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Standard Practice for Cannabis or Hemp Supplier Lifecycle Management[1]

This standard is issued under the fixed designation D8477; the number immediately following the designation indicates the year of original adoption or, in the case of revision, the year of last revision. A number in parentheses indicates the year of last reapproval. A superscript epsilon (ε) indicates an editorial change since the last revision or reapproval.

1. Scope

1.1 This practice provides cannabis or hemp operations, or both, with methods, procedures, responsibilities, and criteria for supplier management practices to reliably receive supplies that meet specifications. Effective supplier management includes clear concise communication and comprehension between departments and business functions, that is, marketing, finance, operations, supply requirement analysis, supplier assessment or audits, supplier selection, backup suppliers, and supply/supplier information management.

1.2 In this practice, the term cannabis can be substituted with the term hemp. This practice applies to industrial hemp operations, CBD operations, and as referred to by several authorities having jurisdiction, licensed marijuana operations.

1.3 This practice provides a process for supplier management in Section 5 and criteria for supplier evaluation in Section 6.

1.4 Nothing in this practice shall preclude observance of federal, state, or local regulations which may be more restrictive or have different requirements.

1.5 *This standard does not purport to address all of the safety concerns, if any, associated with its use. It is the responsibility of the user of this standard to establish appropriate safety, health, and environmental practices and determine the applicability of regulatory limitations prior to use.*

1.6 *This international standard was developed in accordance with internationally recognized principles on standardization established in the Decision on Principles for the Development of International Standards, Guides and Recommendations issued by the World Trade Organization Technical Barriers to Trade (TBT) Committee.*

2. Referenced Documents

2.1 *ASTM Standards:*[2]

D8222 Guide for Establishing a Quality Management System (QMS) for Consumer Use of Cannabis/Hemp Products

D8229 Guide for Corrective Action and Preventive Action (CAPA) for the Cannabis Industry

D8270 Terminology Relating to Cannabis

D8286 Guide for Processing Cannabis Product Complaints

D8308 Practice for Cannabis/Hemp Operation Compliance Audits

D8320 Practice for Implementing an Information Security Program in a Cannabis Operation

3. Terminology

3.1 *General*—Definitions are in accordance with Terminology D8270 unless otherwise indicated.

3.2 *Definitions of Terms Specific to This Standard:*

3.2.1 *critical supplies, n*—supplies and services provided by other companies that present an unacceptable level of risk if not available in the quantity, quality, or time required.

3.2.1.1 *Discussion*—When applicable, the term critical supplies includes critical services.

3.2.2 *operation, n*—any entity or individual licensed/permitted by an authority having jurisdiction to grow, process, handle, package, store, distribute, or sell, or combinations thereof, a cannabis plant, its parts, or products, or combinations thereof.

3.2.3 *operations, n*—the active functioning and processing to keep a business running.

3.2.4 *operator, n*—an individual or individuals with the responsibility to manage an operation.

3.2.5 *supplier audit, n*—the process of evaluating a supplier's quality management system and ability to meet the operation's supplier requirements.

3.2.6 *supplies, n*—tangible goods, equipment, material, or services that are provided by sources external to the operation.

[1] This practice is under the jurisdiction of ASTM Committee D37 on Cannabis and is the direct responsibility of Subcommittee D37.02 on Quality Management Systems.

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[2] For referenced ASTM standards, visit the ASTM website, www.astm.org, or contact ASTM Customer Service at service@astm.org. For *Annual Book of ASTM Standards* volume information, refer to the standard's Document Summary page on the ASTM website.

3.2.6.1 *Discussion*—In this practice, the term supply or supplies may refer to services.

3.2.7 *surveillance audit, n*—a periodic audit performed to ensure that a supplier continues to meet the operation's supplier requirements.

3.3 *Acronyms:*

3.3.1 *CAPA*—corrective action and preventive action

3.3.2 *QMS*—quality management system

4. Significance and Use

4.1 This practice is intended to be used by cannabis or hemp operators, or both, to establish good supplier lifecycle management practices.

