

RFP FNS-05-0054SAM

SOLICITATION, OFFER AND AWARD		1. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 700)		RATING	PAGE 1 OF 71 PAGES
2. CONTRACT NUMBER	3. SOLICITATION NUMBER	4. TYPE OF SOLICITATION		5. DATE ISSUED	6. REQUISITION/PURCHASE NUMBER
	RFP FNS-05-0054SAM	<input type="checkbox"/> SEALED BID (IFB) <input checked="" type="checkbox"/> NEGOTIATED (RFP)		07/14/05	5959
7. ISSUED BY			8. ADDRESS OFFER TO (If other than Item 7)		
USDA, FNS, ASD, CMB 3101 Park Center Drive, Suite 228 Alexandria, VA 22302					

NOTE: In sealed bid solicitations "offer" and "offeror" mean "bid" and "bidder".

SOLICITATION

9. Sealed offers in original and 4 copies for furnishing the supplies or services in the Schedule will be received at the place specified in Item 8, or if handcarried, in the depository located in Room 228 until 04:00 local time 08/12/05
(Hour) (Date)
 CAUTION - LATE Submissions, Modifications, and Withdrawals: See Section L, Provision No. 52.214-7 or 52.215-1. All offers are subject to all terms and conditions contained in this solicitation.

10. FOR INFORMATION CALL:	A. NAME	B. TELEPHONE (NO COLLECT CALLS)			C. E-MAIL ADDRESS
	Sabrina Mathis	AREA CODE	NUMBER	EXT.	sabrina.mathis@fns.usda.gov
		703	305-2268		

11. TABLE OF CONTENTS

(X)	SEC.	DESCRIPTION	PAGE(S)	(X)	SEC.	DESCRIPTION	PAGE(S)
PART I - THE SCHEDULE				PART II - CONTRACT CLAUSES			
<input checked="" type="checkbox"/>	A	SOLICITATION/CONTRACT FORM	1	<input checked="" type="checkbox"/>	I	CONTRACT CLAUSES	9
<input checked="" type="checkbox"/>	B	SUPPLIES OR SERVICES AND PRICES/COSTS	3	PART III - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACH.			
<input checked="" type="checkbox"/>	C	DESCRIPTION/SPECS./WORK STATEMENT	11	<input checked="" type="checkbox"/>	J	LIST OF ATTACHMENTS	8
<input checked="" type="checkbox"/>	D	PACKAGING AND MARKING	1	PART IV - REPRESENTATIONS AND INSTRUCTIONS			
<input checked="" type="checkbox"/>	E	INSPECTION AND ACCEPTANCE	1	<input checked="" type="checkbox"/>	K	REPRESENTATIONS, CERTIFICATIONS AND OTHER STATEMENTS OF OFFERORS	12
<input checked="" type="checkbox"/>	F	DELIVERIES OR PERFORMANCE	3	<input checked="" type="checkbox"/>	L	INSTRS., CONDS., AND NOTICES TO OFFERORS	13
<input checked="" type="checkbox"/>	G	CONTRACT ADMINISTRATION DATA	6	<input checked="" type="checkbox"/>	M	EVALUATION FACTORS FOR AWARD	3
<input checked="" type="checkbox"/>	H	SPECIAL CONTRACT REQUIREMENTS	4				

OFFER (Must be fully completed by offeror)

NOTE: Item 12 does not apply if the solicitation includes the provisions at 52.214-16, Minimum Bid Acceptance Period.

12. In compliance with the above, the undersigned agrees, if this offer is accepted within _____ calendar days (60 calendar days unless a different period is inserted by the offeror) from the date for receipt of offers specified above, to furnish any or all items upon which prices are offered at the price set opposite each item, delivered at the designated point(s), within the time specified in the schedule.

13. DISCOUNT FOR PROMPT PAYMENT (See Section I, Clause No. 52.232-8)	10 CALENDAR DAYS (%)	20 CALENDAR DAYS (%)	30 CALENDAR DAYS (%)	CALENDAR DAYS (%)
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14. ACKNOWLEDGMENT OF AMENDMENTS (The offeror acknowledges receipt of amendments to the SOLICITATION for offerors and related documents numbered and dated):	AMENDMENT NO.	DATE	AMENDMENT NO.	DATE

15A. NAME AND ADDRESS OF OFFEROR	CODE	FACILITY	16. NAME AND TITLE OF PERSON AUTHORIZED TO SIGN OFFER (Type or print)

15B. TELEPHONE NUMBER	15C. CHECK IF REMITTANCE ADDRESS IS DIFFERENT FROM ABOVE - ENTER SUCH ADDRESS IN SCHEDULE.	17. SIGNATURE	18. OFFER DATE
AREA CODE NUMBER EXT.	<input type="checkbox"/>		

AWARD (To be completed by Government)

19. ACCEPTED AS TO ITEMS NUMBERED	20. AMOUNT	21. ACCOUNTING AND APPROPRIATION
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22. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION:	23. SUBMIT INVOICES TO ADDRESS SHOWN IN (4 copies unless otherwise specified)	ITEM
<input type="checkbox"/> 10 U.S.C. 2304(c)) <input type="checkbox"/> 41 U.S.C. 253(c) ()		

24. ADMINISTERED BY (If other than Item 7)	25. PAYMENT WILL BE MADE BY
CODE	CODE

26. NAME OF CONTRACTING OFFICER (Type or print)	27. UNITED STATES OF AMERICA	28. AWARD DATE
	(Signature of Contracting Officer)	

IMPORTANT - Award will be made on this Form, or on Standard Form 26, or by other authorized official written notice.

TABLE OF CONTENTS

PART I - THE SCHEDULE

SECTION A- SOLICITATION/CONTRACT FORM.....1

TABLE OF CONTENTS.....2

SECTION-B SUPPLIES AND PRICE/COST.....5

B-1 PROVISIONS FOR PRICING AND PAYMENT.....5

B-2 DESCRIPTION OF SERVICES AND PRICES.....5

SECTION C - DESCRIPTION/SPECIFICATIONS/WORK STATEMENT.....8

C-1 STATEMENT OF WORK/SPECIFICATIONS.....8

C-2 ATTACHMENTS TO STATEMENT OF WORK/SPECIFICATIONS.....18

SECTION D - PACKAGING AND MARKING.....19

D-1 MARKING DELIVERABLES.....19

D-2 PACKING FOR DOMESTIC SHIPMENT.....19

SECTION E - INSPECTION AND ACCEPTANCE.....20

E-1 CLAUSES INCORPORATED BY REFERENCE.....20

E-2 INSPECTION AND ACCEPTANCE.....20

SECTION F - DELIVERIES OR PERFORMANCE.....21

F-1 CLAUSES INCORPORATED BY REFERENCE.....21

F-2 PLACE OF DELIVERY—FOB DESTINATION.....21

F-3 IDENTIFICATION OF CONTRACT DELIVERABLES.....22

F-4 DELIVERY SCHEDULE.....22

F-5 PERIOD OF PERFORMANCE.....23

F-6 PERORMANCE SCHEDULE FOR OPTION PERIODS.....23

F-7 REPORTING REQUIREMENTS.....23

SECTION G - CONTRACT ADMINISTRATION DATA24

G-1 INVOICE REQUIREMENT.....24

G-2 AUTHORIZED PAYMENT SCHEDULE.....24

G-3 METHOD OF PAYMENT.....24

G-4 CONTRACT ADMINISTRATION.....25

TABLE OF CONTENTS (CONTINUED)

G-5 CONTRACTING OFFICER’S REPRESENTATIVE (COR)26
G-6 TYPE OF CONTRACT.....29
G-7 RESPONSE TO FNS TECHNICAL DIRECTION.....29

SECTION H - SPECIAL CONTRACT REQUIREMENTS.....30

H-1 WITHHOLDING OF CONTRACT PAYMENTS.....30
H-2 ADP COMPATIBILITY.....30
H-3 PRINTING.....30
H-4 PAPERWORK REDUCTION ACT.....31
H-5 KEY PERSONNEL.....31
H-6 PROCUREMENT OMBUDSMAN.....31
H-7 DEBT COLLECTION.....32
H-8 RESTRICTIONS AGAINST DISCLOSURE.....32

PART II - CONTRACT CLAUSES

SECTION I - CONTRACT CLAUSES.....34

I-1 CLAUSES INCORPORATED BY REFERENCE.....34
I-2 REQUIREMENTS FOR COST OR PRICING DATA OR INFORMATION
OTHER THAN COST OR PRICING DATA - MODIFICATIONS.....37
I-3 RIGHTS TO PROPOSAL DATA (TECHNICAL).....37
I-4 OPTION TO EXTEND TERM OF THE CONTRACT.....37
I-5 CONFIDENTIALITY OF INFORMATION.....38
I-6 SUBCONTRACTS.....39
I-7 SUBCONTRACTS FOR COMMERCIAL ITEMS AND COMMERCIAL
COMPONENTS.....42

PART III - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS

SECTION J - LIST OF ATTACHMENTS.....43

J-1 LIST OF ATTACHMENTS.....43

SECTION K - REPRESENTATIONS, CERTIFICATIONS, AND OTHER
STATEMENTS OF OFFERORS.....44

K-1 SOLICITATION PROVISIONS INCORPORATED BY REFERENCE.....44
K-2 TAXPAYER IDENTIFICATION.....44
K-3 WOMEN-OWNED BUSINESS.....45
K-4 CERTIFICATION REGARDING DEBARMENT, SUSPENSION,
PROPOSED DEBARMENT, AND OTHER RESPONSIBILITY MATTERS.....46

RFP FNS-05-0054SAM

K-5 PLACE OF PERFORMANCE.....47
K-6 SMALL BUSINESS PROGRAM REPRESENTATIONS.....48
K-7 PREVIOUS CONTRACTS AND COMPLIANCE REPORTS.....49
K-8 AFFIRMATIVE ACTION COMPLIANCE.....50
K-9 ROYALTY INFORMATION.....50
K-10 GENERAL FINANCIAL AND ORGANIZATIONAL INFORMTION.....50
K-11 DUPLICATION OF COST54
K-12 COMPLIANCE WITH VETERANS EMPLOYMENT REPORTING
REQUIREMENTS.....54
K-13 CERTIFICATION OF TOXIC CHEMICAL RELEASE REPORTING.....54
K-14 CERTIFICATION.....55

SECTION L - INSTRUCTIONS, CONDITIONS, AND NOTICES
TO OFFERORS.....55

L-1 SOLICITATION PROVISIONS INCORPORATED BY REFERENCE.....56
L-2 INSTRUCTIONS TO OFFERORS—COMPETITIVE ACQUISITION.....56
L-3 CONTRACTOR IDENTIFICATION NUMBER - DATA UNIVERSAL
NUMBERING SYSTEM (DUNS) NUMBER.....61
L-4 SMALL BUSINESS NORTH AMERICAN INDUSTRIAL CLASSIFICATION
SYSTEM CODE.....62
L-5 AUTHORSHIP.....62
L-6 TYPE OF CONTRACT.....62
L-7 SERVICE OF PROTEST.....62
L-8 INQUIRIES.....63
L-9 INSTRUCTIONS FOR THE PREPARATION OF TECHNICAL AND BUSINESS
PROPOSALS.....63
L-10 AMENDMENTS TO PROPOSALS.....66
L-11 PAST PERFORMANCE AND SYSTEMIC IMPROVEMENT.....67

SECTION M - EVALUATION FACTORS FOR AWARD.....69

M-1 SOLICITATION PROVISIONS INCORPORATED BY REFERENCE.....69
M-2 EVALUATION FOR AWARD.....69

SECTION B - SUPPLIES OR SERVICES AND PRICE/COST

B-1 PROVISIONS FOR PRICING AND PAYMENT

The ceiling price for this contract is \$[*]

The contractor shall not make expenditures or incur costs in the performance of this contract which exceed the above specified ceiling price, except at the contractor’s own risk.

Payment shall be made in accordance with FAR Clause 52.232-7, "Payments Under Time-And-Materials and Labor-Hour Contracts" referenced in Section I-1, "Clauses Incorporated by Reference" along with any other supplementary payment scheme which, if applicable, is detailed in Section G of this document.

(* TO BE FILLED IN AT TIME OF AWARD)

B-2 DESCRIPTION OF SERVICES AND PRICES

This is a fixed rate, labor hour type contract and the contractor is required to provide all services and materials (unless specifically identified elsewhere as Government furnished) necessary to accomplish the work as detailed in Clause C-1, Statement of work.

(*BLANKS TO BE COMPLETED BY OFFEROR)

BASE PERIOD **[September 16, 2005 – June 30, 2006]**

For performance of this contract during the period **[September 16, 2005 – June 30, 2006]**

<u>*Labor Classification</u>	<u>Maximum Person Hours</u>	<u>Loaded Hourly Rate</u>	<u>Total</u>
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Research Assistant **1807**

TOTAL BASIC AWARD \$_____

OPTIONAL TASK A **(September 16, 2005 – June 30, 2006)**

<u>*Labor Classification</u>	<u>Maximum Person Hours</u>	<u>Loaded Hourly Rate</u>	<u>Total</u>
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Research Assistant

OPTION PERIOD 1 **[July 1, 2006 – June 30, 2007]**

RFP FNS-05-0054SAM

For performance of this contract during the period [**July 1, 2006 – June 30, 2007**]

<u>Labor Classification</u>	Maximum *(EST) <u>Person Hours</u>	Loaded <u>Hourly Rate</u>	<u>Total</u>
Research Assistant	1807		
TOTAL AWARD OPTION PERIOD 1		\$_____	

OPTIONAL TASK A (if awarded during Option Period 1 [**July 1, 2006 – June 30, 2007**]

* <u>Labor Classification</u>	Maximum <u>Person Hours</u>	Loaded <u>Hourly Rate</u>	<u>Total</u>
Research Assistant			

OPTION PERIOD 2 [**July 1, 2007 – June 30, 2008**]

For performance of this contract during the period **July 1, 2007 – June 30, 2008**)

<u>Labor Classification</u>	Maximum *(EST) <u>Person Hours</u>	Loaded <u>Hourly Rate</u>	<u>Total</u>
Research Assistant	1807		
TOTAL AWARD OPTION PERIOD 2		\$_____	

OPTIONAL TASK A (if awarded during Option Period 2 [**July 1, 2007 – June 30, 2008**]

* <u>Labor Classification</u>	Maximum <u>Person Hours</u>	Loaded <u>Hourly Rate</u>	<u>Total</u>
Research Assistant			

OPTION PERIOD 3 [**July 1, 2008 – June 30, 2009**]

For performance of this contract during the period [**July 1, 2008 - June 30, 2009**]

<u>Labor Classification</u>	Maximum *(EST) <u>Person Hours</u>	Loaded <u>Hourly Rate</u>	<u>Total</u>
Research Assistant	1807		
TOTAL AWARD OPTION PERIOD 3		\$_____	

RFP FNS-05-0054SAM

OPTIONAL TASK A (if awarded during Option Period 3 **[July 1, 2008 – June 30, 2009]**)

<u>*Labor Classification</u>	Maximum <u>Person Hours</u>	Loaded <u>Hourly Rate</u>	<u>Total</u>
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Research Assistant

OPTION PERIOD 4 **[July 1, 2009 – June 30, 2010]**

For performance of this contract during the period **[July 1, 2009 – June 30, 2010]**

<u>Labor Classification</u>	Maximum *(EST) <u>Person Hours</u>	Loaded <u>Hourly Rate</u>	<u>Total</u>
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Research Assistant **1807**

TOTAL AWARD OPTION PERIOD 4 \$_____

OPTIONAL TASK A (if awarded during Option Period **July 1, 2009 – June 30, 2010**)

<u>*Labor Classification</u>	Maximum <u>Person Hours</u>	Loaded <u>Hourly Rate</u>	<u>Total</u>
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Research Assistant

*OFFERORS MAY PROPOSE DIFFERENT LABOR CATEGORIES

SECTION C - DESCRIPTION/SPECIFICATION/WORK STATEMENT

C-1 STATEMENT OF WORK/SPECIFICATIONS (AGAR 452.211-72)
(FEB 1988)

The Contractor shall furnish the necessary personnel, material, equipment, services and facilities (except as otherwise specified), to perform the Statement of Work/Specifications

STATEMENT OF WORK

MONITORING THE COMMODITY LETTER OF CREDIT (CLOC) SITES

I. INTRODUCTION

Since its inception in the early 1930s, the National School Lunch Program (NSLP) has been guided by two major objectives: to provide nutritionally sound meals to school children and to encourage the consumption of domestic agricultural products. Federal support for schools participating in the NSLP comes from direct cash subsidies as well as the donation of agricultural commodities. Donated commodities are purchased in the market by the United States Department of Agriculture (USDA), although some products are moved directly out of government stocks.

