

USDA
Farm Service Agency
Commodity Operations

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Federal Procurement

Federal Acquisition Regulation (FAR)

- Basic policies and general information
- Standardized; used by all Federal Executive agencies
- DoD uses the Defense Acquisition Regulation Supplement (DFARS)

Our Procurement Method

- Firm Fixed-Price Contract (FAR-compliant)
 - Contractor assumes risk for all costs
 - Adequate price competition is present
 - Reasonable price comparison data is available
 - Government can figure reasonable cost estimates
- Invitation for Bids (IFB) – Solicitations
- Sealed Bidding

Alternative Method

Purchase Card

- FAR-compliant
- GSA SmartPay Card, under Visa, MasterCard, and Voyager (for fleet-related purchases)
- Micro purchases (under \$3,000)
- Commercial items; utilizing a Request for Quotes (RFQ), although not mandatory if price is reasonable

Guiding Principles

- Maximize use of *commercial* products
- U.S. origin products – only
- Use contractors with a track record of successful *past* performance and a *current* superior capability to perform
- Promote competition
- Minimize administrative operating costs
- Conduct business with integrity, fairness, and openness

Commodity Procurements

- International Food Aid (USAID & USDA-FAS)
 - Bulk & Packaged grains, vegetable oils, and vitamin-fortified, non-commercial food items
- Domestic Food Assistance (FNS)
 - Processed food & dairy items (commercial)
- Multi-Food Warehousing Services(FNS)
- Firm fixed-price contracts, under sealed-bidding
- Suppliers/Vendors (organized for profit)
 - Large
 - Small & Disadvantaged (Farmer-owned cooperatives are eligible for set-aside awards)

International Food Aid



'Responsible' Suppliers

- Able to perform the contract successfully
 - Sufficient finances (financially sound)
 - Capacity
 - Competency (technical capability)
 - Past performance
 - Business Integrity
 - Perseverance
 - Contracting Officer's determination

Certificate of Competency (CoC)

- To *appeal* a Contracting Officer's determination that the Small Business is unable to fulfill the requirements of a specific contract
- Only when the Small Business is the apparent low bidder
- SBA conducts a detailed review of the firm's capabilities to perform on the contract
- If SBA finds to be competent, a CoC is issued; requiring award of that specific contract

SBA Size Standards

- Vary; depending on the industry
- North American Industry Classification System (NAICS code) – base on specific product(s); used to determine whether a business is small or ‘other than small’
- For *most* NAICS codes, small businesses have 500 or fewer employees
- If a disagreement, SBA will do a ‘formal’ size determination

Small Business Set-Asides

- Commodity-specific (manufacturing NAICS code)
- Department/Agency Goals & Market Research
- Products of **U.S. origin** (50 States, District of Columbia, Commonwealths, Territories, and Minor Outlying Islands)
- Manufacturer Rule (Small Bus. Manufacturer only)
- Rule of Two (set-aside only if determined there are two or more 'responsible' SBs that are competitive in price, quality, and delivery); USDA must maintain competition
- Fair Market Price (reasonable costs under normal competitive conditions; not on lowest cost possible; determined by the Contracting Officer)

Subcontracting Opportunities

- Good for Small Businesses not ready to bid as 'Prime' Contractors
- Contracts over \$650,000 – Potential Large Businesses must submit a Subcontracting Plan with their proposal – describing how they will maximize subcontracting opportunities to Small Businesses
- SUB-Net database – listing of subcontracting solicitations and opportunities, by NAICS code

Small Business Categories & Goals

- Small – by SBA size standards (**23%**)
- Small Disadvantaged (**5%**) *
 - 8(a) Business Development Program – nine year program to develop and grow a small business; owned and controlled by at least 51% of socially and economically disadvantaged individuals
- Women-Owned Small (**5%**)
- Historically Underutilized Business Zone - HUBZone (**3%**) *
 - Located in distressed urban and rural communities;
 - 10% price preference in federal procurements
- Service-Disabled Veteran-Owned (**3%**)

* SBA certifies/determines eligibility

Source America

- Not-for-profit entity; referred to as a Community Rehabilitation Program (CRP)
- Specific commodity must be approved and included in the **AbilityOne** Procurement List
- Governed by the Committee for Purchase from People who are Blind or Severely Disabled
- No guaranteed quantities
- Significant quantity changes are possible

Market Research

- Requests for Information (RFI) – developing
- Sources Sought Notices (SSN) – developed
- Targeted by NAICS code(s)
- Federal Business Opportunities (FedBizOpps)
- GovDelivery
- Industry Publications
- SBA's Dynamic Small Business Search
- Small Business-friendly

Vendor Registrations

- System for Award Management (SAM);
(formerly Central Contractor Registration)
 - Obtain a free DUNS number
 - Employer Identification Number (EIN)
 - Identify at least one NAICS code
- Web Based Supply Chain Management (WBSCM)
- Electronic Funds Transfer capability

Solicitations

- Federal Business Opportunities (FedBizOpps)
- GovDelivery
- WBSCM Public Procurement Page
- GSA Schedules (long-term, government-wide)
- Determine which federal agencies buy your products or services
- Learn contracting procedures of target agencies

Sealed-Bidding

- Competition must be anticipated
- Tends to be somewhat limited to standard, commercial items
- Relatively easy to determine a fair contract price
- Firm Fixed Price (FFP) – not adjusted to account for changes in contractor's costs; contractor has maximum incentive to control costs and perform effectively

'Responsive' Bidders

- Conforming to all requirements of the solicitation/invitation for bid
- Applies to bids (FFP; sealed-bids)
- Regarding material terms and conditions
- In order to receive a contract award
- If not responsive – cannot be cured

Timeline for bid & award

Bulk Grain example:

- Solicitation published Jan 6 @ 1:30 pm
- Bid Start Jan 6 @ 2:00 pm
- Bids Due Jan 13 NLT 2:00 pm (7-day dwell)
- Awarded Jan 14 NLT 9:15 am
- Public Release – Purchase Contract Award (PCA) Jan 14 @ 4:00 pm

Process Summary

- Establish your Small Business as ‘Responsible’
- Register – **create profile in SAM**
- Respond to SSNs and seek-out solicitations
- Submit ‘Responsive’ bids – competitively priced
- Receive contract award
- Perform satisfactorily
- Submit invoice
- Get paid (timely)
- Receive Contractor Performance Assessment Report (CPARS); a ‘past performance’ indicator

Vendor Assistance

- Betty Kunkel, Small Business Specialist
 - Responsibility determination process
 - Registration process
 - Access to solicitations
- Phone 816-926-3295
- betty.kunkel@kcc.usda.gov
- Patrick Dardis, 816-926-1432,
patrick.dardis@kcc.usda.gov

Other Resources

- Farm Service Agency – Home page
 - Programs and Services drop-down tab
 - Commodity Operations
 - Web Based Supply Chain Management (WBSCM)
 - Public Procurement Page (solicitations back to 2011)
- Qualification Requirements (see handout)