USDA Agricultural Marketing Service

1400 Independence Avenue, SW
Room 3932-S, STOP 0256
Washington, DC 20250-0201

SUPPLEMENT 212 TO AMS MASTER SOLICITATION May 2012

PURCHASE OF FRESH BONELESS BEEF PRODUCTS FOR FURTHER PROCESSING FOR DISTRIBUTION TO CHILD NUTRITION AND OTHER FEDERAL FOOD AND NUTRITION PROGRAMS

This document provides additional USDA requirements and specifications for the purchase of ground beef items described in the attached CHECKLIST AND REFERENCES TO APPLICABLE BID AND CONTRACT PROVISIONS (Exhibit A). In addition to product descriptions, this exhibit also provides information on the Technical Requirements Schedule (TRS)-BB-2012, Fresh Boneless Beef Items, dated May 2012 (Attachment I).

I. INSTRUCTIONS TO POTENTIAL BIDDERS

A. The fresh, boneless beef items will be purchased on a competitive bid basis from suppliers who have met the requirements described in Section I.B. Interested suppliers may submit a technical proposal at any time during this purchase program. Suppliers should allow 10 working days from receipt of the technical proposal by USDA for notification of the results of the evaluation of the technical proposal from the Contracting Officer's Technical Representative (COTR). A supplier is deemed eligible to bid after notification by the COTR.

Submission of a technical proposal is not binding on USDA. Actual purchases will be on a competitive bid basis as described in the AMS Master Solicitation for Commodity Procurements (AMS Master Solicitation), this Supplement, and separately issued solicitation.

B. Documentation and Assessment Requirements

To become an eligible supplier, the following must be submitted electronically to the Standardization Division, Agricultural Marketing Service, U.S. Department of Agriculture, for evaluation and approval prior to bidding:

1. Technical Proposal Requirement:
   a. Include a detailed description of the beef item offered and each of the production steps that are taken to meet or exceed the minimum product requirements set forth in the applicable specification. (Plan/Do)

   b. Describe all the quality assurance methods used to verify conformance to all requirements. This will include the monitoring and measurements taken during the process to verify conformance with each requirement. All measurement results shall be recorded and made available to AMS. (Check)

c. Identify all corrective actions to be taken if deviations from contractual and specification requirements occur during production, and all preventative actions to be taken to preclude a reoccurrence. (Act)

d. The technical proposal shall follow the format as describe in Section III., Technical Proposal format. Offeror's proposal should be brief and concise.

e. The technical proposal shall be preceded by the following, as required by the template:
   1) Table of Contents listing the major areas as they appear in the technical proposal template; and
   2) List of attachments, forms provided with the proposal, if appropriate.

f. The technical proposal should be written in the following format:
   1) Plan and Do - A description of the planning and production steps taken to meet each requirement.
   2) Check - Describes all the quality assurance methods that will be used to verify conformances to each requirement. This will include the monitoring and measurement taken during the process (all measurements results shall be recorded and made available to AMS upon request).
   3) Act - Identifies all corrective actions to be taken if deviations from contractual and specification requirements occur during production and all preventative actions taken to preclude reoccurrences.

The COTR will review each technical proposal to determine if the proposal is adequate and will notify the supplier of the status of their technical proposal. See Section III for instructions for submission of technical proposals.

Once a supplier is notified by the COTR that the technical proposal meets the applicable criteria, the Grading and Verification Division (GVD) will contact the supplier to set up a pre-award onsite capability assessment.

2. Assessment by the GVD

After the technical proposal(s) are evaluated and approved, a GVD auditor will perform an onsite assessment of the facility(s), processes, food security plan, and quality control program used to produce the product(s) to determine the supplier's ability to meet contractual requirements. The following assessments will apply:

a. Pre-Award Onsite Capability Assessment

The pre-award onsite assessment (audit) will include, but is not limited to, a thorough evaluation of the potential contractors' and subcontractors' facility(s), processes, food security plan, quality control program, equipment, procedures, and the appropriate documents and forms used during the production of the beef item. Documentation must support: 1) the production of the beef item that complies with the applicable specification and the potential contractor's approved technical proposal, and 2) the contractor's or subcontractor's food security plan. In addition, the audit will consist of the review of records related to purchasing, receiving, production, quality control, inventory and shipping records, and interviews with management and production personnel.

Upon completion of the onsite capability assessment, the auditor will provide a report to the Contracting Officer for final review. After the supplier has satisfactorily completed the pre-award onsite capability assessment, the supplier will receive written notification from the Contracting Officer of their eligibility to bid.

If the report demonstrates that the process or food security plan is inadequate, the applicant will be notified by the Contracting Officer that they are ineligible to bid. The applicant will have an opportunity to correct identified deficiencies, modify their process, food security plan, and/or technical proposal, and resubmit for further consideration. Eligibility will depend on whether the modifications demonstrate that: 1) the process is capable of delivering fresh boneless beef products in compliance with the applicable specification, 2) they are in compliance with their food security plan, 3) includes the applicable assessment by USDA, and 4) they comply with other applicable contractual requirements.

b. Post-Award Assessment

Eligible suppliers who receive contracts must have their documented food security plan, technical proposals, and supporting documentation readily available for review by the COTR or AMS agents. Records may be maintained on hard copy or electronic media. However, records maintained as electronic media will be made available in printed form immediately upon request by AMS or its agents.

The GVD will conduct an onsite audit of the contractor's and subcontractor's facility(s) and processes when production commences for the first contract awarded. Additional audits will be conducted as determined by the Contracting Officer, but not less than once per month for contractors or subcontractors with continuous or multiple contracts, or once per contract for intermittent contractors. At the discretion of the Contracting Officer, more frequent audits may be conducted when audit deficiencies are detected.

c. Post-Award Actions

Any deviation from contractual requirements will be immediately reported by the contractor to the Contracting Officer and COTR. The Contracting Officer or COTR will notify the contractor regarding eligibility to continue to participate as a contractor.

Contractor will assure that the delivered product complies with the provisions of the applicable specification, the applicable assessment by USDA, and the contractor's technical proposal approved by the COTR.

Once a supplier is eligible to bid, the supplier must follow instructions stated in the AMS Master Solicitation.

C. Animal Welfare Requirements

All contractors and subcontractors must meet the animal handling and welfare requirements set forth in Attachment II - Technical Requirements Schedule - Animal Handling and Welfare 2010 (TRS-AHW-2010), effective May 2010.

D. Responsibility/Eligibility

Facilities used in fulfilling USDA contracts must be operating under the provisions of the Federal Meat Inspection Act (FMIA), 21 U.S.C. 601 et seq., and the regulations issued thereunder.

Subcontractors or suppliers of beef are: (1) ineligible if they are currently delivering late on USDA contracts, or USDA-approved subcontracts and late delivery is not due to causes beyond their control; and (2) nonresponsible if they are not operating under the provisions of the Federal Meat Inspection Act or have been suspended or debarred under the provisions of 48 C.F.R. Subpart 9.4

E. Past Performance

1. Supplier Monitoring Program Requirements

Boneless beef suppliers' performance as a subcontractor on contracts awarded by the Department of Agriculture (USDA) will be evaluated on a 180 consecutive day (rolling) cycle. The evaluation will consist of all non-conformances (NC) that were identified by the GVD auditor. The NC's will be categorized as critical, major, or minor based on their impact on the quality, safety, or value of the involved product.