Since the 1980's, there has been considerable debate over the feasibility of an alternative to the donation of commodities in the NSLP. Despite the many positive aspects of the commodity donation program, it was the subject of criticism in the late 1970s and early 1980s. The timing of deliveries, the need to transport and store the donated commodities, the choice of commodities provided, and the commodity-form and unit size were criticisms frequently heard. A Congressional directive as part of the 1981 Agricultural Appropriations Act mandated the USDA to conduct a 3-year study of two alternatives to the existing commodity donation program -- an all cash approach and a voucher approach that used Commodity Letters of Credit (CLOC).

This mandated study got underway in School Year 1982-83 with 96 School Food Authorities (SFAS) from 29 States assigned to one of three options under the study: commodity donation, cash, and CLOC. Cash sites in the study were allocated cash equivalent to the amount that USDA would have used in buying donated commodities for them. Few limitations were placed on these funds. Cash SFAs were required to spend the money on the food service program.

CLOC SFAs also received cash equivalent to the value of the donated commodities they would have received but the expenditure of this cash was restricted to foods containing those commodities that USDA was buying for donation through the NSLP. These CLOC sites received Commodity Letters of Credit which specified the commodity they were to purchase as well as the purchase and delivery periods. In this way CLOC funds were used to provide market support for the same commodities USDA was supporting through its purchases.

Final results of the evaluation of this initial demonstration were published in 1986¹. Most SFAs were pleased with the flexibility offered by the alternatives. However, SFA's used their increased flexibility to buy more highly processed foods resulting in fewer pounds of raw commodity being removed from the market for some commodities.

At the conclusion of this evaluation USDA recommended that the alternatives be discontinued. The results of the study did not provide compelling evidence sufficient to warrant the dismantling of the existing commodity donation program. The evaluation did point out deficiencies in the current commodity donation program which required some attention. Congress laid the groundwork for improving the commodity distribution system with the passage of the Commodity Distribution Reform Act and WIC Amendments (P.L. 100-237). Improvements in the commodity donation program over the last 5 to 10 years have focused on the reduction of fat and salt content of donated commodities, improved labeling and product identification, increased product varieties, improved packaging, improved scheduling of deliveries and the adoption of unitized deliveries.

Although the evaluation of the initial demonstration ended in School Year 1984-85, those sites that participated in this demonstration were allowed to continue under these alternatives through a series of legislative enactments.

In 1989 the Conference Report accompanying the Child Nutrition and WIC Amendments Act (P.L. 101-147) authorized the Secretary of Agriculture to review the CLOC procedures and make appropriate modifications to assist the Department in meeting its mandate to support domestic agricultural markets. The Food and Consumer Service (FNS) developed modifications in the CLOC operating procedures that became effective at the beginning of School Year 1990-91. These modifications focused on: (1) the definition of the CLOC's in terms of commodity specificity as well as the timing of the purchases and deliveries; (2) the crediting policies; and (3) the guarantee that CLOC purchases were of domestic origin.

The results of the evaluation of the modified CLOC system were published in 1992². Results of this study indicate that a number of the major differences in the performance of CLOC and Commodity school districts found in the previous study and that were the focus of this the CLOC modifications had been narrowed. The CLOC districts were able to enter the market at the same time as USDA and remove approximately the same amount of product from the market as the matched commodity sites. However, there was still some question as to whether equivalent market impact is obtained by CLOC purchases. In addition, there was insufficient information to judge the administrative feasibility of CLOC at either the State or national level.

The Child Nutrition Amendments of 1992 (P.L. 102-342) signed into law on August 14,

¹ St. Pierre, Robert G. et. al. Evaluation of Alternatives to Commodity Donation in the National School Lunch Program: Final Report. Volume 6, 1986.

² Daft, Lynn M. and Donald W. Westfall. Commodity Letter of Credit Modification Demonstration Evaluation. March. 1992

1992 extended through September 30, 1994 the CASH/CLOC option to those SFA's that have been operating under these alternatives. The Healthy Meals for Healthy Americans Act of 1994 made these sites permanent.

II. BACKGROUND

The fundamental difference among the three systems is the location of food purchase decision-making. In the COMMODITY system food purchase decisions are centralized at the national level. USDA decides which foods will be purchased, when they will be bought, the form in which they will be bought, the type of packaging and when they will be delivered. Although input is elicited from State agencies, the market demand decisions are largely concentrated in Washington. DC.

The CLOC system represents a movement toward decentralization of food purchasing authority. CLOC SFA's are given letters of credit for the cash equivalent of their commodity entitlement. USDA decides on the general type of food to be bought with letters of credit in order to support specific agricultural markets (e.g., by issuing beef, pork or turkey letters of credit) but SFA's are allowed to purchase the targeted commodities locally in a form and in a size that best suits their needs and have it delivered at a time convenient to them. For example, if they lack modern kitchen equipment or find that labor costs are excessive, they can choose prepared foods (e.g., pizza) instead of purchasing raw ingredients (e.g., flour, tomato sauce, oil) and preparing meals "from scratch". Alternatively they can use letters of credit for the same raw ingredient donated by USDA (e.g., bulk ground beef), but packaged according to their own specifications.

The CASH system decentralizes the purchasing activity to its logical extreme. As with CLOC SFA's, CASH school districts are given the cash equivalent of their commodity entitlement. However, other than requiring that the money be spent on the food service program, USDA places no restrictions on local food purchasing. The money need not even be spent for food; it can be spent on labor, equipment or for any other legitimate food service operating expense. If the money is used to purchase food, that food must be of domestic origin.

Establishment and Distribution of Commodity Entitlement

In order to determine the total value of the cash or letters of credit to be allocated to each SFA in the program, USDA calculates the amount of each SFAs commodity entitlement. At the beginning of each School Year, an estimate of the cash value of each CASH and CLOC SFA's annual commodity entitlement is obtained by multiplying each district's total NSLP participation (number of reimbursable NSLP lunches served) from the second preceding year by the current commodity rate (\$.1725 in SY 2004-2005). In December of each year, these estimated entitlements are adjusted to reflect actual school year participation from the prior year. By the end of the year each CASH and CLOC SFA receives a commodity entitlement based on the actual count of reimbursable lunches served in the prior year. This procedure for generating entitlement estimates was adopted in large part because the Commodity system operates in a similar manner.

Once entitlement estimates are established, CASH and CLOC SFA's receive direct deposits at the beginning of each quarter of the school year; July 1st , October 1st , January 1st and April 1st. CASH SFAs receive the cash value of their entitlement in equal disbursements - 25 percent of their entitlement each quarter. CLOC SFAs receive a proportionately greater share of their entitlement at the beginning of the school year; 36 percent in each of the first two quarters, 21 percent in the third quarter and 7 percent in the final quarter.

The reason for a disproportionate disbursement of funds during the school year to CLOC SFAs is that this plan offers the best approximation of USDA's purchase plan in which purchases of commodities are most intensive during the early part of the school year. In order for a CLOC system to have a market impact and surplus removal capability that compares favorably to the current procurement process, it is necessary that CLOC SFAs have the same relative purchasing capacity during the same time frame in which USDA purchases are being made. A similar entitlement allocation formula was not adopted for CASH SFAs since in the demonstration there was no intention to target school district purchases toward specific Commodities or specific times of the school year.

Cash Entitlement Utilization

Once in receipt of their commodity entitlement dollars, CASH SFAs have almost complete freedom in determining how these dollars should be spent. The only restrictions imposed upon CASH SFAs with respect to expenditure of entitlement money is that (1) expenditures have to be related to the operation of school feeding programs and (2) foods purchased have to be of domestic origin. Because these dollars are generally commingled with all other funds budgeted for food service operations (and, in some cases, with all funds for school district operation), special monitoring for compliance with these two restrictions is very difficult. The use of these funds by SFAs is, of course, subject to established auditing procedures currently a part of the NSLP.

CLOC Entitlement Utilization

Commodity purchases for schools are guided by a procurement plan that reflects USDA's best estimates of agricultural surpluses and school food program preferences. The CLOC system is intended to match this procurement plan as closely as possible in order to mirror the commodity support to the agricultural markets. Unlike their CASH Counterparts, CLOC SFAs are restricted to spending their entitlement dollars on specific agricultural products.

The linkage between the CLOC system developed by FNS and the procurement plan established by USDA is in principle straight-forward. Each time USDA makes a decision to enter a commodity market information about this pending purchase is promptly forwarded to those responsible for operating the CLOC system. Included in this information is the type of product expected to be purchased, the anticipated value of the contracts awarded including funds added to cover transportation of goods to State distributing points, and the period within which commodities are to be shipped to designated State distribution points.

Specifications for each letter of credit are established as follows. First, the specific commodity purchased by USDA establishes the general type of product which SFAs can purchase. However, CLOC SFAs are not required to purchase exactly the same type of product as USDA (e.g., whole turkeys). Rather, they are required to purchase products that are composed in whole or in part of the agricultural product (e.g., turkey breasts, turkey dogs). Second, the total value of USDA's procurement contracts, inclusive of transportation charges, is divided by the value of the entire estimated food procurement plan established by USDA. This calculation results in the percentage of the procurement budget to be allocated to each specific commodity. This percentage in turn is multiplied by each CLOC SFAs estimated annual commodity entitlement, and the resultant dollar value is the amount of entitlement money available to each CLOC SFA for the specific commodity purchases.

The second way in which the CLOC system is linked to USDA's commodity procurement plan is with respect to the period of time allowed for local purchases. The intent is to have the time frame for letter of credit purchases match the time frame for USDA purchases. The letter of credit purchase period encompasses the time from USDA's announcement that they are entering a particular commodity market until the time of Contract award. For fruits and vegetables the purchase period is usually slightly longer than 35 days. For commodities purchased on a continuous cycle such as meat and poultry products the purchase period is approximately 3 months. This places SFAs in the market at the same time as successful bidders for USDA commodity procurements and gives SFAs a reasonable period of time in which to arrange their letter of credit purchases. Delivery periods of CLOC purchases extend through the last date specified for shipment of USDA donated commodities to designated distribution points.

CLOC Issuance

To understand how the CLOC system works, the following apple purchase example is used. Well before USDA actually buys apples it surveys State agencies for potential demand. At the time of this survey, CLOC SFAs receive from the contractor a "CLOC' Alert" to put them on notice that USDA might soon purchase apples and that SFAs should examine their requirements for apple-related products in advance of an authorization to buy apples or apple products. A CLOC Alert commits the contractor to nothing and imposes no obligation on an SFA.

Assume that subsequent to the survey of State agencies, USDA announces its intent to buy apples with the assumption that purchases would be made amounting to 10 percent of USDA's food procurement budget. Within two to five days of the bid announcement. SFAs receive a CLOC authorization permitting them to spend up to 10 percent of their estimated entitlement on apples. The CLOC authorization provides considerable information to an SFA in addition to the amount of money which can be spent. It defines the period within which purchases must be made and the date by which purchased products must be delivered. These two sets of dates rarely coincide: the period for accepting purchases usually is much longer than the period in which purchases are required to be made. Under

the CLOC system SFAs are required to make a commitment to buy a specified product during the same time that USDA is in the market but can space the delivery of this product to best meet the particular requirements of their food service operations.

In addition to setting money and time specifications, the CLOC authorization specifies a set of products that are termed "full-credit items". These are items which schools can pay for completely with commodity entitlement dollars. Such items are usually defined as any product that removes approximately the same amount of a commodity from the market per dollar spent as the form of USDA commodity purchases. For example, SFAs could use their apple letter of credit to buy fresh apples, canned apples, apple sauce, apple juice concentrate, etc. and allocate the entire cost of these products to their CLOC accounts.

The flexibility of the letter of credit system is further extended by the notion of "partial credit" for processed food items that contain at least some fraction of the targeted commodity. If an SFA wishes to purchase a highly-processed product like apple pie filling the CLOC system developed by FNS is set up to give SFAs credit (or a discount) for that element of the processed food item that is made from the target commodity even though this target commodity may represent a small fraction of the overall food item formulation. In the case of apple pie filling SFAs would receive credit for a predetermined percentage (50%) of the total dollar value of the product. The proportion of credit given represents the ratio of: (1) the average weight of the commodity removed from the market by the SFA dollar spent on the product and (2) the weight of commodity removed from the market by USDA purchases per dollar spent by USDA. This partial credit element of the CLOC system is intended to give SFAs as much flexibility as possible in using their commodity dollars while still ensuring that SFAs buy the generic commodity that is the subject of USDA's procurement action. Most SFAs use most of their letters of credit for the purchase of full-credit items.

The other major condition attached to a CLOC authorization is that the product purchased has to be formulated from a target commodity (or commodities) of domestic origin and that final authorization to use entitlement funds to pay for these items depends upon some evidence that the purchase has in fact been made. School districts must certify that products purchased with CLOCs are grown and produced in the United States. School districts are no longer required to obtain documentation from distributors certifying that CLOC purchases are of domestic origin.

During School Year 2004-05, 48 separate CLOC authorizations were issued to each participating CLOC SFA. Of this number, four separate authorizations were issued for beef, dairy, grains and oil seeds. These are products that USDA purchased routinely (at least monthly) during the course of the school year and rather than issue a separate letter of credit at the time of each individual USDA purchase, quarterly letters of credit were issued for those products to simplify tracking and monitoring of SFA purchases of these commodities (or commodity groups). All other letters of credit were issued in the manner described for apples.

