

**SOLICITATION, OFFER AND AWARD**

1. This contract is a rated order under DPAS (15 CFR 700) RATING:

2. CONTRACT NO.

3. SOLICITATION NO.

001-M-APHIS-03

4. TYPE OF SOLICITATION

SEALED BID (IFB)

NEGOTIATED (RFP)

5. DATE ISSUED

08/21/2002

6. REQUISITION/PURCHASE NO.

AMDAHQXX-0001-3

7. ISSUED BY CODE: 6395

8. ADDRESS OFFER TO

(If other than Item 7)

USDA, APHIS, MRPBS, ASD, Contracting  
Butler Square Bldg., 5th Floor  
100 North Sixth Street  
Minneapolis, MN 55403

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

**SOLICITATION**

9. Sealed offers in original and one copy (see also Section L, paragraph L.4 for additional submittal instructions) for furnishing the supplies or services in the Schedule will be received at the space specified in Item 8, or if handcarried, in the depository located in the same, until **2:30 pm local (Central) time on September 23, 2002.**

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:

Donna Calacone

B. TELEPHONE NO.

(Include Area Code)

(NO COLLECT CALLS)

(612) 370-2485

C. E-MAIL ADDRESS

dcalacone@aphis.usda.gov

EXCEPTION TO STANDARD FORM 33 (REV.9-97)

FAR (48 CFR 53.214(c))

Prescribed by GSA

**SOLICITATION, OFFER AND AWARD**

**11. TABLE OF CONTENTS**

SECTION	DESCRIPTION	PAGE
<b>PART I - THE SCHEDULE</b>		
A	SOLICITATION/CONTRACT FORM	1
B	SUPPLIES OR SERVICES AND PRICES/COSTS	4
C	DESCRIPTION/SPECIFICATIONS/WORK STATEMENT	6
D	PACKAGING AND MARKING	16
E	INSPECTION AND ACCEPTANCE	17
F	DELIVERIES OR PERFORMANCE	18
G	CONTRACT ADMINISTRATION DATA	19
H	SPECIAL CONTRACT REQUIREMENTS	20
<b>PART II - CONTRACT CLAUSES</b>		
I	CONTRACT CLAUSES	23
<b>PART III - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS</b>		
J	LIST OF ATTACHMENTS	31
<b>PART IV - REPRESENTATIONS AND INSTRUCTIONS</b>		
K	REPRESENTATIONS, CERTIFICATIONS AND OTHER STATEMENTS OF OFFERORS	32
L	INSTRUCTIONS, CONDITIONS, AND NOTICES TO OFFERORS	39
M	EVALUATION FACTORS FOR AWARD	42

**OFFER** (Must be fully completed by offeror)

NOTE: Item 12 does not apply if the solicitation includes the provision 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 (75 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
_____ %	_____ %	_____ %	_____ %

14. ACKNOWLEDGEMENT 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

EXCEPTION TO STANDARD FORM 33 (REV. 9-97)

**SOLICITATION, OFFER AND AWARD**

15A. NAME AND ADDRESS OF OFFEROR	CODE   _____	FACILITY   _____	16. NAME AND TITLE OF PERSON AUTHORIZED TO SIGN (Type or Print)
15B. TELEPHONE NO. (Include Area Code)			17. SIGNATURE
15C. <input type="checkbox"/> CHECK IF REMITTANCE ADDRESS IS DIFFERENT FROM ABOVE - ENTER SUCH ADDRESS IN SCHEDULE			18. OFFER DATE

**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:

10 U.S.C. 2304(c)( )       41 U.S.C. 253(c)( )

23. SUBMIT INVOICES TO ADDRESS SHOWN IN ----> Block 25 (below)  
(4 Copies unless otherwise specified)

24. ADMINISTERED BY CODE   _____   (If other than Item 7)  same as issuing address	25. PAYMENT WILL BE MADE BY CODE   _____    USDA, APHIS, MRPBS, Payments Butler Square Bldg., 5th Floor 100 North Sixth Street Minneapolis, MN 55403
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26. NAME OF CONTRACTING OFFICER  Donna Calacone	27. UNITED STATE OF AMERICA  Signature of Contracting Officer	28. AWARD DATE
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IMPORTANT - Award will be made on this Form, or on Standard Form 26, or by other authorized official written notice.

EXCEPTION TO STANDARD FORM 33

**PART I - THE SCHEDULE**

**SECTION B - SUPPLIES OR SERVICES AND PRICES/COSTS**

**\*\* NOTE:** Offerors may propose for one or more geographic areas (Item Nos. 01 through 07). The Government intends to award firm-fixed-price contract(s) for Item Nos. 01 through 07. The Government may make multiple awards. Offerors shall propose a price for the entire item including all option periods.