The accumulation of at least two critical NC's, one critical/two major NC's, three major NC's, or a total five NC's in any combination, (i.e., critical, major, or minor) within the 180-cycle will result in the boneless beef supplier being deemed ineligible

by the COTR to supply boneless beef to Agricultural Marketing Service (AMS) contractors to fill USDA contracts.

To regain eligibility status, the boneless beef supplier must submit appropriate corrective and preventative measures to AMS for evaluation and the measures must be verified by AMS as effective. The COTR will notify the boneless beef supplier and affected contractors when eligibility to supply boneless beef has been reinstated. The microbial test results will be analyzed separately under statistical process controls.

The criteria for the three categories of non-conformances are as follows:

a. Critical
Production non-conformances--a complete breakdown of the production process has occurred. It is apparent that the company cannot produce product that complies with contract requirements.

b. Major
Production non-conformances--major deviation from the production process has occurred that significantly impacts the quality or performance of the product. It is questionable if the company can consistently produce product that complies with contract requirements.

c. Minor
Production non-conformances--minor deviation from the production process has occurred that minimally impacts the quality or performance of the product. It is likely that the company can produce a product that complies with contract requirements.

2. Sustained Acceptable Performance

A contractor or subcontractor will be deemed ineligible to supply boneless beef or ground beef for the USDA purchase programs if:

a. The contractor or subcontractor is subject to a Class I recall; or

b. Based on an evaluation of all AMS test results for *E. coli* O157:H7 and *Salmonella* during the previous calendar quarter, the incident rate for either boneless beef or ground beef exceeds the central line (cl) values referenced in Appendix B of TRS-GB-2012.

If deemed ineligible, a contractor or subcontractor must perform a cause-and-effect analysis and have corrective and preventative actions reviewed, audited, and approved by AMS prior to final consideration for eligibility by the COTR.

F. Loading and Sealing of Vehicles (AMS Master Solicitation, Section H)

Loading of the vehicle may also be conducted by a person authorized in a contractor's approved technical proposal.

G. Domestic Requirements

The contractor agrees to include this domestic origin certification clause in its entirety in all subcontracts for meat or meat products used in fulfilling any contracts awarded under this Supplement and AMS Master Solicitation. The burden of proof of compliance is on the Contractor. All raw materials will be shipped in containers labeled as "Domestic Only Product" on the principle display panel and the bill of lading accompanying the shipment will contain the statement "Domestic Only Product."

II. SUBMISSION OF OFFERS

The following Item will be included in the attribute section of the offer submitted in Web Based Supply Chain Management (WBSCM) system (see Exhibit 2 of the AMS Master Solicitation):

9. Offeror certifies that all product conforms with the (applicable specification) and no changes to the production process or production plan have occurred without proper approval by the Contracting Officers Technical Representative.

   ❑ Does

III. INSTRUCTIONS FOR SUBMISSION OF TECHNICAL PROPOSAL

The following procedures establish the acceptable minimum requirements for the format and content of the proposals:

A. The Government has provided a technical proposal format which is to be used in preparing the technical proposal (see Exhibit B). The offeror shall submit the technical proposal in an electronic format through the company's external portal site maintained by the AMS Commodity Procurement Division (see Exhibit C for instructions to obtain an external portal site). When submitting the technical proposal through the company's external portal site, e-mail notification to the COTR must be provided (darin.doerscher@ams.usda.gov or steve.whisenant@ams.usda.gov). The technical proposal shall be saved in a non-portable document file format (not PDF; e.g., Microsoft Word). The technical proposal must be submitted in its entirety. The collection of attachments and appendices may be submitted as a separate document. This format and electronic form provided will aid in the evaluation of the technical proposal.

B. The technical proposal must be submitted by an authorized agent of the company.

C. While it is not the desire of the Government to penalize an offeror for noncompliance with formatting instructions, technical evaluators may have difficulty evaluating the technical proposal to the fullest extent possible if the proposal is not presented in the proper format. Technical evaluators will not be required to search other subsections or sections of the offeror's technical proposal for information requested for evaluation.

D. Technical Proposal Revisions

Changes to an offeror's technical proposal may be submitted based on the Government's Amendments, Clarification Request, monitoring program, or at the request of the offeror. Maintenance of the integrity and clarity of each technical proposal is critical. All technical proposal revisions must meet the following criteria:

1. Any changes to a technical proposal made by the offeror after its initial submittal shall be accomplished by submitting the **entire technical proposal**. A cover letter must be submitted with the changes identified and an explanation of the need for the change. The offeror shall include the revision date and the appropriate page number(s).

2. Changes from the original technical proposal shall be highlighted and deletions in ~~strikeouts~~.

Note: When revisions to the approved technical proposal are submitted in their external portal site, the contractor must provide an e-mail notification to the COTR.

IV. PRODUCT SPECIFICATIONS AND AUDIT SERVICES

A. Specifications for fresh, boneless beef are identified in Exhibit A. If documents are amended, appropriate amendments must be referenced.

B. Compliance with processing requirements as described in TRS-BB-2012 and contractor's process documentation and quality control program will be verified through audits by AMS agents. The cost of all audits, including the pre-award, onsite assessment, must be borne by the contractor.

C. Questions concerning GVD auditors should be discussed with the GVD at 202-309-1506.

D. Cost associated with laboratory analysis of boneless beef samples for microbial requirements specified in TRS-BB, dated April 2005 will be borne by AMS.

E. Disposition of Lots Outside Specification Limits

Any lot that**, in any test, including FSIS test,** tests positive for *E. coli O157:H7 or Salmonella*, or exceeds the critical limit criteria of APPENDIX B of TRS-GB, cannot be used to produce ground beef or any other product purchased by USDA.

V. QUALITY INSPECTION PLAN

Not required under this Supplement.

VI. INVOICES AND PAYMENT

In addition to the referenced payment documents in the AMS Master Solicitation, please include a copy of the Contractor's Certificate of Conformance (see Exhibit D).

Purchases of the materials under this supplement require that a "three-way match" must be completed in WBSCM, i.e., Purchase Order (PO), Good Receipt, and Invoice with supporting documents attached.

VII. AMS CLAUSES

A. Contractor Checkloading

Contractor will perform checkloading examinations as described in the applicable specification at the time of shipment and issue contractor's certificate to accompany each shipment that includes all of the following information:

1. Purchase Order Number and Purchase Order line item number;
2. Sales Order Number and Sales Order Item number;
3. Name of product;
4. Shipping Date;
5. Production lot number(s) and date each lot was produced;
6. Count of shipping containers and total projected net weight in each production lot;
7. Identity of car or truck (car numbers and letters, seals, truck license, etc.) as applicable;
8. Contractor certification that product conforms with the applicable specification;
9. Count and projected net weight verified; and
10. Signature of company official responsible for checkloading.

VIII. PROVISIONS INCORPORATED BY REFERENCE

FAR Provisions as show in Section XII of the AMS Master Solicitation are modified as shown below:

A. 1. 52.204-8 Annual Representations and Certifications (MAR 2012)
(a) (1) The North American Industry Classification System code for this acquisition is 311611.
(2) The small business size standard is 500 employees.