CLOC Monitoring and Accounting

SFAs are required to document purchases to be allocated against their commodity entitlement funds by completing a reporting form developed specifically for the information requirements of the program and by submitting an invoice purchase order or contract indicating a commitment to buy the product in question. The documentation is reviewed to make sure that purchases listed on the CLOC Reporting Form corresponds to accompanying documentation and that these purchases were made within the specified time period. A decision as to whether the purchase is an acceptable letter of credit transaction is made generally within three business days. Purchase data to be entered in the data base are total cost of purchase, standardized food description, date of purchase, transaction code and credited amount. During School Year 2004-05, 6,241 separate CLOC purchases were approved and entered into the CLOC tracking system.

If the purchase is approved, the amount of the approved purchase is deducted from the SFA's CLOC. Each approved purchase is posted to accounts maintained by a firm under contract to FNS. At regular intervals, computer-generated copies of accounts maintained by the contractor are forwarded to SFAs for their review. These reports include a history of all transactions made by the SFA with respect to each letter of credit. As well as, a summary of the account status of all CLOCs issued to each SFA.

A major challenge for the CLOC system is the calculation of predetermined percentages of the total dollar value of partial credit items. While many of these percentages have been calculated for previous years, it is essential that these calculations be reviewed each year in light of potential changes in market conditions. In addition, there may be new processed products introduced that SFAs would like to purchase with their CLOC funds that would require the calculation of the appropriate partial credit proportion.

For example, suppose an SFA wished to purchase apple pies with its apple CLOC. To determine the percentage of the total dollar value of the apple pies that could be credited to the apple CLOC, the following information must be available: (1) an estimate of the total amount of apples removed from the market with the USDA apple purchases using commodity conversion factors to estimate the farm-equivalent weight³ (2) the estimated dollar amount of USDA apple purchases: (3) the product formulation of the processed product (apple pies): (4) an estimate of the total amount of apples removed from the market with the SFA purchase of apple pies: and (5) the estimated dollar amount of the SFA apple pie purchase. The pounds of apples removed from the market per dollar spent on USDA apple purchases must be calculated and a calculation for the SFA apple pie purchases must be completed. The ratio of these two numbers represents the portion of the SFA apple pie purchase that would be creditable to the apple CLOC. Generally SFAs are asked to obtain the product formulation information from the vendor or the products manufacturer.

³ Farm-equivalent weight is the weight of a raw agricultural commodity at the farm gate that is required to produce a given unit of a food product containing that commodity. For example it takes approximately 1.25 pounds of raw apples coming out of the orchard to produce 1 pound of canned applesauce

If an adequate formulation can not be obtained from industry sources, a generic formulation must be developed subject to the review of the SFA.

CLOC Trades

SFAs may trade commodities under the current commodity system. If an SFA has accepted delivery of certain commodities for which the district has little or no need these products may be exchanged with another SFA for a more desirable product mix. Trades may even occur across State lines, although trades over long distances are uncommon because of the transportation expenses involved. Trades are also permissible under the CLOC system. Under a CLOC system a trade is quite simple to accomplish since it involves only a paper transaction. Under the commodity system the actual products have to be exchanged. In School Year 2004-05, 51 trades were made.

III. SCOPE OF WORK

The purpose of this contract is to obtain contractor support services necessary to administer the Government's purchase plan and monitor compliance of the CLOC Program. The contractor will work in conjunction with the Contracting Officer's Representative (COR), Food Distribution Division (FDD), Food and Nutrition Service (FNS), in performance of this contract.

Within USDA, FNS, the Agricultural Marketing Service (AMS) and the Farm Service Agency (FSA) jointly prepare a Purchase Plan of food commodities and amounts (equated in percentages) that will be purchased by the Government for School Food Authorities (SFA's). This Plan will be provided to the Contractor within one week of contract award and may be modified periodically. Simultaneously, CLOC SFA's are given an opportunity to purchase the same commodities upon receipt of a voucher (otherwise referred to as a 'Commodity Letter of Credit' (CLOC)) from the Contractor. In order for the Contractor to establish the amounts that SFAs can spend, the COR will provide a list of entitlement dollars for each SFA to the Contractor within one week of contract award. Entitlements are calculated from the previous school year's meal count which is provided to the Government by the Contractor at contract expiration (June 30). The Government will issue quarterly entitlement payments to SFA's.

The contractor shall determine the amount an SFA can spend on a commodity by applying the Government's purchase plan percentage for that commodity to the SFA's entitlement amount. When a commodity is available for the Government to purchase, the Contractor shall issue a CLOC to the SFA that provides the following information: (1) the commodity to be purchased, (2) how much to spend (3) the purchase and delivery dates (4) a list of full credit items, and (5) instructions for partial credit items. The amounts an SFA can spend may need to be revised periodically based on changes to the Government's Purchase Plan. SFA's will receive full credit for purchases listed on the purchase plan. However, they can request partial credit if they choose to purchase a processed item that contains the commodity product. The Contractor should provide to the SFA's the previously approved

list of partial credit products along with the percentage application. If partial credit is requested for a new product, the SFA must provide product specification information to the Contractor in order to determine the amount of credit allowed. The Contractor shall provide credit information on new products to the COR for approval prior to releasing the CLOC to the SFA.

SFA's are responsible for providing purchase receipts to the Contractor for compliance and monitoring purposes. The Contractor shall monitor all procedures established for the Demonstration of Alternatives to Commodity Donation as set forth in the document entitled "Demonstration Procedures" (February, 1982) (Attachment A) and subsequent amendments as set forth in the document entitled "Changes in Operational CLOC Procedures SY 90-91" (May, 1990) (Attachment B).

Specifically

Collect monthly meal data from (SFAs) such as number of meals served and the number of days of operation for the month. An annual Summary of Meal Count Data will be provided to the COR on or before June 30. (Ref Item 1 of the Deliverable Schedule below) Review Purchase Plan and entitlements to determine the amounts an SFA can spend on each commodity. When a commodity is available for purchase, issue a CLOC to the SFA's that provide all relevant information including full and partial credit items.

If partial credit is requested for a new product, provide credit information to the COR for approval prior to releasing the CLOC to the SFA.

Monitor SFA purchases against commodity letters of credit.

Develop a new data base management system or maintain the existing system to track CLOC allocations, purchases, trades, refusals, rollovers and substitutions.

Generate individual SFA Monthly Account Statements and send to the respective CLOC SFA for each commodity letter of credit issued. (Ref Item: 2 of the Deliverable Schedule below). All CLOC purchase documentation shall be submitted by the school districts within one month after the end of the school year. Processing these purchases shall be completed within two weeks of receipt.

Provide Monthly Status Reports to the COR that summarizes CLOC activities for the previous month including: CLOC issuance (commodity, percent of entitlement, purchase and delivery period), total percentage of CLOC entitlement issued to date and problems encountered and how these problems were resolved. The second part of the monthly status reports shall include a summary that provides for each major task the amount of entitlement expended during the preceding month and the cumulative amount. (Ref Item 3 of the Deliverable Schedule below)

RFP FNS-05-0054SAM

Provide to the COR no later than June 30 an annual Summary Statement of Final Account Balances' for all CLOC sites. (Ref. Item 4 of the Deliverable Schedule below)

Provide to the COR. no later than June 30 an electronic file containing all CLOC transactions and accounting transactions that occurred during the school year. (Ref item 5 of the Deliverable Schedule below) Full documentation for these data files shall include:

1. file structure (data set name, record format, record length, block size and number of records)
2. code book (record layout including variable names, variable format, variable labels, value labels, and missing values)
3. formulation of any calculated variables

Optional Task A

In the event that a contract option year is not exercised or contract award is made to other than the incumbent contractor, the Government may exercise Optional Task A for the contractor to train new staff and close out all CLOC activities as follows:

Training

The contractor shall provide a 2 1/2-day training session to no more than ten people as determined by the COR. Training will be conducted at FNS Headquarters located in Alexandria, VA. The session will include an in-depth presentation of the operating procedures currently being used to monitor the CLOC sites. The contractor shall also provide hands-on training of their computerized software used to monitor CLOC sites. The contractor shall provide all necessary training materials and conduct training in a professional manner so trainees will have the required knowledge to take over the monitoring responsibilities. The contractor shall submit to the COR an agenda that covers all issues that will be provided in the training session. The agenda will be due within ten calendar days from the COR's notification of the training session.

Close Out Activities

The Contractor shall provide to the COR all records, materials and disks pertaining to the Cash/CLOC Program. Records shall cover at least three school years. (Ref: Items 6 & 7 of the Deliverable Schedule below)

RFP FNS-05-0054SAM

C-2 ATTACHMENTS TO STATEMENT OF WORK/SPECIFICATIONS
(AGAR 452.211-73)(FEB 1988)

The attachments to the Statement of Work/Specifications listed in Section J are hereby made part of this solicitation and any resultant contract.

Quality Assurance Plan (QAP)

This contract will be awarded under the requirements for performance-based service contracting. The attachment titled QUALITY ASSURANCE PLAN contains the minimum performance requirements the Contractor must meet, the performance indicators and a description of the quality level that is acceptable to government and a narrative description of how the COR will assess the contractor's effectiveness in performing each standard. Contractor staff is encouraged to become familiar with the following in order to understand the methods and procedures by which the government intends to measure contract performance.

SECTION D - PACKAGING AND MARKING

D-1 MARKING DELIVERABLES (AGAR 452.247-71)(FEB 1988)

- (a) The contract number shall be placed on or adjacent to all exterior mailing or shipping labels of deliverable items called for by the contract.
- (b) Mark deliverables, except reports, for:

(*To be filled in at time of award)

D-2 PACKING FOR DOMESTIC SHIPMENT (AGAR 452.247-72)(FEB 1988)

Material shall be packed for shipment in such a manner that will insure acceptance by common carriers and safe delivery at destination. Containers and closures shall comply with the Department of Transportation regulations, Uniform Freight Classification Rules, or regulations of other carriers as applicable to the mode of transportation.

SECTION E - INSPECTION AND ACCEPTANCE

E-1 CLAUSES INCORPORATED BY REFERENCE (FAR 52.252-2)(FEB 1998)

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this address:
<http://www.arnet.gov/far/>

<u>CLAUSE NUMBER</u>	<u>TITLE</u>	<u>DATE</u>
52.246-6	INSPECTION – TIME-AND- MATERIAL AND LABOR- HOUR	MAY 2001

E-2 INSPECTION AND ACCEPTANCE (AGAR 452.246-70)(FEB 1988)

(a) The Contracting Officer or the Contracting Officer's duly authorized representative will inspect and accept the supplies and/or services to be provided under this contract.

(b) Inspection and acceptance will be performed at:

USDA, Food and Nutrition Service
Food Distribution Division
3101 Park Center Drive, 5th Floor

Alexandria, VA 22302

SECTION F - DELIVERIES OR PERFORMANCE

F-1 CLAUSES INCORPORATED BY REFERENCE (FAR 52.252-2)(FEB 1998)

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this address:
<http://www.arnet.gov/far/>

<u>CLAUSE NUMBER</u>	<u>TITLE</u>	<u>DATE</u>
52.242-15	STOP-WORK ORDER ALTERNATE I (APR 1984)	AUG 1989
52-242-17	GOVERNMENT DELAY OF WORK	APR 1984
52.247-35	F.O.B. DESTINATION, WITHIN CONSIGNEE'S PREMISES	APR 1984
52-.249.14	EXCUSABLE DELAYS	APR 1984

F-2 PLACE OF DELIVERY -- FOB DESTINATION

All reports and/or deliverables identified herein shall be delivered, and all transportation charges paid by the contractor, in accordance with the FOB Destination Clause (FAR 52.247-35) as follows:

Monthly Status Reports:

1 copy of each report shall be delivered to the Contracting Office and 2 copies to the Project Office at the addresses shown below.

Contracting Office:

USDA, Food and Nutrition Service
Contract Management Branch, Rm. 228
Attn: [*_____], Contract Specialist
3101 Park Center Drive
Alexandria, VA 22302

Project Office:

USDA, Food and Nutrition Service
[*_____]

RFP FNS-05-0054SAM

3101 Park Center Drive
Alexandria, VA 22302

[*To be completed at time of award].

All Other Deliverables:

All required deliverables (with the exception of the Monthly Status Report) shall be delivered to [_____] at the below address.

USDA, Food and Nutrition Service

[_____]

Attn: [_____]

3101 Park Center Drive
Alexandria, VA 22302

F-3 IDENTIFICATION OF CONTRACT DELIVERABLES

Unless otherwise specified by the Contracting Officer in writing, all documents prepared and submitted by the Contractor to the Government under this contract shall include the following information on the cover page of each document:

- (a) Name and business address of the contractor;
- (b) Contract Number;
- (c) Name of the USDA Contracting Officer's Representative; and
- (e) Date of report.

F-4 DELIVERY SCHEDULE

The Government requires delivery to be made according to the following schedule:

<u>ITEM/DESCRIPTION</u>	<u>QUANTITY</u>	<u>DELIVERY DATE</u>
Summary of Meal Count Data	1	June 30
SFA Monthly Account Statement	1	30th of each Month
Monthly Status Report	1	30th of each Month
Summary Statement of Final Account Balances for all CLOC Sites	1	June 30

Optional Task A

Training Agenda	1	10 calendar days from COR's notification of training session
Close Out Documents	ALL	90 calendar days from the effective date of Optional Task A

F-5 PERIOD OF PERFORMANCE (AGAR 452.211-74)(FEB 1988)

The period of performance of this contract is from **September 16, 2005 - June 30, 2006**.

F-6 PERFORMANCE SCHEDULE FOR OPTION PERIODS

In the event the contract is extended by exercise of an option, the contractor shall continue to perform all work described in Section C, Statement of Work, during the option period. Upon issuance of a modification exercising the option the following changes will be made to the contract schedule.

<u>OPTION</u>	<u>PERIOD OF PERFORMANCE</u>
Option I	July 1, 2006 - June 30, 2007
Option II	July 1, 2007 - June 30, 2008
Option III	July 1, 2008 - June 30, 2009
Option IV	July 1, 2009 - June 30, 2010

F-7 REPORTING REQUIREMENTS

During the course of the school year, the contractor shall provide FNS with monthly status reports that summarize the CLOC activities that have occurred in the previous month including: CLOC issuances (commodity, percent of entitlement, purchase and delivery periods), total percentage of CLOC entitlement issued to dated, and problems encountered and how these problems were resolved as required by the Statement of Work. Reports shall cover work accomplished during that period of contract performance. The second part of these monthly status reports shall include a budget summary that provides for each major task, the amount budgeted, the amount expended during the preceding month, and the cumulative amount expended.

