

Quality Assurance Operations Global and Regional Inspections



Finished Product Audits

Two Types

- **Pre-Shipment Finished Goods Audit (PSFGA):** Is an audit performed at the factory, prior to shipping.
- **Distribution Center (DC) Inspection:** : Is an audit performed at QVC's Distribution Center.
- **PSFGA is QVC's preferred audit method. Why?**
 - For QVC, PSFGA assists in determining the merchandise complies to our specifications.
 - For Vendor, if product is non-compliant it allows for the vendor to correct problem at the factory.

PSFGA Basics

What: All Purchase Orders may be subject to a PSFGA, especially new vendors

When: When the entire Purchase Order is packed and ready to ship

Where: Factory where goods are manufactured

Who: QVC personnel or Authorized Inspection Service Provider coordinated by QVC PSFGA Department

Fees: Shared costs between vendor and QVC. PSFGA Fee is based on the dollar amount of the Purchase Order.

Results: QVC QA determines results & notifies vendor. Please note if production does not match 1st piece sample it will fail

PSFGA Key Points

- Once your Purchase Order is approved and you are set up in our Vendor Portal, your QA Contact will be notified by email within 14 days of PO creation if the PO has been selected for PSFGA.
- Factory details must be sent to your PSFGA coordinator as soon as they become available.
- PSFGA cannot take place until 1st piece sample is approved by Quality Assurance.
- Be sure to allow 24-48 hours in your production schedule for PSFGA .
- Failure to comply with PSFGA will result in a Vendor Charge Back (VCB).

US Distribution Center Inspections

If your Purchase Order doesn't meet PSFGA eligibility it will be inspected upon receipt at the Distribution Center:

- A PRN (Product Rejection Notice) will be generated if product received doesn't match 1st piece.
- If product received is non-compliant a Vendor Charge Back (VCB) will be issued.
- Vendor remains responsible for product quality throughout life cycle.
- Compliant PSFGA does not guarantee final acceptance at the DC.

Finished Goods Inspection Fees

Our vendor community plays a critical role in ensuring that products meet our customer's expectations. Managing product quality closer to the factories plays a key role in providing feedback on product acceptance as well as identify issues earlier in the process, with two primary benefits:

- Our customers receive the quality products they expect.
- Minimize cost and timeline impacts to our vendor community, if any changes are needed.

Overseas inspections for the following Purchase Order values:

Purchase Order Value		Reimbursement Fee
Minimum	Maximum	
\$0	\$9,999	No routinely scheduled PSFGA
\$10,000	\$20,000	\$150
\$20,000	\$30,000	\$250
\$30,000	\$100,000	\$375
\$100,000	\$500,000	\$700
\$500,000	>500000	\$1000

US domestic inspections for the following Purchase Order values:

Purchase Order Value		Reimbursement Fee
Minimum	Maximum	
\$10,000	\$99,999	\$700
\$100,000	And up	\$1000