James D Spradley for)
Dave Tuckwiller, Director
Commodity Procurement Division
Agricultural Marketing Service

Attachments

Agricultural Marketing Service

Room 3932-S, STOP 0256
1400 Independence Avenue, SW
Washington, DC 20250-0201

SUPPLEMENT 212 TO AMS MASTER SOLICITATION

EXHIBIT A
DATED MAY 2012

CHECKLIST AND REFERENCES TO APPLICABLE BID AND CONTRACT PROVISIONS
SUPPLEMENT 212 TO AMS MASTER SOLICITATION
for
FRESH BONELESS BEEF ITEMS

PRODUCT DESCRIPTION					OFFER/CONTRACT PROVISIONS			
WBSCM Material Description	**Specifications Listed in Priority Order**	**WBSCM Material Number**	**Packaging and Packing**	**Minimum Offer Unit Size/Shipping Unit**	**Tolerance Section**	**Delivery Period**	**Federal/State Plants Section I.D.**	**Competition (See Solicitation)**
BEEF FRESH BNLS COMBO-20/2000 LB	Technical Requirements Schedule-BB-2012, Fresh Chilled, Boneless Beef for Further Processing, May 2012	100155	20 lined combo bins packed to approximately 1,850 to 2,250 lbs. in each combo bin	40,000 lbs. 20 combo bins	NONE	3-day delivery period	Federal & State	Full & Open
BEEF FRESH BNLS GRASS FED CMB-20/2000 LB		110091	20 lined combo bins packed to approximately 1,850 to 2,250 lbs. in each combo bin	40,000 lbs. 20 combo bins	NONE	3-day delivery period	Federal & State	Full & Open

Cover Page:
[Company Name]
[Company Address]
Contact Person, including title, phone number, including emergency contact information, e-mail address (must be authorized to represent the company).

Technical proposal for: [Supplement Number] and [Specification]

Table of Contents (all pages and attachments must be number and identified--any attachments must be identified and referenced in the Technical proposal)

The technical proposal should include all phases of production that meets or exceeds the requirements stated in the specification to produce complying product.

I. SCOPE

Brief Description of what the company plans to do to meet the requirements stated in the applicable specification (including the applicable documents).

II. APPLICABLE DOCUMENTS - CHECKLIST OF REQUIREMENTS

A. ITEMS - Please provide a brief description of the product that will be addressed in the technical proposal.

B. MATERIAL - Please provide a brief description of the planning, production steps (do), check and corrective/preventive (act) measures that the company will do to assure compliance with the material section of the specification.

1. Domestic Origin and Harvest (slaughter) Requirements – (plan, do, check, act)
   a. Quality Control Program
      1) Domestic Origin
      2) Humane Handling
      3) Spinal Cord Removal
      4) Pathogen Intervention Steps
      5) Carcass Testing
      6) Grass Fed

2. Boneless Beef Requirements – (plan, do, check, act)
   a. Quality Control Program (QCP) – **for each boneless beef supplier** – QCP must include at a minimum (plan, do, check, act) for the "Material" section that applies to the production of the boneless beef.
   b. Traceability
   c. Handling
   d. Boneless beef- XF trimmings
   e. Objectionable Materials

f. Mechanical separation
g. Lot
h. Microbial Testing
   1) Sample Preparation and Handling
   2) Sample Selection
   3) Testing and Results
   4) Statistical Process Capability
   5) Contractor's Responsibility

C. STATE OF REFRIGERATION - Please provide a brief description of the planning, production steps (do), check and corrective/preventive (act) measures that the company will do to assure compliance with the State of Refrigeration section of the specification.

1. Bulk Packaged Boneless Beef Items – (plan, do, check, act)
2. Shipping – (plan, do, check, act)

D. FAT LIMITATIONS - Please provide a brief description of the planning, production steps (do), check and corrective/preventive (act) measures that the company will do to assure compliance with the Fat Limitations section of the specification.

1. Process Capability – Sampling plan and recording results (plan, do, check, act)
2. AMS Process Assessment

E. PREPARATION FOR DELIVERY - Please provide a brief description of the planning, production steps (do), check and corrective/preventive (act) measures that the company will do to assure compliance with the Preparation for Delivery section of the specification.

1. Packaging and Packing – (plan, do, check, act)
2. Net Weight – (plan, do, check, act)
   a. Fresh Boneless Beef
3. Closure – (plan, do, check, act) – Shipping containers
4. Marking of Containers – (plan, do, check, act)
   a. Fresh Boneless Beef, Package Labels
   b. Shipping Containers

All labeling shall be illustrated in the Offeror's technical proposal.

5. Palletized Unit Loads
6. Total New Weights Per Delivery Unit
7. Sealing

F. USDA QUALITY ASSURANCE - Please provide a brief description of the planning, production steps (do), check and corrective/preventive (act) measures that the company will do to assure compliance with the USDA Quality Assurance section of the specification.

1. Warranty and Complaint Resolution - (plan, do, check, act)
   a. Warranty
   b. Complaint Resolution
      1) AMS Monitoring & Production Assessment
      2) Control of Non-Conforming Product
      3) Checkloading - Contractor must address Checkloading in their Technical Proposal.

III. ATTACHMENTS OR APPENDIXES

Please attach all referenced documents with the applicable document name and reference number.

USDA Agricultural Marketing Service

Commodity Procurement Staff

**1400 Independence Avenue, SW.
Room 3522, STOP S-0239
Washington, DC 20250-0239**

In order for a company to submit documents electronically as prescribed in the applicable procurement documents, a company must have an external portal site set up in the Livestock and Seed Contractor Information (LSCI) site. Please complete the form below, print, and send the completed form by e-mail to sue.olson@ams.usda.gov. To assure that the accounts and names are set-up correctly the form must be filled out electronically. If additional space is needed, please submit an additional form.

Company:

Address:

City:

State: Zip code:

Please provide the information below for each company personnel who need access to the company site.

First Name	Middle Initial	Last Name	E-mail address	Title	Phone Number

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL MARKETING SERVICE
LIVESTOCK AND SEED PROGRAM

CERTIFICATE OF CONFORMANCE FOR THE PROCUREMENT OF BONELESS BEEF ITEMS, FRESH

CERTIFICATE OF CONFORMANCE

I certify the following:

(1) On [shipping date(s)], [Contractor's name] furnished the (insert the appropriate commodity description) called for by Purchase Order/Purchase Order Item Number: _____ /_____ via [Carrier] under Sales Order Number(s)/Sales Order Item Number: _____/_____ .

(2) The (insert the appropriate material name) is of the quality specified and conforms in all respects with the purchase order requirements, including [Contractor's name] Technical Proposal or Production Plan as approved by the AMS Standardization Division, COTR.

(3) Product identification, (i.e. production lot number(s)) is in the quantity shown on the attached acceptance document.

(4) Contractor assures all meat or meat products used in fulfilling this contract was produced in the United States as defined in the Supplement 212, section I.G, and the AMS Master Solicitation for Commodity Procurements, Section I.E.