SECTION G - CONTRACT ADMINISTRATION DATA

G-1 INVOICE REQUIREMENT

- (a) Invoices shall be submitted in an original and two copies to the Government office listed below in accordance with the “Authorized Payment Schedule” contract clause G-2. To constitute a proper invoice, the invoice must include the following information and/or attached documentation:
- (1) Name of the business concern, invoice number and invoice date;
 - (2) Contract number or other authorization for delivery of property or services actually delivered or rendered;
 - (3) Description, price, and quantity of property and services actually delivered or rendered with supporting documentation (i.e. travel receipts, etc.);
 - (4) Shipping and payment terms; and
 - (5) Name, title, phone number, and complete mailing address of responsible official to whom payment is to be sent.

The Contractor shall submit an original and two (2) copies of invoices to the following designated payment office:

U.S. Department of Agriculture
Food and Nutrition Service
Accounting Division, **Room 724**
3101 Park Center Drive
Alexandria, VA 22302

G-2 AUTHORIZED PAYMENT SCHEDULE

The contractor is authorized to invoice for payment in accordance with the following guidelines.: Payment will be made monthly, upon receipt of a proper invoice, as required by Paragraph G-1 above , for all services completed and accepted during the preceding month.

G-3 METHOD OF PAYMENT

PAYMENTS UNDER THIS CONTRACT SHALL BE MADE VIA ELECTRONIC FUNDS TRANSFER (EFT) METHOD.

Payments are made electronically through the Automated Clearing House (ACH) network for deposit directly into the contractor’s bank account. The contractor shall provide the following information required to make contract payment by EFT:

- 1) Contract number to which the information applies
- 2) Original signature, title, and telephone number of the contractor's official authorized to provide this information
- 3) Name, address, telephone number and 9-digit Routing Transit Number of the contractor's financial agent
- 4) Contractor's account number and the type of account (checking or savings)
- 5) Contractor's Federal Tax Identification Number

If the contractor provides EFT information applicable to multiple contracts, the contractor shall specifically state the applicability of this EFT information either with the submission of the data or by sending a letter on contractor letterhead with an original signature of the contractor's official authorized to provide EFT information.

The contractor, after award and not later than 21 days prior to submission of an invoice, must send the EFT information specified above to USDA, Food and Nutrition Service, Accounting Division, AOFSB, Attn: **Roy Perry, 3101 Park Center Drive, Room 418, Alexandria, VA 22302**. An ACH Vendor/Miscellaneous Payment Enrollment Form or similar financial institution form may be used if it is available to the contractor. However, the information may also be submitted on company letterhead. In the event that the EFT information changes, the contractor shall be responsible for providing the changed information to the address above. If you have questions regarding the method of payment or submission of EFT information, please contact **Roy Perry at 703-305-2740**.

(See also 52.232-34 "PAYMENT BY ELECTRONIC FUNDS TRANSFER-OTHER THAN CENTRAL CONTRACTOR REGISTRATION" in Section I)

G-4 CONTRACT ADMINISTRATION

- (a) The Contracting Officer is the only person authorized to approve changes in any of the requirements of this contract. This authority remains solely with the Contracting Officer. In the event the contractor effects any change at the direction of any person other than the Contracting Officer, the changes will be considered to have been made without authority and no adjustment will be made in the contract price to cover any increase in costs incurred as a result thereof.
- (b) The Contractor shall designate one individual to be contacted during the period of the contract for prompt contract administration:

NAME: * _____

TELEPHONE: _____

TITLE: _____

*blanks to be completed by offeror

RFP FNS-05-0054SAM

(c) The Government Contract Administrator is:

NAME: * _____

TELEPHONE: (703)

TITLE: Contract Specialist

*To be filled in at time of award

(d) The Government Contracting Officer's Representative is:

NAME: * _____

TELEPHONE:

TITLE:

(e) The Government Contracting Officer is:

NAME: * _____

TELEPHONE:

TITLE:

G-5 CONTRACTING OFFICER'S REPRESENTATIVE (COR)

All information below concerning the Contracting Officer's Representative shall also apply to the Alternate Contracting Officer's Representative.

Definitions:

"Contracting Officer's Representative" - The Contracting Officer's Representative (COR) is designated by the Contracting Officer, in writing, and is contract specific. The COR is the technical representative for all technical requirements of the specific contract.

"Contracting Officer" - The Contracting Officer is the only individual with authority to enter into, administer, or terminate contracts. The Contracting Officer ensures performance of all necessary actions for effective contracting, ensuring compliance with the terms of the contract and safeguarding the interests of the United States in its contractual relationships.

Limits on the Authority of the COR/COTR:

The authority of the COR/COTR is limited. The Contracting Officer may not delegate the following authority to:

1. Award, agree to, or execute any contract, task order, or contract modification;
2. Obligate, in any way, the payment of money by the Government;
3. Take any action which may have an impact on the contract or task order schedules,

funds, or the scope of work/task description.

4. Make the final decision on any matter that would be subject to appeal under the Disputes clause; and
5. Terminate, for any case, the contractor's right to proceed.

Responsibilities:

The COR/COTR is authorized to take any or all actions as specified below which could lawfully be taken by the Contracting Officer, except any action specifically prohibited by the terms of the contract.

1. Assure that the Contractor performs the contract technical requirements in accordance with its terms, conditions and scope of work providing guidance when necessary.
2. Perform or arrange for all inspections necessary in connection with (1) above and require the contractor to correct any deficiencies that are found; recommend acceptance for all deliverables on behalf of the Government; record the inspections and acceptance and insure that distribution of approvals/disapprovals are made to the contractor and the Contracting Officer. Review all contract deliverables and provide inspection and acceptance documentation to the Contracting Officer. You have the responsibility to track and retain all contract deliverables. When inspections are performed by the COTR, the COR will make the final determination on acceptance.
3. Maintain liaison and direct communication with the contractor. Written communications with the contractor and all contract related correspondence shall be signed as "Contracting Officer's Representative" with a copy furnished to the Contracting Officer for the file.
4. Issue written technical interpretations of the Government scope of work. Interpretations which could impact delivery schedules, funding, or the scope of work must be coordinated with the Contracting Officer and a copy of **all** written interpretations must be furnished to the Contracting Officer for the file.
5. Monitor the contractor's production or progress performance and notify the contractor, in writing, of deficiencies observed during surveillance, and direct appropriate corrective actions **EXCEPT** where such corrective action would affect delivery schedule, price or scope of work. In those instances where corrective action would affect delivery schedule, price or scope of work, the COR shall notify the Contracting Officer of the problem and recommend corrective action. Record and report to the undersigned incidents of faulty or nonconforming work, delays, or problems.
6. Coordinate site entry for contractor personnel and, if to be provided, insure that

Government-furnished property is available when required.

7. Review of payment requests to verify actual performance to determine reasonableness of billed amounts and to determine compliance with the contract terms. Ensure that adequate supporting documentation for subcontract and vendor costs is obtained before approval. Recommend to the FCS Accounting or Budget Division the payment amount. When costs are questioned or recommended for disallowance, the Contracting Officer must be notified before approval and submission for payment. To ensure accurate balances are kept, the COR or COTR should reconcile voucher expenditures and balances with the Contracting Officer and Accounting or Budget Office quarterly.
8. Ensure that the contractor is not directed to employ individuals or enter into subcontract agreements for performance of a specific task. Recommendations for subcontracting opportunities shall be sent, in writing, to the Contracting Officer.
9. Definition of Subcontract: Any supplier, distributor, vendor or firm, including consultants, that furnishes supplies or services to or for a prime contract or another subcontractor. THE FOLLOWING RULES MUST BE ADHERED TO--

Review and consent of subcontract and consultant agreements to determine if (1) the services are technically justified and (2) the proposed subcontract type is appropriate for the risks involved and consistent with current policy. Subcontract consent is required for (1) all cost-reimbursement, time-and-materials or labor-hour subcontracts and (2) fixed-price subcontracts that exceed either \$25,000 or 5% of the total estimated cost of the task order. Consultant consent is required whenever any employee of the contractor is to be reimbursed as a "consultant" under the contract. COTRs will ensure that no additional subcontractors are engaged under the contract without the prior approval of the COR. The Contracting Officer will provide written approval to the Contractor in accordance with the terms of the contract.

10. Only the Contracting Officer, Contract Specialist or COR/COTR have authority to contact contractors to discuss costs and/or the technical requirements of the contract. Contacts from other government employees could result in unauthorized commitments. Government representatives who are working on, or asked to work on, a particular contractual issue must not contact the contractor directly but should coordinate the activity with the Contracting Officer or COR/COTR. The COR/COTR must be present at all procurement related contacts and meetings with the contractor. Depending on the nature of the meeting, the COR/COTR must also give advance notification to the Contracting Officer or Contract Specialist. All contacts with contractors must be documented and retained with the COR's/COTR's contract correspondence file. As deemed appropriate, one copy must be forwarded to the Contracting Officer. Examples of documented contacts are providing technical direction, work plan instructions, not accepting a deliverable, potential changes to the statement of work or delivery schedule, costs and subcontractor or consultant recommendations.

11. Review monthly progress reports to ensure compliance with contract performance requirements.

G-6 TYPE OF CONTRACT (FAR 52.216-1) (APR 1984)

The Government contemplates award of a Labor Hour contract resulting from this solicitation.

G-7 RESPONSE TO FNS TECHNICAL DIRECTION

Technical direction from the FNS Contracting Officer's Representative must be within the scope of work specified in the contract. Directions considered to be outside the purview of technical direction are those which:

- Constitute an assignment outside the general scope of the performance work statement;
- Improperly affects the contractor's ability to adhere to the contract's delivery schedule;
- Changes any of the expressed terms, conditions, or specifications of the contract; and
- Interferes with the contractor's right to perform the terms and conditions of the contract.

If the contractor receives direction, couched as technical guidance, that fits into any of the above categories, the Contracting Officer shall be notified immediately. Within 30 days of such notice the Contracting Officer will advise the contractor on what action to take. Conversely, the contractor shall not assume that a given requirement of the contract can be effectively submitted by following the technical direction for work that is outside the scope of work.

SECTION H - SPECIAL CONTRACT REQUIREMENTS

H-1 WITHHOLDING OF CONTRACT PAYMENTS

Notwithstanding other payment provisions of this contract, failure of the Contractor to submit required reports or failure to perform or deliver required work, supplies, or services, may result in the withholding of payments under this contract. Failure may arise out of causes beyond the control, and without the fault or negligence of the contractor as defined by the clauses titled "Excusable Delays" or "Default". The Government shall promptly notify the Contractor of its intention to withhold payment of any invoice or voucher submitted.

H-2 ADP COMPATIBILITY

The contractor agrees to comply with both the U.S. Department of Agriculture's (USDA) and the Food and Nutrition Service's (FNS) ADP system security requirements to the extent necessary to meet the requirements of the work herein. All databases created and maintained by the contractor shall have proper validation and control techniques, and all ADP resources, including data tapes, which become the property of the Government shall be fully documented, both in source code (if any) and written materials. Software documentation shall include, as appropriate (in the determination of the Contracting Officer's Representative), flowcharts; textual explanation of subroutines, processes, and algorithms; screens; and other materials as necessary to ensure that a programmer conversant with the language may maintain the software. Database documentation shall include: variable names and labels; variable locations the source of each data item; the formulas used to compute or transform variables, if any, database structure and relationship; a printout of the data or first 50 pages. Further, all data tapes must be compatible with FNS ADPE.

FNS performs its computing applications entirely in an IBM-oriented environment; that is directly on IBM or IBM compatible hardware. Work performed under this contract may require transfer of limited data and text files, as well as extensive data tapes. Optimum effort shall be general ease of use by FNS personnel of these transferred data tapes and diskettes. In particular, all physical storage media must be on 3 1/2" diskettes formatted to be used on IBM AT compatible computers, and must be accompanied by accessing and format information. In addition, there may be occasion where some task deliverables will be significantly enhanced by inclusion of data and text diskettes, thus allowing further processing and manipulation by FNS staff. Collaboration between the contractor and the responsible FNS official concerning appropriate computer deliverables may occur during performance of this contract, as appropriate.

H-3 PRINTING

Unless otherwise specified in this contract, the Contractor shall not engage in, nor subcontract for, any printing (as that term is defined in Title I of the Government Printing and Binding Regulations in effect on the effective date of this contract) in connection with the performance of work under this contract. Provided, however, that performance of a

RFP FNS-05-0054SAM

requirement under this contract involving the duplication of less than 5,000 units in the aggregate of multiple pages, will not be deemed to be printing. For the purpose of this paragraph, such pages may not exceed a maximum image size of 10 3/4 by 14 1/4 inches.

H-4 PAPERWORK REDUCTION ACT

In the event that it becomes a contractual requirement to collect identical information from ten or more public respondents, the Paperwork Reduction Act, 44 U.S.C., 3501 et seq., shall apply to this contract. In such an event, the contractor shall not expend any funds to take any other action whatsoever to solicit information from any of the public respondents until the Contracting Officer has notified the contractor in writing that the required Office of Management and Budget clearance has been obtained. The contractor shall provide to the Contracting Officer's Representative (COR) or to the Contracting Officer such information as will facilitate obtaining such clearance.

H-5 KEY PERSONNEL (AGAR 452.237-74)(FEB 1988)

- (a) The Contractor shall assign to this contract the following key personnel:

*

* TO BE COMPLETED AT TIME OF AWARD

- (b) During the first ninety (90) days of performance, the Contractor shall make no substitutions of key personnel unless the substitution is necessitated by illness, death, or termination of employment. The Contractor shall notify the Contracting Officer within 15 calendar days after the occurrence of any of these events and provide the information required by paragraph (c) below. After the initial 90-day period, the Contractor shall submit the information required by paragraph (c) to the Contracting Officer at least 15 days prior to making any permanent substitutions.
- (c) The Contractor shall provide a detailed explanation of the circumstances necessitating the proposed substitutions, complete resumes for the proposed substitutes, and any additional information requested by the Contracting Officer. Proposed substitutes should have comparable qualifications to those of the persons being replaced. The Contracting Officer will notify the Contractor within 15 calendar days after receipt of all required information of the decision on substitutions. The contract will be modified to reflect any approved changes of key personnel.

H-6 PROCUREMENT OMBUDSMAN

Concerns of procurement impropriety or the appearance of impropriety should be immediately brought to the attention of the Contracting Officer. If you choose not to raise the issue to the Contracting Officer, the Agency has designated **Mr. John M. Heslin, Chief, Administrative Review Branch, Grants Management Division, as the Procurement Ombudsman (PO). Mr.**

Heslin will serve as an additional source available to contractors, subcontractors, and FNS staff who may have concerns regarding possible impropriety or the appearance of impropriety in a contract, but choose not to raise the issue through normal administrative mechanisms.

Mr. Heslin has independent authority to address any issue of impropriety with absolute confidentiality and report directly to the Agency Administrator as necessary. He will have complete access to everyone involved in the process, at all levels in the FNS organization. Additionally, **Mr. Heslin** has full authority to complete a thorough review of each concern raised. **Mr. Heslin may be reached by calling (703) 305-2820 or (703) 305-2822** or at the following mailing address:

Mr. John Heslin
USDA/FNS/GMD/ARB
3101 Park Center Drive, RM. **1002**
Alexandria, VA 22302

This clause shall be incorporated in all subcontracts.

