



CONTRACTOR CHECKLOADING SURVEILLANCE PROGRAM

Purpose

Contractor checkloading is an option available to contractors as an alternative to USDA, AMS grader checkloading of USDA donated commodity at time of shipment. Regardless of the option chosen all aspects of the Federal Purchase Program Specification (FPPS) requirements must be met. This procedure identifies the responsibilities of the USDA commodity contractor, the shipping facility (which may be the origin facility or an offsite facility), and the USDA representative (reviewer) under the Contractor Checkloading Surveillance Program. The following guidelines serve to establish policy for the surveillance of commodity products shipped using the contractor checkloading option when applicable, under their USDA donated commodity FPPS contract.

Scope

This procedure applies to all contractors choosing to use contractor checkloading to ship awarded commodities under USDA contract according to FPPS requirements. Livestock and Poultry Program's Quality Assessment Division (QAD) personnel will perform quarterly compliance surveillance at all shipping facilities where contractor checkloading takes place.

Procedures

I. General

Contractor checkloading allows for shipping facilities to ship commodity product without an AMS grader present. Shipping facilities using contractor checkloading must be visited quarterly for surveillance by QAD personnel. Surveillance visits will verify that product being shipped under contractor checkloading meet requirements stated on the applicable FPPS. The contractor and shipping facility must not be aware of the timing when the surveillance will occur. If a contracted shipping facility is unable to be visited during the quarter, a make-up visit is required. All expenses associated with performing compliance surveillance which may include billable hours charged at the unscheduled rate, applicable round-trip mileage, travel time, per diem, and other related travel expenses from the QAD personnel's regular duty point must be billed to the contractor or shipping facility.

II. Contractor & Shipping Facility Responsibility

A. Registration

Contractors choosing to utilize contractor checkloading must first notify their local QAD Grading Services Branch supervisor and submit a request for contractor checkloading. The QAD supervisor will complete and submit a QAD 623A: *Contractor Checkloading Program Registration* form and forward it to the appropriate QAD Regional and National office. Facilities with no prior experience



performing contractor checkloading must be visited by a QAD supervisor prior to initiating contractor checkloading service to ensure all roles and responsibilities are understood and to verify capability.

Each shipping facility must register separately for each contractor company. Shipping facilities serving multiple companies will only be visited once per quarter and the expenses must be distributed evenly between the contractors. Once a shipping facility is registered, surveillance will be completed during quarters the facility is under contract to ship commodity product. Re-registration is not necessary if there is a period of inactivity between contracts.

B. Contractor Checkloading Checklist

Shipping facility personnel have the option to use QAD 623B: *Contractor Checkloading Checklist* to verify that the criteria listed below, which follow the FPPS requirements, are acceptable for each load shipped. Alternatively, records may be kept on internal documents that will be reviewed during the surveillance visit. Information must be recorded accurately for the following items: container count, net weight, container labeling (product type, acceptable production dates, contract compliance stamp), packing/packaging, frozen temperatures, palletization/stacking, and seal number(s). Any elements that are unacceptable must be noted along with the corrective action taken to resolve the issue. If shipping personnel choose to use QAD 623B, the completed form for each load must be filed with other records associated with that load.

Each item on the list below must be physically verified by personnel at the shipping facility and recorded for each load shipped.

Criteria Verified through the Contractor Checkloading Program

- 1) Container Count: Record total number of containers.
- 2) Net Weight: Record net weight for the entire load and each sales order item # if multi-stop.
- 3) Labeling:
 - a. Record Product Type.
 - b. Record Production Dates (must meet specification requirement).
 - c. Verify Stamp (USDA Contract Compliance or USDA FPCP) is applied to each case.
- 4) Packaging and Packing: Record number of damaged cases and replace with acceptable cases if necessary.
- 5) Temperature requirements: Record product temperature (must meet applicable specification requirements). Verify thermometer calibration.
- 6) Shipping Trailer Condition:



- a. Acceptable (clean, dry, cooling unit working and set to proper temperature).
- b. Unacceptable (dirty, wet, unusual odor, and/or cooling unit not working properly).

7) Palletization/Stacking:

- a. Acceptable (neatly stacked, wrapped tightly with plastic).
- b. Unacceptable (leaning, unwrapped, and/or broken pallets).

8) Seal Number: Record seal number(s) associated with the load.

C. Product Control

Personnel at the shipping facility must identify and document what corrective actions were taken when any criteria are found to be unacceptable. If all aspects of the FPPS cannot be met at time of shipment, a waiver request must be approved by the USDA, AMS Commodity Procurement Program prior to shipment. Any product that does not comply with the FPPS requirements at time of shipment must be controlled and documented until it can be brought into compliance or deemed ineligible to ship to recipients and all USDA labeling removed. When the shipping facility is found to have a non-compliance, a follow-up visit may be required. Multiple observed failures to fulfill critical requirements can result in the shipping facility reverting to grader checkloading.