Date: _____

Signature: _____
(Signed by an officer or representative authorized to represent the company)

Title: _____

APPROVED

TECHNICAL

REQUIREMENTS

SCHEDULE – BB - 2012

UNITED STATES DEPARTMENT OF AGRICULTURE

AGRICULTURAL MARKETING SERVICE

LIVESTOCK AND SEED PROGRAM

Washington, D.C. 20250-0254

FOR USDA PURCHASES OF

FRESH CHILLED, BONELESS BEEF FOR FURTHER PROCESSING

Effective: May 2012

Preparing Activity:
USDA, AMS, LS, SD--Rm. 2607-S
Supersedes: TRS-BB-2010
Changes - In blue
LSP-SD-TRS-BB-2012

Approved by MEO
Date Issued: 04/26/04
Date Revised: 05/22/12

TABLE OF CONTENTS

1.0 SCOPE

1.1 This Technical Requirements Schedule (TRS)–Boneless Beef (BB)–2012 is for use by a contractor of the United States Department of Agriculture (USDA), Agricultural Marketing Service (AMS), Commodity Procurement Division (CPD) to deliver fresh-chilled (never previously frozen) boneless beef for further processing.

2.0 APPLICABLE DOCUMENTS

2.1 The following documents are incorporated as part of this USDA, TRS-BB-2012:

2.1.1 Grading and Verification Division (GVD) Procedures Manual.

2.1.2 Food Safety and Inspection Service (FSIS) Directive 10,010.1 Revision 3.

2.1.3 Applicable Supplement to AMS Master Solicitation.

3.0 CHECKLIST OF REQUIREMENTS

3.1 The contractor's technical proposal must describe a process plan with a documented quality control program that includes procedures, records, forms, etc., that demonstrate conformance with the following Checklist of Requirements. The Contracting Officer's Technical Representative (COTR) may request changes to the technical proposal at any time.

3.2 MATERIAL REQUIREMENTS FOR FRESH-CHILLED BONELESS BEEF

3.2.1 Domestic Origin and Harvest (Slaughter) Requirements – The harvester's quality control program must be documented and have received a satisfactory onsite capability assessment by GVD prior to supplying materials for the program. Additionally, each plant is subjected to verification audits conducted by GVD during production activities that demonstrate their adherence to the documented program. Boneless beef shall be derived from cattle harvested at facilities that comply with the following origin and harvest requirements.

3.2.1.1 Domestic Origin - All beef will originate from U.S. produced livestock as defined within the Supplement.

3.2.1.2 Humane Handling - All cattle shall be humanely handled in accordance with all applicable FSIS regulations and AMS requirements.

3.2.1.3 Spinal Cord Removal – All spinal cord tissue must be removed during the harvesting process.

3.2.1.4 Pathogen Intervention – The harvest process must include at least two pathogen intervention steps. One of the intervention steps must be a critical control point (CCP) in their FSIS recognized harvest process Hazard Analysis Critical Control Point (HACCP) plan and the CCP intervention(s) must be scientifically validated to achieve a three log reduction of enteric pathogens.

3.2.1.5 Carcass Testing - Routinely test carcasses for *Shiga-toxigenic Escherichia coli* O157:H7 (including O157:H7 and O157:Non-Motile (NM)*;* herein referred to as *E.coli* O157:H7*)* at CCP to verify effectiveness of interventions.

3.2.1.6 Grass Fed – When specified in the invitation, boneless beef destined to be labeled as grass fed shall be supported by documentation and the FSIS approved label which substantiates such a claim.

3.2.2 Boneless Beef Requirements

3.2.2.1 Traceability – Boneless beef shall be traceable to sources that comply with the above domestic origin and harvest requirements.

3.2.2.2 Handling - All boneless beef must be maintained in excellent condition. The contractor's technical proposal shall include detailed production scheduling that addresses time and temperature controls necessary to maintain excellent condition of the boneless beef.

3.2.2.3 Boneless beef commonly referred to by the industry as XF trimmings (e.g., Beef Fat with Visible Lean) is not allowed as a standalone raw material source.

3.2.2.4 Objectionable materials - The following objectionable materials shall be excluded:

3.2.2.4.1 Major lymph glands (*prefemoral, popliteal, and prescapular*), thymus gland, sciatic (*ischiatic*) nerve (lies medial to the outside round), internal fat (kidney, pelvic, and heart fat).

3.2.2.4.2 All bone, cartilage, and the following heavy connective tissues:

3.2.2.4.2.1 White fibrous – Shoulder tendon, elbow tendon, silver skin from the outside round, *sacrociatic* ligament, opaque periosteum, serous membrane (*peritoneum*), tendinous ends of shanks, *patellar* ligament (stifle joint), *gracilis* membrane (from the inside round), and *achilles* tendon.

3.2.2.4.2.2 Yellow elastin – Back strap and *abdominal tunic*.

3.2.2.5 Mechanical Separation - Boneless beef that is mechanically separated from bone with automatic deboning systems, advanced lean (meat) recovery (AMR) systems or powered knives, will not be allowed.

3.2.2.6 Lot - A lot shall consist of a single combo sized bin of approximately 2,000 pounds of boneless beef produced within a day, between "cleanup to cleanup" (see APPENDIX C) and that is from a single harvester or from a single processor.

3.2.2.7 Microbial Testing – All lots of fresh chilled boneless beef must be tested for all microbes listed in APPENDIX B. All samples will be sent to the AMS designated laboratory (ADL).

3.2.2.7.1 Sample Preparation and Handling - The ADL will be responsible for supplying procedures for sample preparation, and submission. The laboratory shall require contractors to submit this form as an official record with each sample. The laboratory will also be responsible for supplying shipping supplies (including sampling bags and shipping materials), to each contractor. Contractor's technical proposal will include and describe sample collection and preparation procedures provided by the ADL.

3.2.2.7.2 Sample Selection

3.2.2.7.2.1 For Beef Manufacturing Trimmings – The composite sample will be selected as described within FSIS Directive 10,010.1 Revision 3 (N-60 Sections 8, 9 and NOTE).

3.2.2.7.2.2 For every lot of beef Manufacturing Trim, three (3) samples will be prepared from seventy (70) pieces of trim from seventy (70) different pieces of beef product. The sample for *E. coli* O157:H7 will be sixty (60) pieces and weigh 325 grams ± 10 percent; the sample for Salmonella will be five (5) pieces and weigh 25 grams ± 10 percent; the sample for indicator organisms (aerobic plate count, total coliform and generic *E. coli*) will be five (5) pieces and weigh 25 grams ± 10 percent.

3.2.2.7.2.3 When boneless beef has been exposed to any anti-microbial treatment, no sample units shall be selected for at least 15 minutes after such treatment. All anti-microbial treatments (e.g. techniques and procedures) administered during production and post-production shall be described in the supplier's technical proposal.

3.2.2.7.3 Testing and Results

3.2.2.7.3.1 The microbiological testing for all microbes will be in accordance with the applicable AMS-approved testing methodologies.

3.2.2.7.3.2 Notification for presence of pathogens and exceeding critical limit criteria - When presence of *E. coli* O157:H7 or *Salmonella* is presumptive positive or confirmed positive or any critical limit is exceeded for indicator microbes:

3.2.2.7.3.2.1 The ADL will immediately notify FSIS (pathogens only) and the COTR.

3.2.2.7.3.2.2 When pathogen results are positive, FSIS and the COTR will be notified by the boneless beef supplier of the final disposition of the affected lot.

3.2.2.7.3.2.3 When the critical limit is exceeded for indicator organisms, the boneless beef contractor will notify the COTR of the final disposition of the affected lot.