H-7 DEBT COLLECTION

Any monies that are payable or may become payable from the United States under this agreement to any person or legal entity not an agency or subdivision of a State or local government may be subject to administrative offset for the collection of a delinquent debt the person or legal entity owes to the United States, under the Federal Claims Collection Act of 1966, as amended by the Debt Collection Act of 1982 (31 U.S.C. 3701, 3711, 3716-3719); 4 CFR part 102 and subpart B of this part). Information on the person's or legal entity's responsibility for a commercial debt or delinquent consumer debt owed the United States will be disclosed to consumer or commercial credit reporting agencies.

H-8 RESTRICTIONS AGAINST DISCLOSURE (AGAR 452.237-75)FEB 1988

(a) The Contractor agrees, in the performance of this contract, to keep all information contained in source documents or other media furnished by the Government in the strictest confidence. The Contractor also agrees not to publish or otherwise divulge such information in whole or in part, in any manner or form, nor to authorize or permit others to do so, taking such reasonable measures as are necessary to restrict access to such information while in the Contractor's possession, to those employees needing such information to perform the work provided herein, i.e., on a "need to know" basis. The Contractor agrees to immediately notify in writing, the Contracting Officer, named herein, in the event that the Contractor determines or has reason to suspect a breach of this requirement.

(b) The Contractor agrees not to disclose any information concerning the work under this contract to any persons or individual unless prior written approval is obtained from

RFP FNS-05-0054SAM

the Contracting Officer. The Contractor agrees to insert the substance of this clause in any consultant agreement or subcontract hereunder.

SECTION I - CONTRACT CLAUSESI-1 CLAUSES INCORPORATED BY REFERENCE (FAR 52.252-2)(FEB 1998)

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this address: <http://www.arnet.gov/far/>

<u>CLAUSE NUMBER</u>	<u>TITLE</u>	<u>DATE</u>
52.202-1	DEFINITIONS	JUL 2004
52.203-3	GRATUITIES	APR 1984
52.203-5	COVENANT AGAINST CONTINGENT FEES	APR 1984
52.203-7	ANTI-KICKBACK PROCEDURES	JUL 1995
52.203-8	CANCELLATION, RESCISSION, AND RECOVERY OF FUNDS FOR ILLEGAL OR IMPROPER ACTIVITY	JAN 1997
52.203-10	PRICE OR FEE ADJUSTMENT FOR ILLEGAL OR IMPROPER ACTIVITY	JAN 1997
52.203-12	LIMITATION ON PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS	JUN 2003
52.204-4	PRINTED OR COPIED DOUBLE-SIDED ON RECYCLED PAPER	AUG 2000
52.209-6	PROTECTING THE GOVERNMENT'S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED, OR PROPOSED FOR DEBARMENT	JAN 2005
52.215-2	AUDIT AND RECORDS – NEGOTIATION	JUNE 1999
52.215-8	ORDER OF PRECEDENCE--UNIFORM CONTRACT FORMAT	OCT 1997
52.217-7	OPTION FOR INCREASED QUANTITY-SEPARATELY PRICED LINE ITEM	MAR 1989

<u>CLAUSE NUMBER</u>	<u>TITLE</u>	<u>DATE</u>
52.217-8	OPTION TO EXTEND SERVICES	NOV 1999
52.215-17	WAIVER OF FACILITIES CAPITAL COST OF MONEY	OCT 1997
52.219-6	NOTICE OF TOTAL SMALL BUSINESS SET-ASIDE	JUN 2003
52.219-8	UTILIZATION OF SMALL BUSINESS CONCERNS	MAY 2004
52.219-14	LIMITATIONS ON SUBCONTRACTING	DEC 1996
52.222-3	CONVICT LABOR	JUN 2003
52.222-26	EQUAL OPPORTUNITY	APR 2002
52.222-35	EQUAL OPPORTUNITY FOR SPECIAL DISABLED VETERANS, VETERANS OF VIETNAM ERA, AND OTHER ELIGIBILITY VETERANS	DEC 2001
52.222-36	AFFIRMATIVE ACTION FOR WORKERS WITH DISABILITIES	JUNE 1998
52.222-37	EMPLOYMENT REPORTS ON SPECIAL DISABLED VETERANS, VETERANS OF THE VIETNAM ERA, AND OTHER ELIGIBLE VETERANS	DEC 2001
52.222-41	SERVICE CONTRACT ACT OF 1965, AS AMENDED	MAY 1989
52.222-43	FAIR LABOR STANDARDS ACT AND SERVICE CONTRACT ACT-PRICE ADJUSTMENT (MULTIPLE YEAR AND OPTION CONTRACTS)	MAY 1989
52.223-6	DRUG-FREE WORKPLACE	MAY 2001
52.223-14	TOXIC CHEMICAL RELEASE REPORTING	AUG 2003
52.225-13	RESTRICTIONS ON CERTAIN FOREIGN PURCHASES	MAR 2005
52.227-14	RIGHTS IN DATA - GENERAL	JUN 1987

<u>CLAUSE NUMBER</u>	<u>TITLE</u>	<u>DATE</u>
52.232-7	PAYMENTS UNDER TIME-AND-MATERIALS AND LABOR-HOUR CONTRACTS	DEC 2002
52.232-9	LIMITATION ON WITHHOLDING OF PAYMENTS	APR 1984
52.232-11	EXTRAS	APR 1984
52.232-17	INTEREST	JUN 1996
52.232-18	AVAILABILITY OF FUNDS	APR 1984
52.232-19	AVAILABILITY OF FUNDS FOR THE NEXT FISCAL YEAR	APR 1984
52.232-23	ASSIGNMENT OF CLAIMS	JAN 1986
52.232-25	PROMPT PAYMENT	OCT 2003
52.232-34	PAYMENT BY ELECTRONIC FUNDS TRANSFER OTHER THAN CENTRAL CONTRACTOR REGISTRATION	MAY 1999
52.233-1	DISPUTES	JUL 2002
52.233-3	PROTEST AFTER AWARD	AUG 1996
52.237-3	CONTINUITY OF SERVICES	JAN 1991
52.237-10	IDENTIFICATION OF UNCOMPENSATED OVERTIME	OCT 1997
52.242-1	NOTICE OF INTENT TO DISALLOW COSTS	APR 1984
52.242.3	PENALTIES FOR UNALLOWABLE COSTS	MAY 2001
52.242-13	BANKRUPTCY	JUL 1995
52.243-3	CHANGES - TIME-AND-MATERIALS OR LABOR-HOURS	SEP 2000
52.245-5	GOVERNMENT PROPERTY (COST- REIMBURSEMENT, TIME-AND-MATERIAL, OR LABOR-HOUR CONTRACTS)	MAY 2004
52.246-25	LIMITATION OF LIABILITY-SERVICES	FEB 1997

<u>CLAUSE NUMBER</u>	<u>TITLE</u>	<u>DATE</u>
52.249-6	TERMINATION (COST-REIMBURSEMENT) Alternate IV (SEP 1996)	MAY 2004
52-249-14	EXCUSABLE DELAYS	APR 1984
52.251-1	GOVERNMENT SUPPLY SOURCES	APR 1984
52.253-1	COMPUTER GENERATED FORMS	JAN 1991
I-2	<u>REQUIREMENTS FOR COST OR PRICING DATA OR INFORMATION OTHER THAN COST OR PRICING DATA-MODIFICATIONS: (FAR 52.215-21) (OCT 1997) ALTERNATE IV (OCT 1997)</u>	
	(a) Submission of cost or pricing data is not required.	
	(b) Cost or pricing information required for submission in support of modifications will be determined separately for each modification and will be requested prior to issuance of any modification.	
I-3	<u>RIGHTS TO PROPOSAL DATA (TECHNICAL) (FAR 52.227-23) (JUN 1987)</u>	

Except for the data contained on pages: _____, it is agreed that as a condition of award of this contract, and notwithstanding the conditions of any notice appearing thereon, the government shall have unlimited rights (as defined in the "Rights in data -- General" clause contained in this contract) in and to the technical data contained in the proposal dated: _____, upon which this contract is based.

I-4 OPTION TO EXTEND TERM OF THE CONTRACT

- (a) The Government has the option to extend for four additional period(s). If more than 60 days remain in the contract period of performance, the Government, without prior written notification, may exercise this option by issuing a contract modification. To exercise this option within the last 60 days of the period of performance, the government must provide to the Contractor written notification prior to that last 60-day period. This preliminary notification does not commit the Government to exercise the option.

- (b) Exercise of an option will result in the following contract modifications:

The “Period of Performance” clause will be modified as follows:

Period	Start Date	End Date
Option Period I	July 1, 2006	June 30, 2007
Option Period II	July 1, 2007	June 30, 2008
Option Period III	July 1, 2008	June 30, 2009
Option Period IV	July 1, 2009	June 30, 2010

I-5 CONFIDENTIALITY OF INFORMATION (AGAR 452.224-70)(FEB 1988)

- (a) Confidential information, as used in this clause, means:
- (1) Information or data of a personal nature, proprietary about an individual, or (2) information or data submitted by or pertaining to an institution or organization.
- (b) In addition to the types of confidential information described in (a)(1) and (2) above, information which might require special consideration with regard to the timing of its disclosure may derive from studies or research during which public disclosure of primarily invalidated findings could create an erroneous conclusion which might threaten public health or safety if acted upon.
- (c) The Contracting Officer and the Contractor may, by mutual consent, identify elsewhere in this contract specific information and/or categories of information which the Government will furnish to the Contractor or that the Contractor is expected to generate which is confidential. Similarly, the Contracting Officer and the Contractor may, by mutual consent, identify such confidential information from time to time during the performance of the contract. Failure to agree will be settled pursuant to the "Disputes" clause.
- (d) If it is established that information to be utilized under this contract is subject to the Privacy Act, the Contractor will follow the rules and procedures of disclosure set forth in the Privacy Act of 1974, 5 U.S.C. 552a, and implementing regulations and policies, with respect to systems of records determined to be subject to the Privacy Act.
- (e) Confidential information, as defined in (a)(1) and (2) above, shall not be disclosed without the prior written consent of the individual, institution or organization.
- (f) Written advance notice of at least 45 days will be provided to the Contracting Officer of the Contractor's intent to release findings of studies or research, which have the possibility of adverse effects on the public or the Federal agency, as described in (b) above. If the Contracting Officer does not pose

any objections in writing within the 45 day period, the contractor may proceed with disclosure. Disagreements not resolved by the Contractor and Contracting Officer will be settled pursuant to the "Disputes" clause.

- (g) Whenever the Contractor is uncertain with regard to the proper handling of material under the contract, or if the material in question is subject to the Privacy Act or is confidential information subject to the provisions of this clause, the Contractor shall obtain a written determination from the Contracting Officer prior to any release, disclosure, dissemination, or publication.
- (h) The provisions of paragraph (e) of this clause shall not apply when the information is subject to conflicting or overlapping provisions in other Federal, State or local laws.

I-6 SUBCONTRACTS (FAR 52.244-2)(AUG 1998)

- (a) Definitions. As used in this clause-

“Approved purchasing system” means a Contractor’s purchasing system that has been reviewed and approved in accordance with Part 44 of the Federal Acquisition Regulation (FAR).

“Consent to subcontract” means the Contracting Officer’s written consent for the Contractor to enter into a particular subcontract.

“Subcontract” means any contract, as defined in FAR Subpart 2.1, entered into by a subcontractor to furnish supplies or services for performance of the prime contract or a subcontract. It includes, but is not limited to, purchase orders, and changes and modifications to purchase orders.

- (b) This clause does not apply to subcontracts for special test equipment when the contract contains the clause at FAR 52.245-18, Special Test Equipment.
- (c) When this clause is included in a fixed-price type contract, consent to subcontract is required only on un-priced contract actions (including unpriced modifications or unpriced delivery orders), and only if required in accordance with paragraph (d) or (e) of this clause.
- (d) If the Contractor does not have an approved purchasing system, consent to subcontract is required for any subcontract that-
 - (1) Is of the cost-reimbursement, time-and-materials, or labor-hour type; or
 - (2) Is fixed-price and exceeds-
 - (i) For a contract awarded by the Department of

Defense, the Coast Guard, or the National Aeronautics and Space Administration, the greater of the simplified acquisition threshold or 5 percent of the total estimated cost of the contract; or

(ii) For a contract awarded by a civilian agency other than the Coast Guard and the National Aeronautics and Space Administration, either the simplified acquisition threshold or 5 percent of the total estimated cost of the contract.

(e) If the Contractor has an approved purchasing system, the Contractor nevertheless shall obtain the Contracting Officer's written consent before placing the following subcontracts:

(f)(1) The Contractor shall notify the Contracting Officer reasonably in advance of placing any subcontract or modification thereof for which consent is required under paragraph (c), (d), or (e) of this clause, including the following information:

(i) A description of the supplies or services to be subcontracted.

(ii) Identification of the type of subcontract to be used.

(iii) Identification of the proposed subcontractor.

(iv) The proposed subcontract price.

(v) The subcontractor's current, complete, and accurate cost or pricing data and Certificate of Current Cost or Pricing Data, if required by other contract provisions.

(vi) The subcontractor's Disclosure Statement or Certificate relating to Cost Accounting Standards when such data are required by other provisions of this contract.

(vii) A negotiation memorandum reflecting-

(A) The principal elements of the subcontract price negotiations;

(B) The most significant considerations controlling establishment of initial or revised prices;

(C) The reason cost or pricing data were or were not required;

- (D) The extent, if any, to which the Contractor did not rely on the subcontractor's cost or pricing data in determining the price objective and in negotiating the final price;
 - (E) The extent to which it was recognized in the negotiation that the subcontractor's cost or pricing data were not accurate, complete, or current; the action taken by the Contractor and the subcontractor; and the effect of any such defective data on the total price negotiated;
 - (F) The reasons for any significant difference between the Contractor's price objective and the price negotiated; and
 - (G) A complete explanation of the incentive fee or profit plan when incentives are used. The explanation shall identify each critical performance element, management decisions used to quantify each incentive element, reasons for the incentives, and a summary of all trade-off possibilities considered.
- (2) The Contractor is not required to notify the Contracting Officer in advance of entering into any subcontract for which consent is not required under paragraph (c), (d), or (e) of this clause.
- (g) Unless the consent or approval specifically provides otherwise, neither consent by the Contracting Officer to any subcontract nor approval of the Contractor's purchasing system shall constitute a determination-
- (1) Of the acceptability of any subcontract terms or conditions;
 - (2) Of the allowability of any cost under this contract; or
 - (3) To relieve the Contractor of any responsibility for performing this contract.
- (h) No subcontract or modification thereof placed under this contract shall provide for payment on a cost-plus-a-percentage-of-cost basis, and any fee payable under cost-reimbursement type subcontracts shall not exceed the fee limitations in FAR 15.404-4(c)(4)(i).
- (i) The Contractor shall give the Contracting Officer immediate written notice of any action or suit filed and prompt notice of any claim made against the Contractor by any subcontractor or vendor that, in the opinion of the Contractor, may result in litigation related in any way to this contract, with

respect to which the Contractor may be entitled to reimbursement from the Government.