D. Thermometers

The contractor must ensure the thermometers are properly calibrated each day. Records of thermometer calibration must be maintained by the shipping facility. Thermometers used for product temperatures must be point sensitive and can be sandwiched, if necessary, between two primary packages of frozen product (i.e. two 5 lb. bags of frozen diced chicken) to obtain accurate readings.

E. Records

All records including the bill of lading, Certificate of Conformance, and associated shipping documents must be maintained by the shipping facility. Records must be maintained for one year after the close of the school year (July 1 through June 30) in which they were created. The shipping facility must provide these documents to the reviewer upon request.

III. QAD Responsibility

A. Surveillance

The QAD supervisor will serve as the main USDA, AMS point of contact for the shipping facility. The supervisor will communicate with each shipping facility to answer any contractor checkloading questions they may have. They will also ensure quarterly surveillance activities are carried out by AMS personnel and that records of the surveillance are submitted on a timely basis.



The QAD supervisor or their designee (reviewer) is responsible for surveillance of the contractor checkloading activity at each shipping facility. Unannounced surveillance will be conducted quarterly (once per fiscal quarter). A total of three QAD 623B forms must be completed and submitted to applicable Regional office per surveillance visit. Of those three, at least two QAD 623B forms will be completed via Record Surveillance. The third should be completed by Observation Surveillance. This is further described in the following sections. If the shipping facility is not performing checkloading activities on the day of the visit, or the checkloading activities will not be performed within a reasonable timeframe, the reviewer must instead submit a third QAD 623B completed via Records Surveillance. Observation surveillance must occur at a minimum of every other visit. If necessary, shipping schedules may be requested from the shipping facility so that a reviewer can be physically present for Observation Surveillance during contractor checkloading.

1. Observation Surveillance

During observation surveillance of contractor checkloading, the reviewer will be physically present to observe the checkloading process. The reviewer will independently record information on a QAD 623B form for one load. The reviewer must also review copies of the shipping facility's checkloading records for this load to verify their information matches. If there are any non-compliances, copies of the shipping facility's checkloading records must be submitted as well. The reviewer will check the appropriate box on the QAD 623B to indicate observation surveillance.

2. Records Surveillance

Records surveillance of a shipping facility's records ensures that all required checks were performed and accurately recorded for each load. The reviewer will request records for previously shipped loads and complete one QAD 623B form per load (max of 3 per visit) based on the information in the records. If the shipping facility has elected to use the optional QAD 623B for each load, the reviewer will use this as the main record for review. If there are any non-compliances, copies of the shipping facility's checkloading records must be submitted as well. The reviewer will check the appropriate box on the QAD 623B to indicate records surveillance.

3. Non-Activity

Surveillance only occurs during quarters in which the contractor is shipping commodity product. If the shipping facility is not under contract/subcontract during the quarter or has not shipped commodity product between the last visit and current visit, no surveillance or submission of forms is necessary.

B. Non-Compliances

Any non-compliance noted during an observation surveillance must be corrected prior to shipment. If necessary, product failing to meet requirements must be placed under USDA Hold until the product is brought into compliance with requirements. If product cannot be brought into compliance or has already shipped, the QAD supervisor must contact the appropriate Regional Director, who will notify the National Office.



Corrective actions must be documented and performed by the shipping facility to prevent any future occurrences. A proper corrective action ensures that future shipments will meet all requirements of the FPPS; for example, updates to a company's operating procedures, specific personnel training, adjustments to physical environments, etc. The QAD supervisor must advise the applicable Regional office of any discrepancies that could compromise the integrity of product being shipped under contractor checkloading.

Finding of non-compliances may require a follow-up visit at the discretion of the National Office. The follow-up surveillance must take place during the same fiscal quarter, must not occur on the same day as the initial surveillance, and focus on the non-compliance noted on the original surveillance. The reviewer will indicate that it is a follow-up by checking the appropriate box of the QAD 623B.

If a shipping facility is found to have more than two non-compliances or two incidences of recipient complaints in a 6-month period, the National Office and the Contracting Officer will determine if reverting to grader checkloading is necessary.

IV. National Office

The Standards and Specifications Division (SSD) National Office will receive, review, and track submitted QAD 623A forms and keep an up-to-date list of all facilities using contractor checkloading. The National Office will also receive, review, and track QAD 623B forms ensuring that surveillance activities are being completed at each of the facilities on the list each quarter. Submitted forms will be checked for completion and may be sent back for clarification as needed. Non-compliances at shipping facilities will be tracked and facilities may have contractor checkloading privileges revoked if they have repeated issues.

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