

TOTAL QUALITY SYSTEMS AUDIT

Government agencies are being asked everyday to do more with less -- more inspection, more work with less staff, fewer resources, and far less money. Consequently, we must strive to find better, less expensive, and yet more effective ways to accomplish the goals and work that remain. Government procurement of food for export and domestic food assistance programs is no exception. We have been asked to provide programs and their recipients with higher quality, safer food for the lowest cost possible. Traditionally, cost has been the driving factor in this equation and quality has been a minimal consideration. Recently the driving force has been food safety, but overall quality remains a minimal consideration. The philosophy being that the food need only be acceptable, not a premium product. The challenge ahead of us is to make quality the driving force behind Government food procurement. When quality is high, food safety improves and costs will typically be more competitive, if not lower. We must begin working with companies to emphasize the production, rather than the inspection of finished product.

Currently, the U.S. Department of Agriculture (USDA) relies almost entirely on end-item inspection to verify that food purchased for Commodity Credit Corporation (CCC) food assistance programs meets the needs and requirements of the program recipients. Traditional statistical sampling methods and finished product testing do little to encourage producers to exceed the minimal requirements. As long as the finished product meets the requirements, little thought is given to how the product was produced.

The program being presented here is a quality management initiative designed to ensure the quality of products provided to CCC for use in domestic and export food assistance programs. The Total Quality Systems Audit (TQSA) program is being used as an alternative to traditional end-item inspection to verify that a supplier has, maintains, and improves the capability to produce product which will meet program requirements and needs. TQSA directs the emphasis of quality to the manufacturing process, rather than to the finished product characteristics. By redirecting our focus, we can ensure that a supplier has the capability to produce, and provide the customer with, the desired product. TQSA also places the primary responsibility for product quality and contract compliance on the manufacturer, and not the Government.

TQSA uses combined features from the International Organization of Standardization (ISO) 9000 Quality Standards, Hazard Analysis Critical Control Point (HACCP), Food and Drug Administration's (FDA) Good Manufacturing Practices (GMPs), and Quality Control Analysis (QCA) to foster continuous product and process improvement and prevent noncompliance at all critical points in the manufacturing process. The standards set forth in the ISO 9000 Quality Series are an internationally developed and accepted standard; consequently, they are used as the primary framework for the TQSA requirements. This program allows USDA and its suppliers, through partnerships, to ensure customers that the requested or desired product(s) can and will be consistently supplied, both in domestic and export markets.

TQSA is based on the proven premise that product conformance can be attained through a thorough review of a supplier's capabilities in production, delivery, and service. TQSA requires that a supplier:

- Say What You Do
- Do What You Say
- Prove It
- Improve It

This simple concept gets to the heart of what we propose. Place the responsibility on the supplier to determine how they will produce the desired product, justify, document, and continuously improve what they do. USDA's role is to verify that the methods chosen are effective and meet applicable regulatory and contractual requirements, and that the supplier adheres to its stated policies and procedures. By conducting audits of the supplier's facility and operations, we can obtain an accurate picture of how product is produced and how quality is assured.

One advantage is that we can determine a supplier's capability prior to the submission of offers to deliver product, thus reducing the likelihood that the product purchased will not meet the desired specifications. Another is that reducing the level of inspection will dramatically decrease the costs associated with the procurement of food for CCC food assistance programs. Currently, inspection of those commodities is costing CCC and its suppliers more than \$5 million annually. TQSA will reduce those costs by as much as 50% by reducing the number of inspectors required to conduct the audits, and the frequency of inspection. Another advantage is that suppliers will be given the right and responsibility to produce product as they would for a commercial market. Allowing suppliers the room for innovation and improvement will allow us to purchase commodities which are the best quality available, for a competitive price. TQSA will also allow us the latitude to reward suppliers (through reduced audit frequency) who exceed the minimal requirements, rather than operating solely on the current penalty driven system which does little to encourage suppliers to exceed the baseline requirements. Also, when we are no longer being a watchdog on the companies who prove they consistently provide high quality product, we can redirect our money and efforts to stop the few cheaters and toward improving the commodities.