- (j) The Government reserves the right to review the Contractor's purchasing system as set forth in FAR Subpart 44.3.
- (k) Paragraphs (d) and (f) of this clause do not apply to the following subcontracts, which were evaluated during negotiations:

I-7 SUBCONTRACTS FOR COMMERCIAL ITEMS AND COMMERCIAL COMPONENTS (FAR 52.244-6)(DEC 2004)

- (a) Definitions.

"Commercial item," as used in this clause, has the meaning contained in the clause 52.202-1, Definitions.

"Subcontract," as used in this clause, includes a transfer of commercial items between divisions, subsidiaries, or affiliates of the Contractor or subcontractor at any tier.

- (b) To the maximum extent practicable, the Contractor shall incorporate, and require its subcontractors at all tiers to incorporate, commercial items or non-developmental items as components of items to be supplied under this contract.
- (c) Notwithstanding any other clause of this contract, the Contractor is not required to include any FAR provision or clause, other than those listed below to the extent they are applicable and as may be required to establish the reasonableness of prices under Part 15, in a subcontract at any tier for commercial items or commercial components:
 - (1) 52.222-26, **(APR 2002)** Equal Opportunity (E.O. 11246);
 - (2) **52.222-35, Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (DEC 2001)** (38 U.S.C. 4212(a));
 - (3) 52.222-36, Affirmative Action for Workers with Disabilities (29 U.S.C. 793); and
 - (4) 52.247-64, Preference for Privately-Owned U.S.-Flag Commercial Vessels **(46 U.S.C. APP 1241(b))** (flow down not required for subcontracts awarded beginning May 1, 1996).
- (d) The Contractor shall include the terms of this clause, including this paragraph (d), in subcontracts awarded under this contract.

SECTION J - LIST OF ATTACHMENTSJ-1 LIST OF ATTACHMENTS

The Contracting Officer shall insert appropriately identified list of documents, exhibits and other attachments by title, date, and number of pages.

<u>IDENTIFIER</u>	<u>DESCRIPTION</u>	<u># OF PAGES</u>
Attachment I	Quality Assurance Plan	1
Attachment II	SF-LLL Disclosure of Lobbying Activities	2
Exhibit 1	Comparison of Operations Features	1
Exhibit 2	Commodity Letter of Credit	1
Exhibit 3	CLOC Reporting Form	1
Exhibit 4	Summary of Entitlement Letter of Credit	2

SECTION K - REPRESENTATIONS, CERTIFICATIONS AND OTHER STATEMENTS OF OFFERORS

K-1 SOLICITATION PROVISIONS INCORPORATED BY REFERENCE
(FAR 52.252-1)(FEB 1998)

This solicitation incorporates one or more solicitation provisions by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. The offeror is cautioned that the listed provisions may include blocks that must be completed by the offeror and submitted with its quotation or offer. In lieu of submitting the full text of those provisions, the offeror may identify the provision by paragraph identifier and provide the appropriate information with its quotation or offer. Also, the full text of a solicitation provision may be accessed electronically at this address: <http://www.arnet.gov/far/>

<u>PROVISION NUMBER</u>	<u>TITLE</u>	<u>DATE</u>
52.203-11	CERTIFICATION AND DISCLOSURE REGARDING PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS	APR 1991
52.222-21	PROHIBITION OF SEGREGATED FACILITIES	FEB 1999

K-2 TAXPAYER IDENTIFICATION (FAR 52.204-3)(OCT 1998)

(a) Definitions.

“Common parent,” as used in this provision, means that corporate entity that owns or controls an affiliated group of corporations that files its Federal income tax returns on a consolidated basis, and of which the offeror is a member.

“Taxpayer Identification Number (TIN),” as used in this provision, means the number required by the Internal Revenue Service (IRS) to be used by the offeror in reporting income tax and other returns. The TIN may be either a Social Security Number or an Employer Identification Number.

(b) All offerors must submit the information required in paragraphs (d) through (f) of this provision to comply with debt collection requirements of 31 U.S.C. 7701(c) and 3325(d), reporting requirements of 26 U.S.C. 6041, 6041A, and 6050M, and implementing regulations issued by the IRS. If the resulting contract is subject to the payment reporting requirements described in Federal Acquisition Regulation (FAR) 4.904, the failure or refusal by the offeror to furnish the information may result in a 31 percent reduction of payments otherwise due under the contract.

(c) The TIN may be used by the Government to collect and report on any delinquent amounts arising out of the offeror's relationship with the Government (31 U.S.C. 7701(c)(3)). If the resulting contract is subject to the payment reporting requirements described in FAR 4.904, the TIN provided hereunder may be matched with IRS records to verify the accuracy of the offeror's TIN.

(d) Taxpayer Identification Number (TIN).

TIN: _____.

TIN has been applied for.

TIN is not required because:

Offeror is a nonresident alien, foreign corporation, or foreign partnership that does not have income effectively connected with the conduct of a trade or business in the United States and does not have an office or place of business or a fiscal paying agent in the United States;

Offeror is an agency or instrumentality of a foreign government;

Offeror is an agency or instrumentality of the Federal government;

(e) Type of organization.

Sole proprietorship;

Partnership;

Corporate entity (not tax-exempt);

Corporate entity (tax-exempt);

Government entity (Federal, State, or local);

Foreign government;

International organization per **26 CFR 1.6049-4**;

Other _____;

(f) Common Parent.

Offeror is not owned or controlled by a common parent as defined in paragraph (a) of this provision.

Name and TIN of common parent:

Name _____

TIN _____

K-3 WOMEN-OWNED BUSINESS (FAR 52.204-5) (MAY 1999)

(a) Definition. "Women-owned business concern," as used in this provision, means a concern which is at least 51 percent owned by one or more women;

or in the case of any publicly owned business, at least 51 percent of its stock is owned by one or more women; and whose management and daily business operations are controlled by one or more women.

- (b) Representation. [Complete only if the offeror is a women-owned business concern and has not represented itself as a small business concern in paragraph (b)(1) of FAR 52.219-1, Small Business Program Representation, of this solicitation.] The offeror represents that it ___ is, ___ is not a women-owned business concern.

K-4 CERTIFICATION REGARDING DEBARMENT, SUSPENSION, PROPOSED DEBARMENT, AND OTHER RESPONSIBILITY MATTERS
(FAR 52.209-5)(DEC 2001)

(a)(1) The Offeror certifies, to the best of its knowledge and belief, that-

(i) The Offeror and/or any of its Principals-

(A) Are ___ are not ___ presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal agency;

(B) Have ___ have not ___, within a three-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, state, or local) contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, or receiving stolen property; and

(C) Are ___ are not ___ presently indicted for, or otherwise criminally or civilly charged by a governmental entity with, commission of any of the offenses enumerated in subdivision (a)(1)(i)(B) of this provision.

(ii) The Offeror has ___ has not ___, within a three-year period preceding this offer, had one or more contracts terminated for default by any Federal agency.

(2) "Principals," for the purposes of this certification, means officers; directors; owners; partners; and, persons having primary management or supervisory responsibilities within a business entity (e.g., general manager; plant manager; head of a subsidiary, division, or business segment, and similar positions).

THIS CERTIFICATION CONCERNS A MATTER WITHIN THE JURISDICTION OF AN AGENCY OF THE UNITED STATES AND THE MAKING OF A FALSE, FICTITIOUS, OR FRAUDULENT CERTIFICATION MAY RENDER THE MAKER

SUBJECT TO PROSECUTION UNDER SECTION 1001, TITLE 18, UNITED STATES CODE.

- (b) The Offeror shall provide immediate written notice to the Contracting Officer if, at any time prior to contract award, the Offeror learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
- (c) A certification that any of the items in paragraph (a) of this provision exists will not necessarily result in withholding of an award under this solicitation. However, the certification will be considered in connection with a determination of the Offeror's responsibility. Failure of the Offeror to furnish a certification or provide such additional information as requested by the Contracting Officer, may render the Offeror nonresponsible.
- (d) Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by paragraph (a) of this provision. The knowledge and information of an Offeror is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
- (e) The certification in paragraph (a) of this provision is a material representation of fact upon which reliance was placed when making award. If it is later determined that the Offeror knowingly rendered an erroneous certification, in addition to other remedies available to the Government, the Contracting Officer may terminate the contract resulting from this solicitation for default.

K-5 PLACE OF PERFORMANCE (FAR 52.215-6)(OCT 1997)

- (a) The offeror or respondent, in the performance of any contract resulting from this solicitation, ___ intends, ___ does not intend (check applicable block) to use one or more plants or facilities located at a different address from the address of the offeror or respondent as indicated in this proposal or response for information.
- (b) If the offeror or respondent checks "intends" in paragraph (a) of this provision, it shall insert in the following spaces the required information:

Place of Performance (Street Address, City, County, State, Zip Code)	Name and address of Owner and Operator of the Plant or Facility if Other than Offeror or Respondent
_____	_____
_____	_____
_____	_____

K-6 SMALL BUSINESS PROGRAM REPRESENTATIONS
(FAR 52.219-1)(MAY 2004)(ALTERNATE I)(APR 2002)

(a)(1) The North American Industry Classification System (NAICS) code for this acquisition is 541618.

(2) The small business size standard is \$6 Million: Annual average gross revenue of the concern taken for the last 3 fiscal years.

(3) The small business size standard for a concern which submits an offer in its own name, other than on a construction or service contract, but which proposes to furnish a product which it did not itself manufacture, is 500 employees.

(b) Representations. (1) The offeror represents as part of its offer that it is, is not a small business concern.

(2) (Complete only if offeror represented itself as a small business concern in paragraph (b)(1) of this provision.) The offeror represents, for general statistical purposes, that it is, is not a small disadvantaged business concern as defined in 13 CFR 124.1002.

(3) (Complete only if offeror represented itself as a small business concern in paragraph (b)(1) of this provision.) The offeror represents as part of its offer that it is, is not a women-owned small business concern.

(4) (Complete only if offeror represented itself as a small business concern in paragraph (b)(1) of this provision.) The offeror represents, as part of its offer, that

(i) It is, is not a HUBZone small business concern listed, on the date of this representation, on the List of Qualified HUBZone Small Business Concerns maintained by the Small Business Administration, and no material change in ownership and control, principal office of ownership, or HUBZone employee percentage has occurred since it was certified by the Small Business Administration in accordance with 13 CFR part 126; and

(ii) It is, is not a joint venture that complies with the requirements of 13 CFR part 126, and the representation in paragraph (b)(4)(i) of this provision is accurate for the HUBZone small business concern or concerns that are participating in the joint venture. [The offeror shall enter the name or names of the HUBZone small business concern or concerns that are participating in the joint venture:] Each HUBZone small business concern participating in the joint venture shall submit a separate signed copy of the HUBZone representation.

(c) Definitions.

"Small business concern," as used in this provision, means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding on Government contracts, and qualified

as a small business under the criteria in 13 CFR Part 121 and the size standard in paragraph (a) of this provision.

"Woman-owned small business concern," as used in this provision, means a small business concern -

(1) Which is at least 51 percent owned by one or more women or, in the case of any publicly owned business, at least 51 percent of the stock of which is owned by one or more women; and

(2) Whose management and daily business operations are controlled by one or more women.

(d) Notice. (1) If this solicitation is for supplies and has been set aside, in whole or in part, for small business concerns, then the clause in this solicitation providing notice of the set-aside contains restrictions on the source of the end items to be furnished.

(2) Under 15 U.S.C. 645(d), any person who misrepresents a firm's status as a small, small disadvantaged, or women-owned small business concern in order to obtain a contract to be awarded under the preference programs established pursuant to section 8(a), 8(d), 9, or 15 of the Small Business Act or any other provision of Federal law that specifically references section 8(d) for a definition of program eligibility, shall -

(i) Be punished by imposition of fine, imprisonment, or both;

(ii) Be subject to administrative remedies, including suspension and debarment; and

(iii) Be ineligible for participation in programs conducted under the authority of the Act.

K-7 PREVIOUS CONTRACTS AND COMPLIANCE REPORTS
(FAR 52.222-22)(FEB 1999)

The offeror represents that -

(a) It ____ has, ____ has not participated in a previous contract or subcontract subject to the Equal Opportunity clause of this solicitation;

(b) It ____ has, ____ has not, filed all required compliance reports; and

(c) Representations indicating submission of required compliance reports, signed by proposed subcontractors, will be obtained before subcontract awards.

K-8 AFFIRMATIVE ACTION COMPLIANCE (FAR 52.222-25)(APR 1984)

The offeror represents that (a) it ____ has developed and has on file, ____ has not developed and does not have on file, at each establishment, affirmative action programs required by the rules and regulations of the Secretary of Labor (41 CFR 60-1 and 60-2), or (b) it ____ has not previously had contracts subject to the written affirmative action programs requirement of the rules and regulations of the Secretary of Labor.

K-9 ROYALTY INFORMATION (FAR 52.227-6)(APR 1984)

- (a) Cost or charges for royalties. When the response to this solicitation contains costs or charges for royalties totaling more than \$250, the following information shall be included in the response relating to each separate item of royalty or license fee:
- (1) Name and address of licensor.
 - (2) Date of license agreement.
 - (3) Patent numbers, patent application serial numbers, or other basis on which the royalty is payable.
 - (4) Brief description, including any part or model numbers of each contract item or component on which the royalty is payable.
 - (5) Percentage or dollar rate of royalty per unit.
 - (6) Unit price of contract item.
 - (7) Number of units.
 - (8) Total dollar amount of royalties.
- (b) Copies of current licenses. In addition, if specifically requested by the Contracting Officer before execution of the contract, the offeror shall furnish a copy of the current license agreement and an identification of applicable claims of specific patents.

K-10 GENERAL FINANCIAL AND ORGANIZATIONAL INFORMATION

Offerors are requested to provide information regarding the following items in sufficient detail to allow a full and complete business evaluation. If the question indicated is not applicable or the answer is none, it should be annotated. If the offeror has previously submitted the information, it should certify the validity of that data currently on file at USDA or update all outdated information on file.

- (a) Offeror's Name: _____

(b) Address (If financial records are maintained at some other location, show the address of the place where the records are kept):

(c) Telephone Number: _____

(d) Individual(s) to contact regarding this proposal:

(e) Cognizant Government Audit Agency: _____

Address: _____

Auditor: _____

(f) Work Distribution for Last Completed Fiscal Accounting Period.

(1) Sales:

Government cost-reimbursement type prime contracts and subcontracts:
\$ _____

Government fixed-price prime contracts and subcontracts: \$ _____

Commercial Sales: \$ _____

Total Sales: \$ _____

(2) Total Sales for offeror's first and second fiscal years immediately preceding last completed fiscal year.

Total Sales for First Preceding Fiscal Year: \$ _____

Total Sales for Second Preceding Fiscal Year: \$ _____

(g) Is company a separate entity, divisions, or subsidiary corporation?