<b>ITEM N0.</b>	<b>QUANTITY</b>	<b>UNIT</b>	<b>UNIT PRICE</b>	<b>TOTAL PRICE</b>
<b>01 Audit of Milk Market Program, ATLANTA, GA</b>				
01A. Base Period. Period to be Audited: 01/01/00 - 12/31/01	1	Ea	_____	_____
01B. Option 1, Audit Period: 01/01/02 - 12/31/02	1	Ea	_____	_____
01C. Option 2, Audit Period: 01/01/03 - 12/31/03	1	Ea	_____	_____
01D. Option 3, Audit Period: 01/01/04 - 12/31/04	1	Ea	_____	_____
<b>ITEM N0.</b>				
<b>ITEM N0.</b>	<b>QUANTITY</b>	<b>UNIT</b>	<b>UNIT PRICE</b>	<b>TOTAL PRICE</b>
<b>02 Audit of Milk Market Program, LOUISVILLE, KY</b>				
02A. Base Period. Period to be Audited: 01/01/00 - 12/31/01	1	Ea	_____	_____
02B. Option 1, Audit Period: 01/01/02 - 12/31/02	1	Ea	_____	_____
02C. Option 2, Audit Period: 01/01/03 - 12/31/03	1	Ea	_____	_____
02D. Option 3, Audit Period: 01/01/04 - 12/31/04	1	Ea	_____	_____
<b>ITEM N0.</b>				
<b>ITEM N0.</b>	<b>QUANTITY</b>	<b>UNIT</b>	<b>UNIT PRICE</b>	<b>TOTAL PRICE</b>
<b>03 Audit of Milk Market Program, BOSTON, MA</b>				
03A. Base Period. Period to be Audited: 01/01/00 - 12/31/01	1	Ea	_____	_____
03B. Option 1, Audit Period: 01/01/02 - 12/31/02	1	Ea	_____	_____
03C. Option 2, Audit Period: 01/01/03 - 12/31/03	1	Ea	_____	_____
03D. Option 3, Audit Period: 01/01/04 - 12/31/04	1	Ea	_____	_____

ITEM NO.	QUANTITY	UNIT	UNIT PRICE	TOTAL PRICE
<b>04 Audit of Milk Market Program, MINNEAPOLIS, MN</b>				
04A. Base Period. Period to be Audited: 01/01/00 - 12/31/01	1	Ea	_____	_____
04B. Option 1, Audit Period: 01/01/02 - 12/31/02	1	Ea	_____	_____
04C. Option 2, Audit Period: 01/01/03 - 12/31/03	1	Ea	_____	_____
04D. Option 3, Audit Period: 01/01/04 - 12/31/04	1	Ea	_____	_____

ITEM NO.	QUANTITY	UNIT	UNIT PRICE	TOTAL PRICE
<b>05 Audit of Milk Market Program, CLEVELAND, OH</b>				
05A. Base Period. Period to be Audited: 01/01/00 - 12/31/01	1	Ea	_____	_____
05B. Option 1, Audit Period: 01/01/02 - 12/31/02	1	Ea	_____	_____
05C. Option 2, Audit Period: 01/01/03 - 12/31/03	1	Ea	_____	_____
05D. Option 3, Audit Period: 01/01/04 - 12/31/04	1	Ea	_____	_____

ITEM NO.	QUANTITY	UNIT	UNIT PRICE	TOTAL PRICE
<b>06 Audit of Milk Market Program, DALLAS, TX</b>				
06A. Base Period. Period to be Audited: 01/01/00 - 12/31/01	1	Ea	_____	_____
06B. Option 1, Audit Period: 01/01/02 - 12/31/02	1	Ea	_____	_____
06C. Option 2, Audit Period: 01/01/03 - 12/31/03	1	Ea	_____	_____
06D. Option 3, Audit Period: 01/01/04 - 12/31/04	1	Ea	_____	_____

ITEM NO.	QUANTITY	UNIT	UNIT PRICE	TOTAL PRICE
<b>07 Audit of Milk Market Program, SEATTLE, WA</b>				
07A. Base Period. Period to be Audited: 01/01/00 - 12/31/01	1	Ea	_____	_____
07B. Option 1, Audit Period: 01/01/02 - 12/31/02	1	Ea	_____	_____
07C. Option 2, Audit Period: 01/01/03 - 12/31/03	1	Ea	_____	_____
07D. Option 3, Audit Period: 01/01/04 - 12/31/04	1	Ea	_____	_____

## SECTION C – DESCRIPTION/SPECIFICATIONS/WORK STATEMENT

### A. Performance Work Statement

#### 1. Audit Objective

The audit work will be of the Federal Milk Marketing Order Program, as administered by the Agricultural Marketing Service (AMS), Dairy Programs, of the United States Department of Agriculture (USDA). The broad objectives of the audit are to determine whether Market Administrators are managing Milk Marketing Orders in accordance with applicable regulations and instructions; and by means of examination, analysis and review of operations to determine:

- a. The fairness of presentation of financial statements and the correctness and reliability of accounting transactions and supporting fiscal and administrative records and reports.
- b. The adequacy of controls over financial and property accountability.
- c. The adequacy of the Market Administrator's compliance audits of milk handlers to determine whether payments are made in accordance with the terms and provisions of the order.
- d. The adequacy of administrative procedures and operations in assuring efficient and effective accomplishment of the objectives of the applicable marketing orders.
- e. The adequacy of compliance with Market Administrator Instructions and other applicable directives, with the terms of the marketing order(s), including pricing and payment provisions, and with other regulations and laws that may have a material bearing on the financial statements or the effective administration of the order(s).

Incidental to the audit work, some annual financial statement preparation is required. Financial statements must be prepared for the producer-settlement fund and transportation credit balancing fund, where applicable. Statements of cash flows and footnotes must be prepared for all funds maintained.