3.2.2.7.3.2.4 Confirmed pathogen - The boneless beef contractor shall conduct a cause and effect analysis to determine the appropriate corrective action necessary to eliminate the probable cause.

3.2.2.7.3.3 The ADL will record results of all microbial analysis in a format that can be easily captured and analyzed.

3.2.2.7.3.4 The ADL will record all results on spreadsheets and calculate the process capability (CPU, CI) for microbial tests performed on production lots as outlined in Section 3.2.2.7.4.

3.2.2.7.3.5 Any lot that tests positive for *E. coli* O157:H7 *or Salmonella,* or exceeds the critical limit criteria of APPENDIX B cannot be delivered to the USDA.

3.2.2.7.4 Statistical Process Capability – The statistical process capability of a boneless beef contractor to comply with microbial requirements will be based on the assessment of calculated process capability (CPU, CI) derived from the individual combo test results representing one (1) 2,000 pound combo lot randomly selected by the ADL from every five (5) consecutive individual 2,000 pound combo lots produced each production day. In the event that a production day concludes with less than five (5) consecutive individual 2,000 pound combo lots, a randomly selected test result will be utilized from one of the remaining lots. The spreadsheets will be maintained so that process capability assessment on the twenty (20) lots can be determined as described within APPENDIX B. Test results involving all boneless beef offered for testing for AMS purchase programs will be monitored by AMS and the contractor, to determine individual lot acceptance and/or capability of their process according to APPENDIX B. Ineligible boneless beef contractor may petition AMS to re-enter the program under conditional status provided corrective actions have been submitted for review and approved, implemented and a satisfactory onsite assessment audit by GVD has been conducted. Upon notification by the COTR that the plan has adequately addressed the issues that resulted in the ineligible status determination, the boneless beef contractor may re-enter the program under conditional status.

3.2.2.7.5 Contractor's Responsibility - The contractor will provide results and process capability status (as applicable) involving each lot of boneless beef to be delivered to the USDA. Test results and process capability status (as applicable) for individual lots shall be provided to the GVD agent upon request. In the event a boneless beef contractor has been deemed ineligible, and wants to continue in the program, the ineligible boneless beef contractor may petition AMS to re-enter the program under conditional status provided corrective actions have been submitted for review and have been deemed approved, implemented and a satisfactory onsite capability assessment audit by GVD has been conducted. Upon notification by the COTR that the plan has adequately addressed the issues that resulted in the ineligible status determination the boneless beef contractor may re-enter the program under conditional status.

3.3 STATE OF REFRIGERATION

3.3.1 Fresh-chilled boneless beef shall be maintained and delivered at a temperature not to exceed 40°F.

3.4 FAT LIMITATIONS

3.4.1 Requirements - The contractor will establish a target average of 15 percent fat of all boneless beef destined for all USDA destinations. The upper and lower specifications limits will be 18.0 and 12.0 percent fat respectively. Production lots with average fat results that are not within the upper and lower specification limits will not be shipped to USDA.

3.4.2 Process Capability -The processors capability (Cpk) value shall be one (1) or higher when the average results from twenty (20) consecutive production lots (which always will include the last production lot) are calculated.

3.4.3 Documentation - The contractor shall declare within their technical proposal:

3.4.3.1 Lot size, number of samples, selection and preparation procedures,

3.4.3.2 The laboratory and a test method,

3.4.3.3 Data management and storage of fat results,

3.4.3.4 Statistical Process Control (SPC) charting methods which will include a process capability report (histogram) that is capable of calculating a Cpk value (see Exhibit A).

3.4.4 Assessment by AMS - AMS reserves the right to:

3.4.4.1 Check production records of the recipient where the contractor's boneless beef is further processed;

3.4.4.2 Select and analyze samples at the further processor. The results may be used by the contracting officer as a "check" to determine if fat content is in compliance with the fat limitation requirements; and/or

3.4.4.3 Deem a contractor as unreliable for failure to comply with the above requirements.

3.5 PACKAGING AND PACKING

3.5.1 The contractor's technical proposal and process will assure that all packaging, packing, closure, marking, and palletizing comply with the National Motor Freight Regulations and FSIS regulations and the requirements listed below. The contractor also must have procedures for verifying the net weight of shipping containers.

3.5.1.1 Packaging and Packing – The contractor shall bulk package the boneless beef within lined "combo bins" in such a manner to maintain the product in excellent condition. The combo bins of boneless beef shall be sealed so that the container is tamper proof and arrives at the destination intact.

3.5.1.2 Net Weight – The contractor shall have procedures that accurately determine the net weight of the boneless beef. Each filled combo bin shall weigh from 1850 to 2250 pounds. AMS reserves the right to perform net weight examinations at destination.

3.5.1.3 Marking of Containers – All shipping container markings shall include all information required by FSIS regulations and the following information:

3.5.1.3.1 "Complies with TRS - BB - 2012 - Boneless Beef for Further Processing":

3.5.1.3.2 A code number that will indicate traceability to production lot and date.

3.5.1.3.3 USDA Shield (at least 2 inches high).

3.5.1.3.4 Purchase Order Number.

3.5.1.3.5 Fat Declaration.

3.5.1.3.6 The appropriate material number listed in the table below for each of the items.

Item	Material Number
Boneless Beef Combo, Fresh	100155
Boneless Beef Combo, Grass Fed, Fresh	110091

Note: All labeling shall be illustrated in the Contractor's technical proposal.

3.5.1.4 Total net weights per delivery unit - The delivery unit will be 40,000 pounds.

3.5.1.5 Sealing - All products must be delivered to AMS assigned destinations under seal with tamper proof, tamper resistant, serially numbered, high security seals that meet the American Society for Testing and Materials Standard F 1157-04 as required under this supplement.

4.0 CONTROL OF NON-CONFORMING PRODUCT

4.1 The contractor must include a plan to assure that non-conforming product is not delivered under USDA contracts. The plan must address 1) control and segregation of non-conforming product, 2) removal of any USDA markings, and 3) disposition of non-conforming product, including vendor notification in writing to the COTR of final disposition (e.g., diverted to cooked product or destroyed).

5.0 QUALITY ASSURANCE

5.1 Warranty and Complaint Resolution

5.1.1 Warranty – The contractor will guarantee that the product complies with all specification requirements, technical proposal declarations, and provisions set forth in the program Supplement.

5.1.2 Complaint Resolution – Customer complaint resolution procedures will be included in the technical proposal. These procedures will include: a point of contact, investigation steps, intent to cooperate with AMS, and product replacement or monetary compensation. The procedures will be used to resolve product complaints from recipient agencies or AMS.

5.2 Checkloading – Invoice for payment must be supported by:

5.2.1 Recipient's signature on the bill of lading;

5.2.2 Consignee's receipt evidencing date shipped and received; or

5.2.3 Other commercial receipt evidencing delivery of the product.

APPENDIX A

DATA ENTRY AND PROCESS CAPABILITY VALUE

Data Entry

The ADL will record microbiological test results on spreadsheets and to have those spreadsheets readily available to AMS and its contractors/suppliers. Quantitative (plate count) results will be expressed as colony forming units (CFU) per gram or per ml reflecting the original sample measurement. Test results will be entered as a whole number (i.e., no decimal places, no preceding < (less than) symbol). Qualitative results for E. coli O157:H7 and Salmonella will be recorded as a 1 for a positive results and as a 0 for negative results.