Yes ___ No ___

If yes, name the parent company:

(h) Date Company Organized: _____

(i) Staffing:

(1) Total Employees: _____

(2) Direct: _____

(3) Indirect: _____

(4) Standard Work Week (Hours): _____

(j) Commercial Projects: _____

(k) Attach a current organizational chart of the company.

(l) Estimating System.

(1) Description of offeror's system of estimating and accumulating costs under Government contracts. (Check appropriate blocks.)

Estimated/actual cost	Standard cost
Estimating System:	
Job Order	_____
Process	_____
Accumulating System:	
Job Order	_____
Process	_____

(2) Has the offeror's cost estimating system been approved by a Government Agency?

Yes ___ No ___

If yes, give name and address of the agency:

(3) Has the offeror's cost accumulation system been approved by any Government agency?

Yes ___ No___

If yes, give name and address of the agency:

(m) What is the offeror's fiscal year period? (Give starting month and ending month): _____

What were the indirect cost rates for the last completed fiscal year?

Fiscal year	Indirect cost rate	Basis of allocation
Fringe Benefits	_____	_____
Overhead	_____	_____
G&A Expense	_____	_____
Other	_____	_____

(n) Have the proposed indirect cost rate(s) been evaluated and accepted by any Government agency?

Yes ___ No ___

If yes, give name and address of the agency:

Date of last pre-award audit review by a Government agency:

(If the answer is no, data supporting the proposed rates must accompany the cost or price proposal. A breakdown of the items comprising overhead and G&A must be furnished.)

(o) Cost estimating is performed by:

Accounting Department: _____

Contracting Department: _____

Other (describe): _____

(p) Has system of control of Government property been approved by a Government agency?

Yes ___ No ___

If yes, give name and address of the agency:

(q) Purchasing Procedures:

Are purchasing procedures written?

Yes ___ No ___

Has the purchasing system been approved by a Government agency?

Yes ___ No ___

If yes, give name and address of the agency:

(r) Does the offeror have an established written incentive compensation or bonus plan?

Yes ___ No ___

K-11 DUPLICATION OF COST

The offeror represents and certifies that any changes contemplated and included in its estimate of cost for performance are not duplicative of any charges against any other Government contract, subcontract, or other Government source.

K-12 COMPLIANCE WITH VETERANS EMPLOYMENT REPORTING REQUIREMENTS (FAR 52.222-70)(JAN 1999)(DEVIATION)(USDA)

- (a) The offeror represents that, if it is subject to the reporting requirements of 38 U.S.C. 4212 (d)(i.e., the VETS-100 report required by FAR clause 52.222-37, Employment Reports on Disabled Veterans and Veterans of the Vietnam Era), it has [], has not [], submitted the most recent report required by 38 U.S.C. 4212(d).
- (b) An offeror who checks "has not" may not be awarded a contract until the required report is filed.

K-13 CERTIFICATION OF TOXIC CHEMICAL RELEASE REPORTING (FAR 52.223-13) (AUG 2003)

- (a) Submission of this certification is a prerequisite for making or entering into this contract imposed by Executive Order 12969, August 8, 1995.
- (b) By signing this offer, the offeror certifies that---
- (1) As the owner or operator of facilities that will be used in the performance of this contract that are subject to the filing and reporting requirements described in section 313 of the Emergency Planning and Community Right-to-Know Act of 1986 (EPCRA) (42 U.S.C. 11023) and section 6607 of the Pollution prevention Act of 1990 (PPA) (42.U.S.C. 13106), the offeror will file and continue to file for such facilities for the life of the contract the Toxic Chemical Release Inventory Form (Form R) as described in sections 313(a) and (g) of EPCRA and section 6607 of PPA; or
- (2) None of its owned or operated facilities to be used in the performance of this contract is subject to the Form R filing and reporting requirements

because each such facility is exempt for at least one of the following reasons: (Check each block that is applicable.)

- _____ (I) The facility does not manufacture, process, or otherwise use any toxic chemicals listed under section 313 (c) of EPCRA, 42 U.S.C. 11023(c);
- _____ (II) The facility does not have 10 or more full-time employees as specified in section 313(b)(1)(A) of EPCRA, 42 U.S.C. 11023(b)(1)(A)
- _____ (III) The facility does not meet the reporting thresholds of toxic chemicals established under section 313(f) of EPCRA, 42 U.S.C. 11023(f) (including the alternate threshold at 40 CFR 372.27, provided an appropriate certification form has been filed in EPA);
- _____ (IV) The facility does not fall within Standard Industrial Classification Code (SIC) designations 20 through 39 as set forth in section 19.102 of the Federal Acquisition Regulation; or
- _____ (V) The facility is not located in United States, or its outlying areas.

K-14 CERTIFICATION

I hereby certify that the responses to the above Representations, Certifications and other statements are accurate and complete.

Signature: _____

Title: _____

Date: _____

SECTION L - INSTRUCTIONS, CONDITIONS, AND NOTICES TO OFFERORS

L-1 SOLICITATION PROVISIONS INCORPORATED BY REFERENCE
(FAR 52.252-1)(FEB 1998)

This solicitation incorporates one or more solicitation provisions by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. The offeror is cautioned that the listed provisions may include blocks that must be completed by the offeror and submitted with its quotation or offer. In lieu of submitting the full text of those provisions, the offeror may identify the provision by paragraph identifier and provide the appropriate information with its quotation or offer. Also, the full text of a solicitation provision may be accessed electronically at this address: <http://www.arnet.gov/far/>

<u>PROVISION NUMBER</u>	<u>TITLE</u>	<u>DATE</u>
52.215-16	FACILITIES CAPITAL COST OF MONEY	JUN 2003
52.222-46	EVALUATION OF COMPENSATION FOR PROFESSIONAL EMPLOYEES	FEB 1993

L-2 INSTRUCTIONS TO OFFERORS - COMPETITIVE ACQUISITION
(FAR 52.215-1)(**JAN 2004**) ALTERNATE I1 (OCT 1997)

(a) Definitions. As used in this provision -

“Discussions” are negotiations that occur after establishment of the competitive range that may, at the Contracting Officer’s discretion, result in the offeror being allowed to revise its proposal.

“In writing” or “written” means any worded or numbered expression which can be read, reproduced, and later communicated, and includes electronically transmitted and stored information.

“Proposal modification” is a change made to a proposal before the solicitation’s closing date and time, or made in response to an amendment, or made to correct a mistake at any time before award.

“Proposal revision” is a change to a proposal made after the solicitation closing date, at the request of or as allowed by a Contracting Officer as the result of negotiations.

“Time,” if stated as a number of days, is calculated using calendar days, unless otherwise specified, and will include Saturdays, Sundays, and legal holidays. However, if the last day falls on a Saturday, Sunday, or legal holiday, then the period shall include the next working day.

- (b) Amendments to solicitations. If this solicitation is amended, all terms and conditions that are not amended remain unchanged. Offerors shall acknowledge receipt of any amendment to this solicitation by the date and time specified in the amendment(s).
- (c) Submission, modification, revision, and withdrawal of proposals. (1) Unless other methods (e.g., electronic commerce or facsimile) are permitted in the solicitation, proposals and modifications to proposals shall be submitted in paper media in sealed envelopes or packages (i) addressed to the office specified in the solicitation, and (ii) showing the time and date specified for receipt, the solicitation number, and the name and address of the offeror. Offerors using commercial carriers should ensure that the proposal is marked on the outermost wrapper with the information in paragraphs (c)(1)(i) and (c)(1)(ii) of this provision.
- (2) The first page of the proposal must show -
- (i) The solicitation number;
 - (ii) The name, address, and telephone and facsimile numbers of the offeror (and electronic address if available);
 - (iii) A statement specifying the extent of agreement with all terms, conditions, and provisions included in the solicitation and agreement to furnish any or all items upon which prices are offered at the price set opposite each item;
 - (iv) Names, titles, and telephone and facsimile numbers (and electronic addresses if available) of persons authorized to negotiate on the offeror's behalf with the Government in connection with this solicitation; and
 - (v) Name, title, and signature of person authorized to sign the proposal. Proposals signed by an agent shall be accompanied by evidence of that agent's authority, unless that evidence has been previously furnished to the issuing office.
- (3) Submission, modification, revision, and withdrawal of proposals.
- (i) Offerors are responsible for submitting proposals, and any modifications or revisions, so as to reach the Government office designated in the solicitation by the time specified in the solicitation. If no time is specified in the solicitation, the time for receipt is 4:30 p.m., local time, for the designated Government office on the date that proposal or revision is due.
 - (ii) (A) Any proposal, modification, or revision

received at the Government office designated in the solicitation after the exact time specified for receipt of offers is “late” and will not be considered unless it is received before award is made, the Contracting Officer determines that accepting the late offer would not unduly delay the acquisition; and -

- (1) If it was transmitted through an electronic commerce method authorized by the solicitation, it was received at the initial point of entry to the Government infrastructure not later than 5:00 p.m. one working day prior to the date specified for receipt of proposals; or
- (2) There is acceptable evidence to establish that it was received at the Government installation designated for receipt of offers and was under the Government’s control prior to the time set for receipt of offers; or
- (3) It is the only proposal received.

(B) However, a late modification of an otherwise successful proposal that makes its terms more favorable to the Government, will be considered at any time it is received and may be accepted.

(iii) Acceptable evidence to establish the time of receipt at the Government installation includes the time/date stamp of that installation on the proposal wrapper, other documentary evidence of receipt maintained by the installation, or oral testimony or statements of Government personnel.

(iv) If any emergency or unanticipated event interrupts normal Government processes so that proposals cannot be received at the office designated for receipt of proposals by the exact time specified in the solicitation, and urgent Government requirements preclude amendment of the solicitation, the time specified for receipt of proposals will be deemed to be extended to the same time of day specified in the solicitation on the first work day on which normal Government processes resume.

(v) Proposals may be withdrawn by written notice received at any time before award. Oral proposals in response to oral solicitations may be withdrawn orally. If the solicitation authorizes facsimile proposals, proposals may be withdrawn via facsimile received at any time before award, subject to the conditions

specified in the provision at 52.215-5, Facsimile Proposals. Proposals may be withdrawn in person by an offeror or an authorized representative, if the identity of the person requesting withdrawal is established and the person signs a receipt for the proposal before award.

- (4) Unless otherwise specified in the solicitation, the offeror may propose to provide any item or combination of items.
 - (5) Offerors shall submit proposals in response to this solicitation in English, unless otherwise permitted by the solicitation, and in U.S. dollars, unless the provision at FAR 52.225-17, Evaluation of Foreign Currency Offers, is included in the solicitation.
 - (6) Offerors may submit modifications to their proposals at any time before the solicitation closing date and time, and may submit modifications in response to an amendment, or to correct a mistake at any time before award.
 - (7) Offerors may submit revised proposals only if requested or allowed by the Contracting Officer.
 - (8) Proposals may be withdrawn at any time before award. Withdrawals are effective upon receipt of notice by the Contracting Officer.
 - (9) Offerors may submit proposals that depart from stated requirements. Such proposals shall clearly identify why the acceptance of the proposal would be advantageous to the Government. Any deviations from the terms and conditions of the solicitation, as well as the comparative advantage to the Government, shall be clearly identified and explicitly defined. The Government reserves the right to amend the solicitation to allow all offerors an opportunity to submit revised proposals based on the revised requirements.
- (d) Offer expiration date. Proposals in response to this solicitation will be valid for the number of days specified on the solicitation cover sheet (unless a different period is proposed by the offeror).
- (e) Restriction on disclosure and use of data. Offerors that include in their proposals data that they do not want disclosed to the public for any purpose, or used by the Government except for evaluation purposes, shall -
- (1) Mark the title page with the following legend: This proposal includes data that shall not be disclosed outside the Government and shall not be duplicated, used, or disclosed - in whole or in part - for any purpose other than to evaluate this proposal. If, however, a contract is awarded to this offeror as a result of - or in connection

with - the submission of this data, the Government shall have the right to duplicate, use, or disclose the data to the extent provided in the resulting contract. This restriction does not limit the Governments right to use information contained in this data if it is obtained from another source without restriction. The data subject to this restriction are contained in sheets (insert numbers or other identification of sheets); and

- (2) Mark each sheet of data it wishes to restrict with the following legend: Use of disclosure of data contained on this sheet is subject to the restriction on the title page of this proposal.

(f) Contract award.

- (1) The Government intends to award a contract or contracts resulting from this solicitation to the responsible offeror(s) whose proposal(s) represents the best value after evaluation in accordance with the factors and subfactors in the solicitation.
- (2) The Government may reject any or all proposals if such action is in the Governments interest.
- (3) The Government may waive informalities and minor irregularities in proposals received.
- (4) The Government intends to evaluate proposals and award a contract after conducting discussions with offerors whose proposals have been determined to be within the competitive range. If the Contracting Officer determines that the number of proposals that would otherwise be in the competitive range exceeds the number at which an efficient competition can be conducted, the Contracting Officer may limit the number of proposals in the competitive range to the greatest number that will permit an efficient competition among the most highly rated proposals. Therefore, the offerors initial proposal should contain the offerors best terms from a price and technical standpoint.
- (5) The Government reserves the right to make an award on any item for a quantity less than the quantity offered, at the unit cost or prices offered, unless the offeror specifies otherwise in the proposal.
- (6) The Government reserves the right to make multiple awards if, after considering the additional administrative costs, it is in the Governments best interest to do so.
- (7) Exchanges with offerors after receipt of a proposal do not constitute a rejection or counteroffer by the Government.

- (8) The Government may determine that a proposal is unacceptable if the prices proposed are materially unbalanced between line items or sub-line items. Unbalanced pricing exists when, despite an acceptable total evaluated price, the price of one or more contract line items is significantly overstated or understated as indicated by the application of cost or price analysis techniques. A proposal may be rejected if the Contracting Officer determines that the lack of balance poses an unacceptable risk to the Government.
- (9) If a cost realism analysis is performed, cost realism may be considered by the source selection authority in evaluating performance or schedule risk.
- (10) A written award or acceptance of proposal mailed or otherwise furnished to the successful offeror within the time specified in the proposal shall result in a binding contract without further action by either party.
- (11) The Government may disclose the following information in postaward debriefings to other offerors:
 - (i) The overall evaluated cost or price and technical rating of the successful offeror;
 - (ii) The overall ranking of all offerors, when any ranking was developed by the agency during source selection;
 - (iii) A summary of the rationale for award; and
 - (iv) For acquisitions of commercial items, the make and model of the item to be delivered by the successful offeror.

L-3 CONTRACTOR IDENTIFICATION NUMBER--DATA UNIVERSAL NUMBERING SYSTEM (DUNS) NUMBER (FAR 52.204-6)(OCT 2003)

- (a) The offeror shall enter, in the block with its name and address on the cover page of its offer, the annotation "DUNS" followed by the DUNS number that identifies the offeror's name and address exactly as stated in the offer. The DUNS number is a nine-digit number assigned by Dun and Bradstreet Information Services.
- (b) If the offeror does not have a DUNS number, it should contact Dun and Bradstreet directly to obtain one. A DUNS number will be provided immediately by telephone at no charge to the offeror. For information on obtaining a DUNS number, the offeror, if located within the United States, should call Dun and Bradstreet at 1-800-333-0505.

