vendor will be conducted. Audit may be an onsite, an offsite desk audit, or a combination of both. If an audit is unable to be performed, documentation to the fact will be entered on the associated Verification Audit Checklist.

SCI will contact all identified vendors to arrange for a mutually agreeable date, time and location of food boxes being packed to complete an onsite audit.

Incomplete Audits

Any vendor that is unresponsive in scheduling an audit will have “Attempted Contact/Unresponsive” listed on the associated Verification Audit Checklist with audit reported to CPP as “Incomplete.”

Any vendor that fails to provide sufficient supporting documentation during an audit will have “Incomplete” listed on the associated Verification Audit Checklist with audit reported to CPP as “Incomplete.”

Scopes for Onsite Audits

Food Safety

- Review/verification of operation’s food safety plan, including a review of the Good Handling Practices/Good Manufacturing Practices in use at facilities packing food boxes.
- Review/verification of operation’s supplier program to ensure that all suppliers (primary producers) have valid USDA GAP or GFSI certification.
- For boxes containing mixed commodities (produce with dairy/meat), review of proper handling and transportation under the FSMA Sanitary Transportation Rule.

Domestic Origin Verification (DOV)

- Verify segregation plan for operations that handle both domestic and foreign products.
- Conduct verification inspection of product in commodity boxes to ensure domestic origin.
 - Auditor will witness boxes being packed and visually verify source product master containers do not have markings indicating foreign origin (i.e., Product of Mexico).
 - If source product has no markings indicating origin, Auditor will conduct an onsite risk-based domestic origin verification trace of the product.
 - Trace will consist of reviewing purchase orders, bills of lading and other shipping documents that indicate source product was of domestic origin.
- All vendors may be subject to additional domestic origin verification during the contract period. These verifications will follow domestic origin processes used for traditional commodity purchases.

Quality Assurance

- Product assessment of fruits and vegetables that will comprise commodity boxes. Auditor will perform a condition-only assessment of source product in representative master

containers of each commodity included in the commodity box to ensure it is wholesome, suitable for human consumption, and free from adulteration and deterioration.

- Assessment will be made by an organoleptic means (i.e. sight, smell, and touch) on specimens from three representative master containers per source product. If source product is in bulk, a representative equivalent number of specimens will be assessed.
- Above requirements will be compliant if source product is determined to be:
 - Generally free from condition defects.
 - Fruits are generally firm or firm ripe.
 - Vegetables are generally fresh and firm, crisp, or tender.
 - Practically free of soft, flabby, overripe, decay or rot
 - No apparent evidence product has been adulterated.

Scopes for Offsite Audits

Food Safety

Documentation submitted by vendor.

- Review of operation's food safety plan submitted.
- Review of operation's supplier program to ensure that all suppliers (primary producers) have valid USDA GAP or GFSI certification.

Domestic Origin Verification (DOV)

Documentation submitted by vendor for the last completed or auditor selected shipment.

- Verify segregation plan for operations that handle both domestic and foreign products.
- Conduct a risk-based domestic origin verification trace of the source product.
 - Trace will consist of reviewing purchase orders, bills of lading and other shipping documents that indicate source product was of domestic origin.
 - All vendors may be subject to additional domestic origin verification during the contract period. These verifications will follow domestic origin processes used for traditional commodity purchases.

Verification Audit Checklist

A USDA Food Box Program Vendor Verification Audit Checklist will be used to record findings of the audit. Checklist is available on the Inspection Operations SharePoint Shared Document page, under [Food Box Program](#). The checklist will document if the requirements per scope have been met by the vendor.

- Communication Log will be used to document phone or email outreach communication with the vendor. All instances of phone messages or emails regarding scheduling or requests for additional information will be noted.
- Checklist will be completed, signed and dated by the Auditor(s) and issued to the vendor when complete.
- Completed checklist will be forwarded to the [SCI Inspection Operations](#) inbox for review and filing.
- Filing will be in the HQ Inspection Operations/FOS share drive location [SCSCI\IB\FIMS\SHARED\FOS\Commodity Procurement\USDA Food Box Program](#).

Fees

Charges for service will be based on the [Audit Verification Services for Federal and State](#) fee as published in the Federal registry. Travel fees will also be charged for onsite audits. Contact [SCI Inspection Operations](#) for current billing procedure.

Post Audit Activities

- SCI HQ Inspection Operations will submit the completed checklist to CPP within 5 days of completion of the review.
- Completed and reviewed checklists will be submitted to CPP via email to: hilary.cole@usda.gov.
- CPP is responsible for determining contractual requirements have been met or if additional reviews or follow-up are required.

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