The ADL will provide the calculated process capability values (CPU, CI) in the spreadsheets so that the supplier's process capability assessment can be determined, as described in APPENDIX B.

Process Capability Values – CPU or Cpk

The process capability value (CPU) is calculated by the ADL. CPU will be used for microbiological tests since these requirements only have an upper specification limit. Cpk will be used for fat testing requirements that have an upper and lower specification limit (see section 3.4.2). The upper specification limits (USL) for microbiological requirements will be found in APPENDIX B. The calculations for CPU and Cpk are as follows:

Calculation of process capability (CPU) with an upper specification limit only	**Calculation of process capability (Cpk) with an upper and lower specification limit**
Step 1. The first calculation will determine the Z-value (upper): **Z-value (upper) = (USL – Process Average) / Standard Deviation** Step 2. The Z-value divided by 3 will calculate the CPU: **CPU = Z-value (upper) / 3**	Step 1. The first set of calculations will determine the smaller value of the two Z-values (upper or lower): **Z-value (upper) = (USL – Process Average) / Standard Deviation** **Z-value (lower) = (Process Average – LSL) / Standard Deviation** Step 2. The smaller of the two Z-values (upper or lower) divided by 3 will calculate the Cpk. **CPU = Z-value (smaller value of the upper or lower) / 3**

Process Capability Value – CI

The central line (CI; x-bar) is the process average or arithmetic mean that indicates the incidence of positive *E. coli* O157:H7 and Salmonella results.

APPENDIX B

AMS BONELESS BEEF PROCESS REQUIREMENTS FLOW CHART

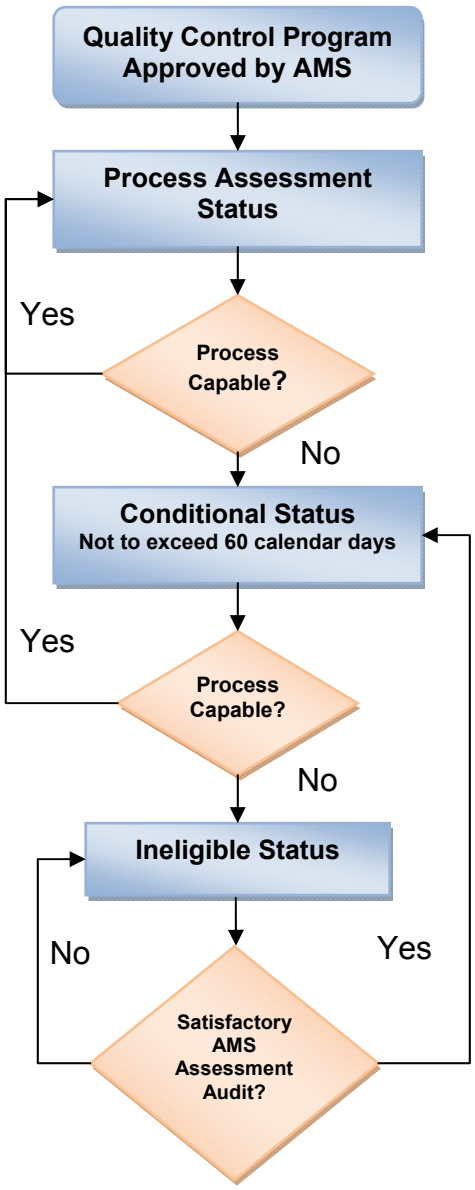
Quality Control Program – Prior to bidding on boneless beef contracts with the USDA, the documented quality control program as described within the approved technical proposal must have received a satisfactory onsite capability assessment by GVD. AMS will audit and monitor the program. The quality control program must specifically address management of microbial data to comply with the AMS Process Requirements Flow Chart and the following descriptions.

Process Assessment Status - A process assessment involves sampling and testing of 20 consecutive lots (which will include the last recorded result as defined within APPENDIX C) of boneless beef (see Section 3.2.2.7.4) destined for USDA contracts for the microbes listed within the table below.

Process Capable? – Flow chart decision step that involves test results for up to 20 consecutive lots (which will include the last recorded result) recorded in spreadsheets, where the process capability (CPU or CI) value is calculated (See APPENDIX A) for evaluation. A process that is not capable shall be declared to the COTR immediately when results are known and will result in switching from process assessment status to conditional status or switching from conditional status to ineligible status when:

- The CPU values do not meet the levels specified in the table below;
- The CI values do not meet the levels specified in the table below for *Salmonella* or *E. coli O157:H7*;
- Two results exceed any of the critical limits in the table below; * or
- After 2 or more results, the CPU value is negative.*
  *Immediate action will be taken prior to completion of 20 lots.

AMS PROCESS REQUIREMENTS FLOW CHART



Conditional Status –To regain process capable status, the boneless beef contractor must notify the COTR that the process is not capable, and then have 20 consecutive results that meet the **'Process Capable'** criteria within 60 calendar days or in accordance with a production schedule pre-approved by the COTR. Change in status begins after a cause and effect analysis has been performed and corrective actions have been implemented. The boneless beef contractor may also declare itself ineligible at any time.

Ineligible Supplier/Contractor – An ineligible boneless beef contractor will not be allowed to supply boneless beef to USDA until a cause and effect analysis has been performed and corrective actions have been submitted to AMS for review and approved, implemented and a satisfactory AMS assessment audit has been completed. Once satisfactorily becoming eligible, subsequent production will be under **Conditional Status.** The AMS COTR reserves the right to declare a boneless beef contractor ineligible at any time.

AMS MICROBIAL REQUIREMENTS FOR BONELESS BEEF			
Microbial Test	**USL (cfu)**	**Critical Limits (cfu)**	**CPU or CI Value**
Standard Plate Count	50,000 / gram	100,000 / gram	**CPU ≥ 1**
Total Coliforms	100 / gram	1,000 / gram	**CPU ≥ 1**
E. coli	100 / gram	500 / gram	**CPU ≥ 1**
Salmonella		Positive (+) result / 25 grams	**CI ≤ 0.05**
E. coli O157:H7		Positive (+) result / 325 grams	**CI ≤ 0.05**

APPENDIX C

GLOSSARY OF TERMS

Cause and Effect Diagrams – A cause and effect analysis is used to identify the cause or source of non-conformities. It categorizes the source as derived from impact on a process presented by Human, Machinery, Material, Methods, Environment, and Measurement (Test). The Cause and Effect Diagram will assist in evaluating a process and assigning the appropriate control point (see Figure 1).

