

Procurement Procedures and Policies

Introduction

This kit has been prepared to assist businesses that are interested in selling their products and services to the U.S. Department of Agriculture (USDA). Because of the diversity and dispersion of agricultural programs, marketing to the USDA can be a complex undertaking. This information sheet describes procurement procedures and policies generally applicable to all buying done by USDA. Other inserts explain in broad terms the types of items bought, who buys them and where they are bought. Information specifically directed to small, disadvantaged and women-owned businesses is also included.

USDA

USDA was established by Congress in 1862 " . . . to acquire and to diffuse among the people of the United States useful information on subjects connected with agriculture . . . and to procure, propagate, and distribute among the people new and valuable seeds and plants." Today, USDA's functions have evolved to include research, education, conservation, marketing and consumer services, regulatory work and rural development.

Where Procurement Takes Place

USDA buys goods and services on a decentralized basis. A list of the major procurement offices of the various USDA agencies, "Directory of Purchasing Offices," is included in this kit. Vendors are urged to contact the procurement offices listed for more information on the specific products and services being purchased. Purchases are also made at many smaller offices that are not listed. The purchases made at these offices are, however, generally limited to small dollar value, off-the-shelf items that are available locally. The names and locations of the smaller offices are available from the USDA agency office in which the head of the contract activity designee (HCAD) is located. These offices are identified in the "Directory of Purchasing Offices."

How USDA Acquires Goods and Services

GSA Advantage

USDA fills many of its requirements for commonly used items through GSA Advantage (www.gsaadvantage.gov), a General Services Administration on-line system from which GSA stock items and Federal Supply Schedule (FSS) products and services may be ordered. Products and services from the Federal Prison Industries, Inc. (FPI), also referred to as UNICOR, and nonprofit agencies serving people who are blind or severely disabled (National Industries for the Blind (NIB)) and the nonprofit agencies serving people with severe disabilities other than blindness (NISH) are sold through GSA Advantage. Where specific products or services from either UNICOR or NIB/NISH are not available through GSA Advantage, USDA may acquire them directly from UNICOR or the NIB/NISH nonprofit agencies.

GSA Federal Supply Schedule & Other Governmentwide Contracts

One of the primary methods for acquiring goods and services not available through GSA Advantage is through vendors that have entered into GSA Federal Supply Schedule (FSS) contracts, or through vendors with indefinite delivery type contracts issued by a Federal agency and made available for ordering by other procurement organizations. Information on FSS contracting opportunities is available on the Internet at www.fss.gsa.gov/schedules/.

Purchasing Procedures

USDA uses a variety of procedures for purchasing on the open market. These procedures, which are governed by the Federal Acquisition Regulation (FAR) and the USDA Agriculture Acquisition Regulation (AGAR) which is the USDA supplement to the FAR, are recapped below. The FAR is available on the Internet at www.arnet.gov/far/ and the AGAR is available at www.usda.gov/procurement/policy/agar.html. Acquisitions of agricultural (food) commodities by the Agricultural Marketing Service (AMS) and by the Kansas City Commodity Office of the Farm Service Agency (FSA), are in most cases, not subject to the FAR or AGAR, but follow comparable procedures. Further information on these procedures can be obtained from AMS and FSA.

Micro-Purchases by Non-Procurement Personnel

Within USDA, acquisitions of \$2,500 or less (micro-purchases) are generally not referred to a procurement office, but are bought on the open market by authorized non-procurement personnel through use of the Governmentwide commercial purchase card.

Simplified Acquisition Procedures

For requirements estimated to cost more than \$2,500 but not more than \$100,000, procurement offices generally use simplified acquisition procedures. These procedures are less structured than those in sealed bidding or negotiated procurements. Competition to the maximum extent practicable is required, with solicitation of at least three sources generally considered to meet this requirement. Acquisitions in this dollar range are set aside for the exclusive participation of small business concerns unless there is a reason why this is not feasible.

Up to \$25,000, requests for quotation are usually oral, and written solicitations are rarely used. By October 1, 2001, notices of business opportunities over \$25,000 will be posted at the Government's Single Point of Entry, which is the Federal Business Opportunities website at www.fedbizopps.gov. (Until then, these notices are published in the Commerce Business Daily (CBD). Publications of these notices in the CBD will continue through December 31, 2001, after which date they will only be available at the Federal Business Opportunities website.) These notices, also referred to as synopses, may contain sufficient information for vendors to submit quotes (this is referred to as a combined synopsis/solicitation) and therefore a written solicitation is not required.