#### 2. Background

The primary objective of the Milk Marketing Order Program is to provide a means to achieve and maintain orderly marketing conditions for milk producers. The program was authorized to ensure the dairy farmer a reasonable minimum price for milk throughout the year and to ensure consumers of an adequate supply of milk throughout the year, despite fluctuations in demand and supply including seasonal variations in production.

The Agricultural Marketing Agreement Act of 1937, as amended, and its predecessors, insofar as they relate to milk, authorize the Secretary of Agriculture to issue Federal Milk Marketing Orders, each of which covers a specific geographical area. The Federal Government's responsibilities include evaluating order proposals, resolving any differences in the public interest, and administering and enforcing the orders after they are put into effect.

Each order sets minimum prices which handlers must pay for milk purchased from producers or associations of producers. The specific terms for the orders are developed for regional markets, since each marketing area has distinguishing geographical characteristics which affect both supply and demand. Each order includes the essentials of a classified price plan, a system of minimum prices, and provisions for administering the order.

The order is administered by a Market Administrator, who is an agent of the Secretary of Agriculture. The Market Administrator computes and announces minimum prices, provides market information, performs economic analyses, and engages in other activities necessary to administer the order in accordance with its terms and provisions.

The Market Administrator employs a staff to assist in administering the order. Included on the staff are auditors who determine whether the quantities and classification of milk products reported by handlers are correct and whether payments have been made in accordance with the terms and provisions of the order. The Market Administrator also may employ or contract for a laboratory staff to sample, weigh, test and analyze the composition of milk products.

The expense of such activities is incurred by an administrative fund and a marketing service fund as prescribed in each order. The expense of administration is prorated among handlers operating in the market based on the quantity of milk they receive from producers. The marketing service fund covers the expense of providing market information, weight verification, sampling and testing of milk marketed by producers who are not members of qualified cooperative associations that provide such services to their members. The cost of these services is prorated among such producers based on the quantities of milk they deliver to handlers. The administrative fund and marketing service fund are administered jointly and are operated on a combined orders basis where two or more orders are administered by the same Market Administrator.

A separate producer-settlement fund is maintained for each order that provides for marketwide pooling. The producer-settlement fund and related pricing and pooling provisions result in uniform prices, or producer price differentials, as applicable, derived from a monthly utilization value of milk for all handlers in a marketwide pool.

Some handlers use mostly fluid (Class I) milk while other handlers may use a larger proportion of their receipts for manufacturing purposes. How the milk is used may result in wide variation among handlers in the utilization value of their milk. Under a marketwide pool, each handler is required to pay at least the uniform or component prices to all producers for milk received from their farms. The difference between the value of milk at the uniform or component prices that the handler pays producers and the handler's utilization value of the milk is paid to or from the producer-settlement fund. Handlers with higher than the marketwide average utilization value pay the difference into the producer-settlement fund. Handlers with lower than the marketwide average utilization value receive the difference in payments from the producer-settlement fund. This process often is called equalization. Payments to producers and equalization payments are adjusted for location differentials that generally reflect lower values for milk produced farther from centers of consumption. Some orders also provide for transportation credits to defray some costs of hauling milk from areas of surplus production to areas of deficit production for use in fluid consumption.

### 3. Location

Records for the administration of the orders are generally maintained and available for examination at the main office of each Market Administrator. The name of the metropolitan area or city where each Market Administrator's main office is located is shown in Paragraph D, "Location Specific Information," beginning on page 12, below.

Some of the Market Administrators during the audit period are responsible for the administration of more than one Federal Milk Marketing Order. The name and number of each Federal Milk Marketing Order is shown in Paragraph D, "Location Specific Information," beginning on page 12.

### 4. Period to be Audited

The base period to be audited shall be the 2-year period following the period for which the most recent prior audit was completed for a particular Market Administrator.

Up to three 1-year option periods (sequentially following the base period) may be awarded to the successful offeror(s) at the discretion of AMS.

The corresponding base and option periods are shown in paragraph D, "Location Specific Information," beginning on page 12, below.

Since the last auditing cycle of the program, there has been a major reduction in the numbers of orders and Market Administrators. The audit period does not include the examination of records for any year prior to the consolidation of orders, which was effective January 1, 2000.

#### 5. Scope of Audit

Audits of Market Administrators are designed to give a comprehensive review of the administration of Federal Milk Marketing Orders to provide maximum assurance for the Secretary of Agriculture as to the proper management of the program's funds, including administrative, marketing service, producer-settlement, and transportation credit balancing funds where applicable. The entity that is the subject of the examination is the Market Administrator for all orders and funds under administration.

The audit field work will be performed at the office of the Market Administrator issuing the financial statements and maintaining the accounting records and reports, including budgets, journals, registers, ledgers, handler account records, payroll and accrued leave records, property and insurance records, investment records, bank account statements, collateral reports, vouchers, checks, and other source documents.

The examination is to include a review and evaluation of audits of handlers' reports conducted by the Market Administrator's staff to assure proper classification and payments and to determine handlers' compliance with the terms and provisions of the order(s).

The review shall include examination of audit workpapers to assess the adequacy of auditing procedures employed and corresponding documentation. The review shall be conducted on a test basis with the extent of such testing based on the auditor's professional judgment with regard to choice of sampling methods and selection of appropriate sample sizes. Section 8.2 of the "Audit Guide" (see paragraph 6, immediately below, and paragraph C on page 11) outlines procedures for use in reviewing audits of handlers' reports.