4.1.1 Without proper oversight, the quality and reliability of supplied materials, equipment, parts, software, or services can degrade. This can create issues that directly impact the operation's performance and remain undetected until customers experience a problem.

4.1.2 Early identification and mitigation of risks within the supply chain are crucial to controlling costs and minimizing potential impacts on operations, customer experience, and business reputation. In general, costs are reduced when issues are prevented early and upstream in the supply chain.

4.2 This practice applies to the cannabis or hemp horticulture, agriculture, processing, manufacturing, testing, and distribution operators and the many suppliers that provide materials, equipment, parts, software, or services to these operations.

4.3 This practice provides operations and consultants supporting operations with the actions required to implement good supply and supplier management practices.

4.4 Any supply chain operator can use this practice to conduct an internal gap assessment and risk analysis to identify opportunities for improvement.

4.5 Certification bodies can use the standard to develop supplier audit programs.

4.6 Section 5 provides details on the supplier lifecycle management process that includes the following seven activities:

4.6.1 Supply and supplier information management.
4.6.2 Supply identification and specifications.
4.6.3 Supplier options, evaluation, and selection.
4.6.4 Supplier onboarding.
4.6.5 Supplier performance and risk management.
4.6.6 Supplier relationship management.
4.6.7 Supplier offboarding.

4.7 To implement supplier management, follow the process in Sections 5 and 6. Start by applying the principles in this practice to a few supplies and suppliers and work through all of the steps in the process. Then repeat the process for more supplies or refine the details on supplies that are already addressed.

4.8 This practice applies to critical supplies that require rigorous management and non-critical supplies that don't. It applies to large multi-location operations with a large staff and complex communication needs, and small single facility operations with a small staff where communication is simple. The key to applying this practice is documenting the operation's procedures and specific methods along with a valid justification when a step is modified or simplified to meet the intent of a step in Sections 5 and 6 as it applies to a small operation or a non-critical supply.

5. Supplier Management Process

5.1 *Supply and Supplier Information Management:*

5.1.1 The operator shall establish a system to maintain and readily access supply and supplier information. The key elements of the system shall be documented. The description of the supply and supplier information management methods should be included in the operator's quality manual or similar documentation. Refer to Guide D8222 for guidance on quality manuals.

5.1.2 The operator shall document policies and procedures for the supplier information management system.

5.1.3 The supplier information management system can be manual, partially automated, or fully automated. The details of an effective and secure information management system are not addressed in this guide. Information security is covered in Practice D8320.

5.1.4 The operator shall establish and document a frequency for routine review of the supplier management policies, procedures, policy, and training material and update them as needed to reflect current practices. Annual reviews are recommended and shall be performed at least once every three years.

5.1.5 Document the supply and supplier management policies, procedures, and the supplier information system. Follow change control procedures as improvements are made to these documents.

5.2 *Supply Identification and Specifications:*

5.2.1 The operator shall identify supplies and services required for reliable operations, product quality, safety, and to meet the operation's delivery schedules.

5.2.2 The operator shall rate each supply from critical to noncritical based on the risk potential/impact to the operation if the supply suddenly does not meet requirements or is suddenly unavailable, and is not readily available from multiple suppliers. The operator should consider the potential for various global supply chain failure events and the impact on the operation.

5.2.3 Initially, critical supplies shall have documented descriptions and specifications. The goal should be to document all supplies and services used in an operation. The operator can reference industry-recognized specification standards. The specification should include the following:

5.2.3.1 Purpose or objective of the supply,
5.2.3.2 Availability and alternative sources,
5.2.3.3 List of alternative options,
5.2.3.4 Quantity typically ordered,
5.2.3.5 Anticipated order frequency,
5.2.3.6 Anticipated lead time,
5.2.3.7 Inventory to be held, and
5.2.3.8 Other supply information useful to the organization.