Sealed Bidding and Negotiated Procedures

For acquisitions estimated to exceed \$100,000, sealed bidding or negotiated procedures are used. These are more formal and structured than simplified acquisition procedures. These acquisitions must (with limited exceptions) be competed using procedures that provide for full and open competition, which means that all responsible sources are permitted to compete. Acquisitions in this dollar range are generally synopsisized in the CBD, or from October 1, 2001, at the FedBizOpps website (www.fedbizopps.gov) prior to issuance of the written solicitation (Invitation for Bids or Request for Proposals).

Sealed Bidding

Under sealed bidding procedures, an Invitation for Bids (IFB) is issued inviting interested companies to compete by submitting a sealed bid. Bids are publicly opened at a date and time specified in the IFB. The bids are evaluated without discussions and contract award is made to the responsible bidder whose bid, conforming to the IFB, is the most advantageous to the Government, considering only price and the price-related factors included in the IFB.

Negotiated Procedures

Under these procedures, a Request for Proposals (RFP) is issued inviting interested companies to submit proposals by a specified date. Unlike offers submitted in sealed bidding, proposals submitted for negotiation are not publicly opened. Proposals received are evaluated based on the factors and subfactors contained in the solicitation. Award may be made without discussions if the Government includes a notice in the solicitation stating its intent to evaluate proposals and make award without discussions. If discussions are held, offerors may be given the opportunity to revise price, schedule, technical requirements, contract type or other contractual terms and conditions in their offer. After completion of all discussions and receipt of final proposal revisions, award is made to the responsible offeror whose offer is the most advantageous to the Government considering price and the other factors specified in the solicitation.

Commercial Item Acquisitions

The Federal Acquisition Streamlining Act of 1994 established a preference for the acquisition of commercial items and also established acquisition requirements intended to more closely resemble the commercial marketplace. The procedures unique to acquisition of commercial items are used in conjunction with those for simplified acquisition, sealed bidding or contracting by negotiation. Special requirements related to commercial item acquisitions include expanded market research, streamlined evaluation procedures, and the ability to more closely follow the customary commercial practice for the item/service being acquired.

How to Obtain Information Regarding Proposed Purchases

Federal Business Opportunities (FedBizOpps)

The Federal Business Opportunities website at www.fedbizopps.gov is the single point where Government business opportunities greater than \$25,000, including synopses of proposed contract actions, solicitations and associated information, can be accessed electronically, by the public. Beginning October 1, 2001, all Federal agencies are required to post such business opportunities at this site. Until then (and through December 31, 2001), synopses of these business opportunities will be published in the Commerce Business Daily (CBD). The CBD is available on the Internet at <http://cbdnet.access.gpo.gov>.

Solicitation Mailing Lists

Procurement offices generally maintain solicitation mailing lists on items they buy. To have your company placed on these mailing lists, send a written request to the office that you feel would be interested in the products and services offered by your company. A copy of the Standard Form (SF) 129, Solicitation Mailing List Application, which may be used for this purpose, is included in this kit and is available on the Internet in the GSA Forms Library which can be accessed at www.arnet.gov/far/.

Solicitation Copies at Procurement Offices

Procurement offices also maintain and post copies of open solicitations for ready reference. Vendors are invited to visit the various procurement offices to review and/or pick up copies of these solicitations. Vendors may also wish to set up appointments to meet with procurement personnel to discuss the types of products and services offered and the needs of the procurement office customers.

Procurement Forecast

The USDA Office of Small and Disadvantaged Business Utilization (OSDBU) posts an annual forecast of procurement opportunities at USDA agencies on the Internet at www.usda.gov/osdbu.

Selling Opportunities Through GSA

GSA purchases goods and services on a worldwide basis for U.S. Government civilian agencies, the military, the Federal courts and the U.S. Congress. GSA buys both nationally and in local markets, from its Washington, DC, headquarters and also its regional offices throughout the country. More information regarding "Selling to the Government Through GSA" is available on the Internet at www.gsa.gov. Information specifically about the GSA Federal Supply Schedule Program is available at www.fss.gsa.gov/schedules.

Procurement Policy

The Senior Procurement Executive of USDA has overall responsibility for the USDA procurement activities. The Procurement Policy Division of the USDA Office of Procurement and Property Management provides staff support to this individual. Vendors may obtain information concerning any of the procurement activities of USDA from the specific USDA agency or from the USDA Procurement Policy Division at the following mailing address:

U.S. Department of Agriculture
Office of Procurement & Property Management
Procurement Policy Division
1400 Independence Ave., SW, Mail Stop 9303
Washington, DC 20250
Telephone: (202) 720-7527
Internet website: <http://www.usda.gov/procurement/>

Issued by:
USDA Office of Procurement & Property Management (www.usda.gov/procurement)
USDA Office of Small & Disadvantaged Business Utilization (www.usda.gov/osdbu)



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To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410 or call 202-720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.



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