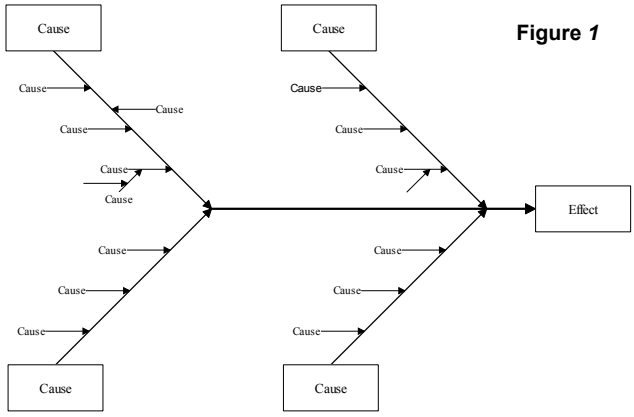


Figure *1*

"Cleanup to cleanup" - Part of a HACCP program that the establishment has in place to support statistically distinguishing one portion of production from another. Production destined for USDA contracts is to be commenced on clean equipment. "Cleanup to cleanup" may be an effective means of preventing cross contamination of one part of production to another with *E. coli O157:H7*. However, "cleanup to cleanup" without other supporting documentation may not be adequate to statistically distinguish one portion of production from another. If a sample analysis yields a positive result, any product produced in the same time frame with the same process or equipment is suspect, unless an intervention occurred that would indicate a change in the status of the process/equipment.

Control Charts – A control chart is a run chart with statistically derived upper and lower control limits (ucl and lcl). The control chart demonstrates if a process is in statistical control. When properly designed, control charts provide an early warning of problems allowing for adjustments to be made before production of non-conforming products. Microbial test results may be plotted on control charts for individual measurements and fat test results may be plotted on control charts featuring average and range of the fat test results (See Figure 2).

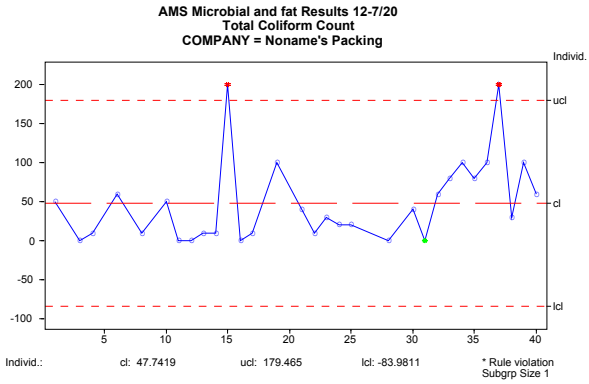
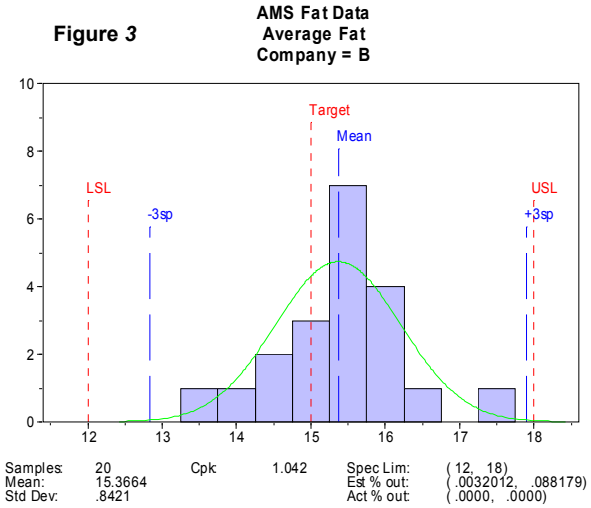


Figure *2*

Cpk – Process Capability Value (Cpk) is a capability analysis index used to determine if a process can meet specification limits. A Cpk value of 1 indicates that the process is producing at least 99.73% within the specification limit. Cpk values of 1 for many organizations have become the minimum requirement. However, the larger the Cpk values the better. Cpk differs from other process capability analyses since it considers the process average along with the distribution of test results. Since there is no lower specification limit for USDA microbial requirements, the calculation for Cpk will not involve relating the process average with a lower specification limit.

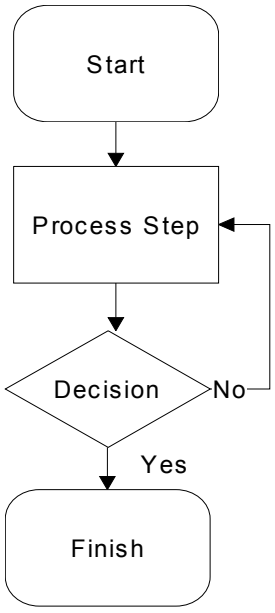
Figure *3*



CPU - Process Capability Value (CPU) is the same as Cpk except that there is no lower specification limit. The process performance index is correctly known as a Centered Process Capability Upper Specification Limit only (CPU) (See Figure 3).

Excellent Condition - All product must be in excellent condition (e.g., exposed lean and fat surfaces shall be of a color and bloom normally associated with the class, grade, and cut of meat and typical of meat which has been properly stored and handled). Cut surfaces and naturally exposed lean surfaces shall show no more than slight darkening or discoloration due to dehydration, aging, and/or microbial activity. The fat shall show no more than very slight discoloration due to oxidation or microbial activity. No odors foreign to fresh meat shall be present. Changes in color and odors characteristically associated with vacuum packaged meat in excellent condition shall be acceptable. Also, product shall show no evidence of mishandling. Beef must be maintained in excellent condition through processing, storage, and transit.

Figure *4*



Flow Charts – Flow charts depict all of the steps of a process. Standard symbols are used to identify the start, finish, processing steps and decision steps. It can be used to simplify a complex process so that it can be analyzed (Figure 4).

Histograms – The histogram shows a pictorial representation of the frequency of distribution of microbial test results over time. Sometimes referred to as process capability charts, histograms compare the distribution of the test results with AMS specification requirements. Use histograms along with control charts to better understand process capability (See Figure 3).

Pareto Diagrams – The Pareto diagram ranks the importance of different non-conformities. Typically, non-conformities are measured against frequency of occurrence. The Pareto analysis is helpful in identifying and justifying which problems will need to be solved first (see Figure 5).

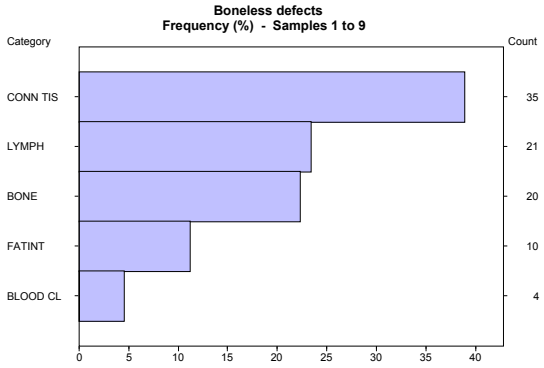
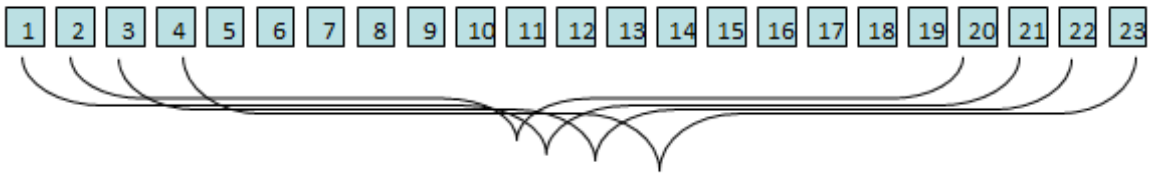


Figure 5

Process – For the purpose of this specification, a single process involves the input of a raw material on a production line with a value added activity resulting in a output that can is be further processed or meet a customer's need. A complex process involves output being another processes input. The production of ground beef is a complex process.