#### 6. Applicable Guidelines and Reference Materials

In performing this audit, the contractor shall comply with generally accepted auditing standards, Government Auditing Standards (1994 Revision, as amended) issued by the General Accounting Office, and the "Audit Guide", dated February 29, 2000, issued by the United States Department of Agriculture, Office of Inspector General, with the following exceptions:

a. If specific steps in the "Audit Guide" are not applicable to the entity audited or require modification due to subsequent events or other reasons, the contractor will document the audit workpapers to that effect.

b. If specific steps in the "Audit Guide" cannot be performed, the contractor will document in the audit workpapers those specific steps and the reasons why they cannot be performed.

#### 7. Personnel Requirements

Personnel to be used in performance of this contract must be selected from the approved personnel specified in the contract or in subsequent personnel authorized letters issued by the Contracting officer.

The audit planning, field work, and reporting shall be conducted/supervised by a licensed certified public accountant (CPA), so that a professional opinion shall be rendered as to the fairness of presentation of the financial statements.

8. Contracting Officer's Representative

The Contracting Officer's Representative (COR) is William F. Newell, Chief, Order Operations Branch, Dairy Programs, AMS, USDA, Stop 0226, Room 2753-S, 1400 Independence Avenue, SW, Washington, DC 20250-0226; Telephone (202) 720-3869. E-mail address: [william.newell@usda.gov](mailto:william.newell@usda.gov). Mr. Newell will act as technical advisor and should be initially contacted on contract performance and technical questions.

Tevis Smith, Accounting and Audit Coordinator, Order Operations Branch, Dairy Programs, AMS, USDA, will also act as technical advisor and may be contacted on contract performance and technical questions at the same address as Mr. Newell; Telephone number: (202)720-9387; E-mail address: [tevis.smith@usda.gov](mailto:tevis.smith@usda.gov).

9. Deliverables

a. Audit Plan and Work Schedule

An audit plan and work schedule shall be prepared before commencing on-site field work at the audit location. The audit plan may be modified later, if necessary, when information obtained on site indicates that a modification is consistent with the attainment of stated audit objectives.

b. Entrance Conference, Field Work, and Exit Conference

An entrance conference shall be conducted with the Market Administrator at the inception of the field work in accordance with Section 7.2.d(1) of the "Audit Guide." During the entrance conference auditors shall explain the scope of the audit, audit objectives, estimated duration of field work, audit process, and manner of resolving findings. Auditors shall explain what types of records and information, access to facilities and systems, and assistance from the Market Administrator's personnel will be needed to achieve the audit objectives. Auditors should use this opportunity to request an organizational chart and to determine whether the Market Administrator has a preference regarding the direction of questions or requests for assistance, records and information, and access to facilities and systems.

The field work shall be performed in accordance with field work standards for financial audits and performance audits, as applicable to the scope, of the Government Auditing Standards and provisions of this contract.

A formal exit conference shall be conducted with the Market Administrator at the audit site upon completion of the field work in accordance with Section 9 of the "Audit Guide." Notification of completion of the on-site field work and exit conference shall be provided to the COR.

The field work for any calendar year option(s) that is exercised in conjunction with the base period shall be performed in conjunction with the field work for the base period. The field work for any calendar year option(s) that is exercised subsequent to the audit of the base period shall be performed separately and the audit results shall be covered in a separate exit conference.

c. Audit Report

The report shall contain a summary of audit results stating the type of audit performed and what deficiencies were found in the course of the examination.

The report shall contain relevant background information.

The report shall contain a statement of the status of the previous audit report.

The report shall include a statement of the audit scope.

The report shall contain details of audit findings including narrative statements, tables or schedules and other pertinent information explaining the stated deficiencies. Where a deficiency warrants a recommendation for corrective action, the report shall specify the condition, cause, effect, criteria, conclusion, and recommendation.

The report shall contain a presentation of the audited financial statements of the administrative, marketing service, producer-settlement, and transportation credit balancing funds where applicable for each year with accompanying footnotes.

The report shall contain the auditor's opinion as to the fairness of presentation of the financial statements.

The report shall contain the auditor's opinion on internal accounting and administrative controls.

The report shall contain the auditor's opinion on compliance with laws, regulations and directives.

The report shall contain an evaluation of the adequacy of the Market Administrator's handler compliance audit program.

The report shall document the exit conference held with the Market Administrator in accordance with Section 9 of the "Audit Guide."

The report shall comply with the Government Auditing Standards and provisions of this contract.

The report shall be well-written and free of errors or other indications of lack of professional care.

Any calendar year option(s) that is exercised in conjunction with the base period shall be covered in the same audit report as the base period. Any calendar year option(s) that is exercised subsequent to the audit of the base period shall be covered in a separate audit report.

Failure to meet the delivery requirements for the draft or final report, as stated above and in A.10 below, may result in termination for default of this contract.

d. Workpapers

Workpapers shall be prepared in accordance with Government Auditing Standards and the "Audit Guide."

Any calendar year option(s) that is exercised in conjunction with the base period shall be documented in the same set of audit workpapers as the base period. Any calendar year option(s) that is exercised subsequent to the audit of the base period shall be documented in a separate set of audit workpapers.