- (1) Company name.
 - (2) Company address.
 - (3) Company telephone number.
 - (4) Line of business.
 - (5) Chief executive officer/key manager.
 - (6) Date the company was started.
 - (7) Number of people employed by the company.
 - (8) Company affiliation.
- (c) Offerors located outside the United States may obtain the location and phone number of the local Dun and Bradstreet Information Services office from the Internet Home Page at <http://www.customerservice@dnb.com/>. If an offeror is unable to locate a local service center, it may send an e-mail to Dun and Bradstreet at globalinfo@mail.dnb.com.

L-4 SMALL BUSINESS NORTH AMERICAN INDUSTRY CLASSIFICATION SYSTEM CODE (NAICS)

- (a) For purpose of this contract, classification code **541618** and the following standard applies: “a concern is small if its average annual receipts for its preceding three (3) fiscal years do not exceed six (**6.0**) million dollars.” This acquisition is a 100% Small Business Set-Aside.
- (b) Subcontracted work need not be classified as **NAICS** Code **541618**. It should be classified under whatever **NAICS** Code is appropriate for the work (See FAR 19.102). The size standard for that **NAICS** Code can be used to determine if subcontracting goals are met.

L-5 AUTHORSHIP

The offeror shall include a statement indicating the names of authors and the percentage of authorship by the individuals involved in the preparation of the technical proposal, and the relationship of each author to the work to be performed under the contract.

L-6 TYPE OF CONTRACT (FAR 52.216-1)(APR 1984)

The Government contemplates award of a Labor Hour contract resulting from this solicitation.

L-7 SERVICE OF PROTEST (FAR 52.233-2)(AUG 1996)

- (a) Protests, as defined in section 33.101 of the Federal Acquisition Regulation, that are filed directly with an agency, and copies of any protests that are filed with the General Accounting Office (GAO), shall be served on the Contracting Officer (addressed as follows) by obtaining written and dated acknowledgment of receipt from Leonard Green , Contracting Officer, USDA, Food and Nutrition Service, Contract Management Branch, 3101 Park Center Drive, Room 228, Alexandria, VA 22302.
- (b) The copy of any protest shall be received in the office designated above within one day of filing a protest with the GAO.

L-8 INQUIRIES (AGAR 452.204-70)(FEB 1988)

Inquiries and all correspondence concerning this solicitation should be submitted in writing to the Contracting Officer. Offerors should contact only the contracting officer issuing the solicitation about any aspect of this requirement prior to contract award.

L-9 INSTRUCTIONS FOR THE PREPARATION OF TECHNICAL AND BUSINESS PROPOSALS (AGAR 452.215-71)(SEP 1999)

- (a) General Instructions. Proposals submitted in response to this solicitation shall be furnished in the following format with the numbers of copies as specified below.
 - (1) The proposal must include a technical proposal and business proposal. Each of the parts shall be separate and complete so that evaluation of one may be accomplished independently from evaluation of the other. The technical proposal must not contain reference to cost; however, resource information (such as data concerning labor hours and categories, materials, subcontracts, etc.) must be contained in the technical proposal so that the contractor's understanding of the statement of work may be evaluated.
 - 2) Offerors may, at their discretion, submit alternate proposals or proposals which deviate from the requirement; provided, that an offeror also submit a proposal for performance of the work as specified in the statement of work. Any "alternate" proposal may be considered if overall performance would be improved or not compromised, and if it is in the best interest of the Government. Alternate proposals, or deviations from any requirement of this RFP, must be clearly identified.
 - (3) The Government will evaluate proposals in accordance with the evaluation criteria set forth in Section M of this RFP.
 - (4) Offerors shall submit their proposal(s) in the following format and the quantities specified:

- (a) Standard Form 33 and Sections B, G, and K of the solicitation- one (1) original and 4 copies
- (b) Technical Proposal- one original and 4 copies
- (c) Cost/Price Proposal- one original and 4 copies

In addition to the requirements above, the offeror is required to submit a complete copy of the technical and cost proposal on a CD noting which software application name and version, preferably Microsoft Suite application software, on a label affixed to the CD. Should the technical and/or cost proposals be modified during the negotiation process requiring resubmission of the proposal(s), a revised CD is also required to be submitted noting on the label; file name, software/version and date revised. After award, all unsuccessful offerors will be afforded the opportunity to retrieve their proposal submissions, with the exception of the CD, which will be kept on file.

Offeror's proposal shall be prepared using type no smaller than Courier 12 pitch type.

- (b) Technical Proposal Instructions. The technical proposal will be used to make an evaluation and arrive at a determination as to whether the proposal will meet the requirements of the Government. Therefore, the technical proposal must present sufficient information to reflect a thorough understanding of the requirements and a detailed, description of the techniques, procedures and program for achieving the objectives of the specifications/statement of work. Proposals which merely paraphrase the requirements of the Government's specifications/statement of work, or use such phrases as "will comply" or "standard techniques will be employed" will be considered unacceptable and will not be considered further. As a minimum, the proposal must clearly provide the following:
 - (2) A detailed work plan must be submitted indicating how each aspect of the statement of work is to be accomplished. The technical approach should be in as much detail as the offeror considers necessary to fully explain the proposed technical approach or method. The technical proposal should reflect a clear understanding of the nature of the work being undertaken.
 - (3) The technical proposal must include information on how the project is to be organized, staffed, and managed. Information should be provided which will demonstrate the offeror's understanding and management of important events or tasks. The offeror must explain how the management and coordination of consultant and/or subcontractor efforts will be accomplished.
- (c) Business Proposal Instructions. In addition to any other requirements for cost/pricing information required in clause FAR 52.215-20, Requirements

for Cost or Pricing Data or Other Than Cost or Pricing Data (OCT 1997), the following is required:

- (1) The offeror shall complete Section B-1 of this solicitation, identifying fully loaded labor rates, for the base year and all subsequent option years.
- (2) The offeror shall submit information necessary to support the prices proposed (derivation of fully loaded rates) to permit the contracting officer and authorized representatives to determine price reasonableness for each of the following:
 - (A) Base Year
 - (B) Options to extend the term of the contract.
- (3) Specific Requirements. The offeror must also submit the following detailed information to support the proposed budget:
 - (A) The amount proposed for travel, subsistence and local transportation supported with a breakdown which includes: number of trips anticipated, cost per trip per person, destination(s) proposed, number of person(s) scheduled for travel, mode of transportation, and mileage allowances if privately owned vehicles will be used.
- (4) If consultants are proposed, detailed data concerning proposed consultant costs should include the following:
 - (A) Names of consultant(s) to be engaged.
 - (B) Daily fees to be paid to each consultant.
 - (C) Estimated number of days of consulting services.
 - (D) Consulting agreements entered into between consultant(s) and the offeror, or invoices submitted by consultant(s) for similar services previously provided to the offeror.
 - (E) Rationale for acceptance of cost.
- (5) If proposed, cost information for each subcontractor shall be furnished in the same format and level of detail as prescribed for the prime offeror. Additionally, the offeror shall submit the following information:
 - (A) A description of the items to be furnished by the subcontractor.
 - (B) Identification of the proposed subcontractor and an explanation of why and who the proposed subcontractor was selected including the extent of competition obtained.

(C) The proposed subcontract price, the offeror's cost or price analysis thereof, and performance/delivery schedule.

(D) Identification of the type of subcontract to be used.

(6) Offeror shall briefly describe organization policies in the following areas (published policies may be furnished):

(A) Salary increases to include:

(i) Merit.

(ii) Cost of living.

(iii) General.

(7) Offerors lacking Government approved indirect cost rates must provide detailed background data indicating the cost elements included in the applicable pool and a statement that such treatment is in accordance with the established accounting practice. Offerors with established rate agreements with Federal cognizant agencies shall submit one copy of such agreement.

(8) Offeror shall -

(A) Furnish financial statements for the last two years, including an interim statement for the current year, unless previously provided to the office issuing the RFP, in which case a statement as to when and where this information was provided may be furnished instead.

(B) Specify the financial capacity, working capital and other resources available to perform the contract without assistance from any outside source.

(C) Provide the name, location, and intercompany pricing policy for other divisions, subsidiaries, parent company, or affiliated companies that will perform work or furnish materials under this contract.

(D) Provide an estimated cash flow. Each offeror is required to submit a schedule of proposed monthly costs for the planned duration of the project.

L-10 AMENDMENTS TO PROPOSALS (AGAR 452.215-72)(FEB 1988)

Any changes to a proposal made by the offeror after its initial submittal shall be accomplished by replacement pages. Changes from the original page shall be indicated on the outside margin by vertical lines adjacent to the change. The offeror shall include the date of the amendment on the lower right corner of the

changed pages. The offeror's Best and Final Offer shall be submitted as a complete package to include all revisions that have been negotiated.

L-11 PAST PERFORMANCE AND SYSTEMIC IMPROVEMENT

Past performance information shall be provided regarding a contractor's performance under previously awarded contracts. Past Performance Information shall include the contractor's record of conforming to specifications and to standards of good workmanship; the contractor's record of containing and forecasting costs on any previously performed cost reimbursable contracts; the contractor's adherence to contract schedules, including the administrative aspects of performance; the contractor's history for reasonable and cooperative behavior and commitment to customer satisfaction; and generally, the contractor's business-like concern for the interest of the customer.

Offerors shall provide sufficient information that demonstrates the ability to perform the proposed contract addressing the areas specified above relative, but not limited, to past performance. Evidence of systemic improvement shall be included for past contracts resulting in poor performance. Adequate information shall be provided to satisfy the Government that remedial and continuous actions are being taken to maintain quality performance.

Evaluation of past performance will be based on information obtained from the list of past contracts provided by the contractor as well as any information contained in the Food and Nutrition Service's system of records for past performance. Accordingly, offerors must provide a list of [all] contracts exceeding \$100,000 for similar services (e.g., evaluation, modeling, etc.) for the most recent 3 years of business experience shall be provided and include:

- (1) Name of contracting activity
- (2) Contract number
- (3) Contract type
- (4) Total value of contract
- (5) Description of work performed
- (6) Contracting Officer and telephone number
- (7) Project Manager and telephone number
- (8) Lead COR and telephone number

Upon request, information contained in FNS' system of records for past performance will be provided to potential offerors so that they may respond to that information, including by submission of information demonstrating systemic improvement since the time of the FCS evaluation of performance.

Newly established firms shall provide as much information as available for consideration. Offerors that are newly formed entities without prior contracts should list no more than five (5) contracts and/or subcontracts based on key personnel participation in contracts for prior employers. Offerors without prior contracts may also provide past performance references for companies or subsidiaries or divisions of companies that they have acquired in the past three

(3) years. Offerors providing such information must explain the extent to which the integrity of the acquired units has been maintained since the acquisition (i.e., key personnel retained, key assets have not been sold or otherwise transferred, etc.).

Performance information will be used for both responsibility determinations and as a technical evaluation factor. For further guidance, please see the evaluation criteria in Section M.

References both within and without the Government other than those identified by the offeror may be contacted by the Government with the information received used in the evaluation of the offeror's past performance.

NOTE: NOTWITHSTANDING THE DATE SPECIFIED FOR RECEIPT OF THIS RFP, PAST PERFORMANCE INFORMATION MUST BE SUBMITTED BY 4:00 PM EST ON AUGUST 1, 2005.

SECTION M - EVALUATION FACTORS FOR AWARD

M-1 SOLICITATION PROVISIONS INCORPORATED BY REFERENCE
(FAR 52.252-1)(FEB 1998)

This solicitation incorporates one or more solicitation provisions by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. The offeror is cautioned that the listed provisions may include blocks that must be completed by the offeror and submitted with its quotation or offer. In lieu of submitting the full text of those provisions, the offeror may identify the provision by paragraph identifier and provide the appropriate information with its quotation or offer. Also, the full text of a solicitation provision may be accessed electronically at this address: <http://www.arnet.gov/far/>

<u>PROVISION NUMBER</u>	<u>TITLE</u>	<u>DATE</u>
52.217-5	EVALUATION OF OPTIONS	JUL 1990

M-2 EVALUATION FOR AWARD

- (a) The source selection process for this procurement will consider both technical merit and proposed prices, and award will be made to the offeror whose proposal represents the best value to the Government. Initial technical proposals will be evaluated by a technical evaluation panel (TEP) in accordance with the technical evaluation criteria set forth in M-2(d)below. Initial business proposals will be evaluated by the contracting officer and other appropriate personnel, as determined by the Contracting Officer. Communications or clarifications, which involve limited exchanges of information, may be conducted with offerors during this phase of the selection process. The Contracting Officer will consider both technical merit and proposed price and, if necessary, establish a competitive range comprised of the most highly rated proposals. While it is anticipated a competitive range of offerors will be established for this acquisition, the Government reserves the right to make an award decision without conducting discussions, based on initial proposals submitted.
- (b) Discussions and negotiations may be conducted with offerors in the competitive range, as deemed necessary by the Government. In addition, further communications involving limited exchanges of information may be conducted with offerors during this phase of the source selection process.
- (c) When negotiations are complete, offerors remaining in the competitive range will be afforded the opportunity to submit final proposal revisions. However, revised offers may not be requested or accepted if the

Government makes an award decision based on initial proposals, without conducting discussions with offerors.

(d) The following criteria will be used with each consideration weighted as indicated:

CRITERIA	WEIGHT
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<u>Understanding the Purpose and objectives</u>	15%
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The proposal is clear, concise, well-organized and demonstrates the ability to communicate understanding of the purpose and objectives of the program and the relevant technical and policy issues.

<u>Demonstrated Knowledge of the Operational Features of a Cash and Commodity Letter of Credit Program</u>	40%
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The proposal demonstrates a clear understanding of operational Procedures of the Cash and CLOC programs and their relationship to features of the Commodity Donation Program.

<u>Capability and Experience of Staff</u>	30%
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The proposal demonstrates a commitment of adequate staff, experienced in disciplines critical to the successful completion of program objectives including project management, school food service operations, commodity processing contracts, food procurement and bid specifications, institutional food technology, data base management, training and technical assistance.

<u>Past Performance and Systemic Improvement</u>	15%
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The risk associated with the offeror’s ability to perform on the proposed contract, i.e., to meet cost and schedule, will be assessed, based on past performance. Particular emphasis will be placed on the degree to which the offeror’s management can demonstrate a concise relationship between their past performance data and their systemic improvements. Evaluation of factual evidence will verify that the offeror has adopted and applied the principles and techniques of continuous systemic improvement in managing its total business to improve upon past performance.

(e) Evaluation of past performance will be a subjective assessment based on the consideration of all relevant facts and circumstances in light of the evaluation criteria.

In the case that an offeror fails to provide past performance references, no past performance information is available, or no past performance questionnaires of

the offeror's past performance references are completed, a neutral evaluation of the offeror will be given with respect to the past performance criterion. A neutral evaluation is the average of the offerors (included in the competitive range) score for the past performance criterion.