Process Capability Assessment on 20 consecutive lots – For the purpose of this specification, process capability assessments are conducted on data results from each lot for fat and microbial requirements. A process assessment involves sampling and testing of 20 consecutive lots (which always includes the last recorded result). Information from each lot will be evaluated with information from the preceding 19 lots (i.e., while in process assessment of the first 20 lots, the process was found to be capable, then assessment will continue on lot numbers 2-21). This has often been referred to as a 'Rolling 20'. This assessment takes into account process variations that may be attributed to product, management, sources, and time (see Figure 6).

Figure 6



Random Sampling – A process of selecting a sample from a lot whereby each unit in the lot has an equal chance of being selected and is representative of the lot's production.

Statistical Process Control (SPC) – SPC is the primary analysis tool of quality improvement. The objective of any quality improvement strategy is to identify and reduce the amount of variation. SPC analyzes the variation in a process and is the applied science that assists suppliers to collect, organize and interpret microbial and fat test results on processing of ground beef destined for USDA.

SPC provides tools to help measure, identify, and eliminate variation from customer requirements (see Table 1).

Table 1

Tools for Statistical Process Control	
Flow Charts	Scatter Diagrams
Pareto Diagrams	Run Charts
Cause and Effect Diagrams	Control Charts
Histograms	Capability Assessment

Upper and lower control limits (ucl and lcl) – Control limits are statistical calculations of the distribution of test results. Upper and lower control limits represent +/- 3 standard deviations of the process results. Data plotted outside the limits represent special causes of variation. A process may be considered “out of statistical control” when results are outside these limits. Upper and lower control limits are not to be confused with specification limits. A supplier wishing to be an eligible participant in the Boneless Beef Program shall have a process that is capable of producing within the specification limits (See figure 2).

Upper and lower specification limits (USL and LSL) – Normally, the customer sets the specification limits. The objective of the Boneless Beef Purchase Program is to procure from boneless beef processors that are statistically capable of meeting the upper specification limits specified within the TRS-BB. The specification limits reflect customer needs (See Figure 3).

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APPROVED

TECHNICAL REQUIREMENTS SCHEDULE – ANIMAL HANDLING AND WELFARE 2010 (TRS-AHW-2010)

Contracting Officer Technical Representative (COTR) Standards, Analysis, and Technology Branch Room 2607 S-Bldg, Phone: (202) 720-4486

Effective: May 2010

Animal Handling and Welfare

1.0 General

1.1 Program Approach

The contractor and all subcontractors must develop and implement a written program that is consistent with a systematic approach to humane handling and welfare as outlined in 69 FR 54625. The program will ensure proper animal handling and welfare techniques are conducted from the time the transportation conveyance enters the facility's premises through the stunning and exsanguination processes of the animal.

1.2 Program Submission

The program will be submitted as a supporting document to the firm's approved technical proposal and must address the requirements outlined in **Section 2.0 – Program Components**.

2.0 Program Components

The contractor must ensure that any facility that harvests animals for the program has a:

2.1 Mission Statement

Mission Statement on Animal Handling and Welfare that is distributed to all employees and conspicuously displayed at the premises.

2.2 Training Program

Training program on Animal Handling and Welfare that:

- is provided to all employees interacting with animals;
- covers Chapter 3: Transportation Audit Guidelines, Core Criteria 1 and 3 of the AMI *Recommended Animal Handling Guidelines and Audit Guide 2010 Edition;*

- covers Chapter 4: Auditing Animal Handling and Stunning 7 Core Criteria of the AMI *Recommended Animal Handling Guidelines and Audit Guide 2010 Edition;*

- is conducted no less frequently than once a year for each designated employee; and,

- requires signed documentation from each employee and confirmation by signature of the designated trainer upon successful completion of training.

2.3 Quality Management Plan

Written quality management plan (internal) which addresses the provisions of Chapter 3: Transportation Audit Guidelines, Core Criteria 1 and 3, and Chapter 4: Auditing Animal Handling and Stunning, 7 Core Criteria, of the AMI *Recommended Animal Handling Guidelines and Audit Guide 2010 Edition*, found at the following web site:

http://www.animalhandling.org/ht/d/sp/i/26752/pid/26752

2.4 Non-Ambulatory and U.S. Suspects

2.4.1 Cattle

Written protocol in-place and enforced that precludes the receipt of or having non-ambulatory, disabled cattle on the harvest facility premise. In the event that animals become non-ambulatory or disabled at any time while present at the harvest facility, the animal will be humanely euthanized and the carcass removed from the premise in a timely manner through contracted services or other means.

2.4.2 Hogs and Sheep

Written protocol in-place and enforced that ensures all animals designated by FSIS as U.S. Suspects (9 CFR 301.2) that are slaughtered are appropriately segregated during the harvest and production processes and precluded from inclusion in any products purchased by AMS.

3.0 Program Evaluation and Eligibility

The program will be audited (external) by a firm accredited by AMS. The accreditation of the firm will be conducted by the Audit, Review and Compliance Branch through the **LS ISO Guide 65 Program.** Alternatively, at the option of the contractor or subcontractor, the audits can be performed by AMS auditors.

3.1 Audit Format

The AMS accredited auditing firm must conduct audits utilizing the following format:

3.1.1 Transportation Segment (*Chapter 3: AMI Recommended Animal Handling Guidelines and Audit Guide 2010 Edition*)

Audited firms must pass Core Criteria 1 with a minimum scoring of excellent and Core Criteria 3 with a minimum scoring of acceptable each time an audit is performed.

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3.1.2 Animal Handling and Stunning Segment (*Chapter 4: AMI Recommended Animal Handling Guidelines and Audit Guide 2010 Edition*)

Audited firms must pass Core Criteria 1 through 5 with a minimum scoring of acceptable while Core Criteria 6 and 7 must be adhered to with full compliance (zero tolerance) each time an audit is performed.

3.2 Initial Audit

Initial audit must be performed prior to award of contracts.

3.3 Audit Failure

If an audit is failed for any of the Core Criteria, the firm is not eligible to provide product until such a time that corrective and preventative actions are approved by the Contracting Officer, implemented and proven effective.

3.4 Audit Frequency and Status

- STANDARD - Until four (4) consecutive successfully passed audits are attained, an audit must be conducted within 3 months of the previous audit.

- MONTHLY - If at any time an audit identifies any of the Core Criteria not meeting the pass requirements while in the STANDARD phase, auditing will be required to be conducted on a monthly basis once corrective and preventative actions have been approved by the Contracting Officer, implemented and proven effective. This schedule will be for a period of time until four (4) successive audits are found to meet the pass requirements noted within Chapter 3 (Core Criteria 1 and 3) and Chapter 4 (Core Criteria 1 through 7) of the AMI *Recommended Animal Handling Guidelines and Audit Guide 2010 Edition*; at which time audits shall be conducted on the STANDARD basis.

- If four successfully conducted audits are sequentially completed within a one year period while in STANDARD auditing phase, the facility may move to a SEMI-ANNUAL audit basis.

- SEMI-ANNUAL - Semi-annual audits may continue until such time that a failed audit is reported or a period of greater than six months has elapsed without any audits being performed; at which time the audits must resume as described for STANDARD audits.

4.0 Contracting Officer

The contracting officer can declare a contractor's and/or subcontractor's Animal Handing and Welfare Program out of compliance at any time.

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