10. Delivery Schedule/Address

a. An Audit Plan and Work Schedule shall be submitted to the COR at least 10 days before the start of the audit field work. Contractor will initially contact the COR to schedule the audit dates before contacting the auditee. The Government is aware that tax season is a busy time of year for many accounting firms.

b. Audit Report - a draft audit report, 4 copies, shall be submitted within 90 days of the completion date of the audit field work for each location.

A final audit report, 8 copies, shall be submitted within 2 weeks of receipt of the official agency response by the Deputy Administrator, Dairy Programs, or of notification from the COR that no response will be forwarded.

- c. Workpapers - to be submitted with the draft audit report.

Workpapers remain the property of the auditor and are returned to the auditor upon closure of the audit.

- d. Exit conference - to be conducted before leaving the audit site.

All Deliveries shall be sent to:  
Mr. David Lewis, Deputy Administrator  
Compliance and Analysis, AMS, USDA  
Stop 0203, Room 3529-S  
1400 Independence Avenue, SW  
Washington, DC 20250-0203

#### 11. Size and Location of Audit Effort

The time utilization should include the appropriate mix of contractor personnel; partner, audit manager, and staff auditor to ensure proper supervision and due professional care are exercised in conducting the examination and in preparing the audit report.

Information on size and time to consider in estimating the audit effort is found in paragraph D, below, "Location Specific Information."

#### **B. Quality Plan**

The contractor is to provide details on its internal quality control procedure for the audit process of the organization. This plan and its implementation are subject to verification by the COR.

#### **C. Government Published Standards, Guidelines and Documents**

The following government published information shall be used by the contractor in performing this contract:

**1. Government Auditing Standards (1994 Revision, as amended).** Printed copies may be purchased from the Superintendent of Documents, U.S. Government Printing Office (GPO) by calling (202) 512-1800 or accessing the GPO Internet site at [www.gpo.gov](http://www.gpo.gov) for ordering information. For more information on the standards, also referred to as "The Yellow Book," see the GAO Internet site at [www.gao.gov](http://www.gao.gov). On the home page, scroll down to "The Yellow Book" under "Other Publications."

**2. Audit Guide, Dated February 29, 2000.** Copies of the Audit Guide are available from Tevis Smith, Accounting and Audit Coordinator, Order Operations Branch, Dairy Programs, AMS, USDA, Telephone number: (202)720-9387; E-mail address: [tevis.smith@usda.gov](mailto:tevis.smith@usda.gov).

**3. Previous Audit Reports.** Because of the sensitive nature of some of the documents, previous audit reports shall be made available only to the contractor.

**D. Location Specific Information**

The following information is specific to each contract line item:

**ITEM N0. 01, Atlanta, GA**

Federal Order Numbers 6 and 7

Base Audit Period: 01/01/00 - 12/31/01

Option 1 Audit Period: 01/01/02 - 12/31/02

Option 2 Audit Period: 01/01/03 - 12/31/03

Option 3 Audit Period: 01/01/04 - 12/31/04

The audit of the Atlanta office shall include the Florida order (6) and the Southeast order (7).

The local Milk Market Administrator is Sue Mosley, who can be reached by telephone at 770-448-1194.

As an estimate of the dollar volume of transactions or funds managed by the Market Administrator, the total operating expense budget for this office for calendar year 2002 is \$5,100,500.

Based upon past experience, factoring in time for financial statement preparation and examination of the producer-settlement funds for the 2 orders and for financial statement preparation and examination of the transportation credit balancing fund for Order 7, and taking into account the consolidation of orders that occurred on January 1, 2000, the field work for the Atlanta office is expected to take approximately 4.0 weeks for the 2-year base period, plus 1.5 weeks for each additional year of audit under Options 1, 2, and 3. Additional time is necessary to develop the report. The Government estimate of the time to complete the audit is 240 hours per year of audit for the base period and 180 hours per year of audit for Options 1, 2, and 3.

**ITEM N0. 02, Louisville, KY**

Federal Order Number 5

Base Audit Period: 01/01/00 - 12/31/01

Option 1 Audit Period: 01/01/02 - 12/31/02

Option 2 Audit Period: 01/01/03 - 12/31/03

Option 3 Audit Period: 01/01/04 - 12/31/04

The audit of the Louisville office shall include the Appalachian order (5).

The local Acting Milk Market Administrator is Harold Friedly, who can be reached by telephone at 502-499-0040.

As an estimate of the dollar volume of transactions or funds managed by the Market Administrator, the total operating expense budget for this office for calendar year 2002 is \$3,435,000.

Based upon past experience, factoring in time for financial statement preparation and examination of the producer-settlement fund and the transportation credit balancing fund, and taking into account the consolidation of orders that occurred on January 1, 2000, the field work for the Louisville office is

expected to take approximately 3.5 weeks for the 2-year base period, plus 1.25 weeks for each additional year of audit under Options 1, 2, and 3. Additional time is necessary to develop the report. The Government estimate of the time to complete the audit is 225 hours per year of audit for the base period and 165 hours per year of audit for Options 1, 2, and 3.

**ITEM N0. 03, Boston, MA**

Federal Order Number 1

Base Audit Period: 01/01/00 - 12/31/01

Option 1 Audit Period: 01/01/02 - 12/31/02

Option 2 Audit Period: 01/01/03 - 12/31/03

Option 3 Audit Period: 01/01/04 - 12/31/04

The audit of the Boston office shall include the Northeast order (1).

The local Milk Market Administrator is Erik Rasmussen, who can be reached by telephone at 617-542-8966.

As an estimate of the dollar volume of transactions or funds managed by the Market Administrator, the total operating expense budget for this office for calendar year 2002 is \$11,550,000.

The previously separate administrations of the Boston, Massachusetts, the Albany, New York, and the Alexandria, Virginia, offices were consolidated effective January 1, 2000.

Based upon past experience, factoring in time for financial statement preparation and examination of the producer-settlement fund, and taking into account the consolidation of orders and offices that occurred on January 1, 2000, the field work for the Boston office is expected to take approximately 7 weeks for the 2-year base period, plus 1 week for each additional year of audit under Options 1, 2, and 3. Additional time is necessary to develop the report. The Government estimate of the time to complete the audit is 330 hours per year of audit for the base period and 150 hours per year of audit for Options 1, 2, and 3.

**ITEM N0. 04, Minneapolis, MN**

Federal Order Number 30

Base Audit Period: 01/01/00 - 12/31/01

Option 1 Audit Period: 01/01/02 - 12/31/02

Option 2 Audit Period: 01/01/03 - 12/31/03

Option 3 Audit Period: 01/01/04 - 12/31/04

The audit of the Minneapolis office shall include the Upper Midwest order (30).

The local Milk Market Administrator is Paul Kyburz, who can be reached by telephone at 952-831-5292 Ext. 206.

As an estimate of the dollar volume of transactions or funds managed by the Market Administrator, the total operating expense budget for this office for calendar year 2002 is \$8,800,000.

The previously separate administrations of the Minneapolis, Minnesota, and the Lisle, Illinois, offices were consolidated effective January 1, 2000.

Based upon past experience, factoring in time for financial statement preparation and examination of the producer-settlement fund, and taking into account the consolidation of orders and offices that occurred on January 1, 2000, the field work for the Minneapolis office is expected to take approximately 5 weeks for the 2-year base period, plus 1 week for each additional year of audit under Options 1, 2, and 3. Additional time is necessary to develop the report. The Government estimate of the time to complete the audit is 270 hours per year of audit for the base period and 150 hours per year of audit for Options 1, 2, and 3.

**ITEM N0. 05, Cleveland, OH**

Federal Order Number 33

Base Audit Period: 01/01/00 - 12/31/01

Option 1 Audit Period: 01/01/02 - 12/31/02

Option 2 Audit Period: 01/01/03 - 12/31/03

Option 3 Audit Period: 01/01/04 - 12/31/04

The audit of the Cleveland office shall include the Mideast order (33).

The local Milk Market Administrator is David Walker, who can be reached by telephone at 440-826-3220 Ext. 140.

As an estimate of the dollar volume of transactions or funds managed by the Market Administrator, the total operating expense budget for this office for calendar year 2002 is \$5,951,000.

Based upon past experience, factoring in time for financial statement preparation and examination of the producer-settlement fund, and taking into account the consolidation of orders that occurred on January 1, 2000, the field work for the Cleveland office is expected to take approximately 3 weeks for the 2-year base period, plus 1 week for each additional year of audit under Options 1, 2, and 3. Additional time is necessary to develop the report. The Government estimate of the time to complete the audit is 210 hours per year of audit for the base period and 150 hours per year of audit for Options 1, 2, and 3.

**ITEM N0. 06, Dallas, TX**

Federal Order Number 126

Base Audit Period: 01/01/00 - 12/31/01

Option 1 Audit Period: 01/01/02 - 12/31/02

Option 2 Audit Period: 01/01/03 - 12/31/03

Option 3 Audit Period: 01/01/04 - 12/31/04

The audit of the Dallas office shall include the Southwest order (126).

The local Milk Market Administrator is Richard Fleming, who can be reached by telephone at 972-245-6060.

As an estimate of the dollar volume of transactions or funds managed by the Market Administrator, the total operating expense budget for this office for calendar year 2002 is \$3,539,000.

Based upon past experience, factoring in time for financial statement preparation and examination of the producer-settlement fund, and taking into account the consolidation of orders that occurred on January 1, 2000, the field work for the Dallas office is expected to take approximately 3 weeks for the 2-year base period, plus 1 week for each additional year of audit under Options 1, 2, and 3. Additional time is necessary to develop the report. The Government estimate of the time to complete the audit is 210 hours per year of audit for the base period and 150 hours per year of audit for Options 1, 2, and 3.

**ITEM NO. 07, Seattle, WA**

Federal Order Numbers 124, 131, and 135

Base Audit Period: 01/01/00 - 12/31/01

Option 1 Audit Period: 01/01/02 - 12/31/02

Option 2 Audit Period: 01/01/03 - 12/31/03

Option 3 Audit Period: 01/01/04 - 12/31/04

The audit of the Seattle office shall include the Pacific Northwest order (124), the Arizona-Las Vegas order (131), and the Western order (135).

The local Milk Market Administrator is James Daugherty, who can be reached by telephone at 425-487-6009 Ext. 10.

As an estimate of the dollar volume of transactions or funds managed by the Market Administrator, the total operating expense budget for this office for calendar year 2002 is \$4,086,869.

The previously separate administrations of the Seattle, Washington, and the Phoenix, Arizona, offices were consolidated effective January 1, 2000.

Based upon past experience, factoring in time for financial statement preparation and examination of the producer-settlement funds for the 3 orders, and taking into account the consolidation of orders and offices that occurred on January 1, 2000, the field work for the Seattle office is expected to take approximately 6 weeks for the 2-year base period, plus 1.5 weeks for each additional year of audit under Options 1, 2, and 3. Additional time is necessary to develop the report. The Government estimate of the time to complete the audit is 300 hours per year of audit for the base period and 180 hours per year of audit for Options 1, 2, and 3.

(END OF SECTION C, WORK STATEMENT)

**SECTION D - PACKAGING AND MARKING**

THERE ARE NO CLAUSES INCLUDED IN THIS SECTION

## SECTION E - INSPECTION AND ACCEPTANCE

### E.1 52.252-2 CLAUSES INCORPORATED BY REFERENCE (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:

[www.arnet.gov/far](http://www.arnet.gov/far)  
[www.usda.gov/procurement/policy/agar.html](http://www.usda.gov/procurement/policy/agar.html)

### I. FEDERAL ACQUISITION REGULATION (48 CFR Chapter 1) CLAUSES

NUMBER	TITLE	DATE
52.246-4	INSPECTION OF SERVICES – FIXED-PRICE	AUG 1996

### E.2 452.246-70 INSPECTION AND ACCEPTANCE (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: The Milk Administrator's office for each Item 01 through 07, or another location to be designated by the Milk Administrator or His/her representative.

**SECTION F - DELIVERIES OR PERFORMANCE**

F.1 52.252-2 CLAUSES INCORPORATED BY REFERENCE (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/these address(es):

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I. FEDERAL ACQUISITION REGULATION (48 CFR CHAPTER 1) CLAUSES

NUMBER	TITLE	DATE
52.242-15	STOP-WORK ORDER	AUG 1989
52.242-17	GOVERNMENT DELAY OF WORK	APR 1984

F.2 All Deliverables shall be sent to:

Mr. David Lewis, Deputy Administrator  
Compliance and Analysis, AMS, USDA  
Stop 0203, Room 3529-S  
1400 Independence Avenue, SW  
Washington, DC 20250-0203

## SECTION G - CONTRACT ADMINISTRATION DATA

### G.1 Contracting Officer's Representative

The Contracting Officer's Representative (COR) is William F. Newell, Chief, Order Operations Branch, Dairy Programs, AMS, USDA, Stop 0226, Room 2753-S, 1400 Independence Avenue, SW, Washington, DC 20250-0226; Telephone (202) 720-3869. E-mail address: [william.newell@usda.gov](mailto:william.newell@usda.gov). Mr. Newell will act as technical advisor and should be initially contacted on contract performance and technical questions.

Tevis Smith, Accounting and Audit Coordinator, Order Operations Branch, Dairy Programs, AMS, USDA, will also act as technical advisor and may be contacted on contract performance and technical questions at the same address as Mr. Newell; Telephone number: (202)720-9387; E-mail address: [tevis.smith@usda.gov](mailto:tevis.smith@usda.gov).

### G.2 Invoices

Invoices must be prepared in accordance with instructions contained in the contract. Invoices are to be submitted at the completion of each audit. Invoices may also be submitted after completion of the field work and after delivery of the draft audit report, for allowable milestone payments.

### G.3 Payment Schedule

The contractor may submit invoices for payment at the following performance milestones:

- 50% upon completion of audit field work and exit conference
- 25% upon completion and delivery of draft audit report and workpapers
- 25% upon completion and delivery of final audit report

The payment schedule shall apply to work performed for the audit base period and any calendar year option(s) exercised in conjunction with the base period.

The payment schedule shall apply separately to work performed for any calendar year option(s) exercised subsequent to the audit of the base period.

## SECTION H - SPECIAL CONTRACT REQUIREMENTS

### H.1 AGAR 452.215-73 POST AWARD CONFERENCE (NOV 1996)

A post award conference (exit conference) with the successful offeror(s) is required. It will be scheduled as stated in the Statement of Work in Section C. The conference for each contract line item no. (CLIN) will be held at:

The Milk Administrator's office for each CLIN (geographic area),  
or at a location selected by the Milk Administrator.

### H.2 AGAR 452.224-70 CONFIDENTIALITY OF INFORMATION (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 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.

H.3 AGAR 452.237-74 KEY PERSONNEL (FEB 1988)

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

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(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.4 AGAR 452.237-75 RESTRICTIONS AGAINST DISCLOSURE (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, or 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 the Contracting Officer. The Contractor agrees to insert the substance of this clause in any consultant agreement or subcontract hereunder.

**PART II - CONTRACT CLAUSES****SECTION I - CONTRACT CLAUSES****I.1 52.252-2 CLAUSES INCORPORATED BY REFERENCE (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/these address(es):

[www.arnet.gov/far](http://www.arnet.gov/far)

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**I. FEDERAL ACQUISITION REGULATION (48 CFR CHAPTER 1) CLAUSES**

NUMBER	TITLE	DATE
52.202-1	DEFINITIONS	MAY 2001
52.203-3	GRATUITIES	APR 1984
52.203-5	COVENANT AGAINST CONTINGENT FEES	APR 1984
52.203-6	RESTRICTIONS ON SUBCONTRACTOR SALES TO THE GOVERNMENT	JUL 1995
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 1997
52.204-4	PRINTED/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	JUL 1995
52.215-8	ORDER OF PRECEDENCE--UNIFORM CONTRACT FORMAT	OCT 1997
52.219-6	NOTICE OF TOTAL SMALL BUSINESS SET-ASIDE	JUL 1996
52.222-3	CONVICT LABOR	AUG 1996
52.222-21	PROHIBITION OF SEGREGATED FACILITIES	FEB 1999
52.222-26	EQUAL OPPORTUNITY	APR 2002
52.222-35	AFFIRMATIVE ACTION FOR SPECIAL DISABLED VETERANS, VETERANS OF THE VIETNAM ERA, AND OTHER ELIGIBLE VETERANS	DEC 2001
52.222-36	AFFIRMATIVE ACTION FOR WORKERS WITH DISABILITIES	JUN 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
52.225-13	RESTRICTIONS ON CERTAIN FOREIGN PURCHASES	JUL 2000
52.232-1	PAYMENTS	APR 1984
52.232-8	DISCOUNTS FOR PROMPT PAYMENT	FEB 2002
52.232-11	EXTRAS	APR 1984
52.232-17	INTEREST	JUN 1996
52.232-18	AVAILABILITY OF FUNDS	APR 1984
52.232-23	ASSIGNMENT OF CLAIMS	JAN 1986
52.232-25	PROMPT PAYMENT	FEB 2002
52.232-34	PAYMENT BY ELECTRONIC FUNDS TRANSFER-- OTHER THAN CENTRAL CONTRACTOR REGISTRATION	MAY 1999
52.233-1	DISPUTES	DEC 1998
52.233-3	PROTEST AFTER AWARD	AUG 1996
52.242-13	BANKRUPTCY	JUL 1995
52.243-1	CHANGES - FIXED-PRICE ALTERNATE I	AUG 1987 APR 1984
52.249-4	TERMINATION FOR CONVENIENCE OF THE GOVERNMENT (SERVICES) (SHORT FORM)	APR 1984
52.249-8	DEFAULT (FIXED-PRICE SUPPLY AND SERVICE)	APR 1984
52.253-1	COMPUTER GENERATED FORMS	JAN 1991

I.2 52.217-9 OPTION TO EXTEND THE TERM OF THE CONTRACT (MAR 2000)

(a) The Government may extend the term of this contract by written notice to the Contractor within 30 days prior to contract expiration; provided that the Government gives the Contractor a preliminary written notice of its intent to extend at least 45 days before the contract expires. The preliminary notice does not commit the Government to an extension.

(b) If the Government exercises this option, the extended contract shall be considered to include this option clause.

(c) The total duration of this contract, including the exercise of any options under this clause, shall not exceed 4 years.

I.3 52.222-42 STATEMENT OF EQUIVALENT RATES FOR FEDERAL HIRES (May 1989)

In compliance with the Service Contract Act of 1965, as amended, and the regulations of the Secretary of Labor (29 CFR Part 4), this clause identifies the classes of service employees expected to be employed under the contract and states the wages and fringe benefits payable to each if they were employed by the contracting agency subject to the provisions of 5 U.S.C. 5341 or 5332.

*This Statement is for Information Only: It is not a Wage Determination*

Employee Class	Monetary Wage -- Fringe Benefits
Accounting Clerk, II (GS-05)	\$ 12.41 per hour -- \$2.56
Accounting Clerk, IV (GS-07)	\$ 15.38 per hour -- \$2.56

I.4 52.232-32 PERFORMANCE-BASED PAYMENTS (FEB 2002)

(a) Amount of payments and limitations on payments. Subject to such other limitations and conditions as are specified in this contract and this clause, the amount of payments and limitations on payments shall be specified in the contract's description of the basis for payment.

(b) Contractor request for performance-based payment. The Contractor may submit requests for payment of performance-based payments not more frequently than monthly, in a form and manner acceptable to the Contracting Officer. Unless otherwise authorized by the Contracting Officer, all performance-based payments in any period for which payment is being requested shall be included in a single request, appropriately itemized and totaled. The Contractor's request shall contain the information and certification detailed in paragraphs (l) and (m) of this clause.

(c) Approval and payment of requests.

(1) The Contractor shall not be entitled to payment of a request for performance-based payment prior to successful accomplishment of the event or performance criterion for which payment is requested. The Contracting Officer shall determine whether the event or performance criterion for which payment is requested has been successfully accomplished in accordance with the terms of the contract. The Contracting Officer may, at any time, require the Contractor to substantiate the successful performance of any event or performance criterion which has been or is represented as being payable.

(2) A payment under this performance-based payment clause is a contract financing payment under the Prompt Payment clause of this contract and not subject to the interest penalty provisions of the Prompt Payment Act. The designated payment office will pay approved requests on the 30th day after receipt of the request for performance-based payment. However, the designated payment office is not required to provide payment if the Contracting Officer requires substantiation as provided in paragraph (c)(1) of this clause, or inquires into the status of an event or performance criterion, or into any of the conditions listed in paragraph (e) of this clause, or into the Contractor certification. The payment period will not begin until the Contracting Officer approves the request.

(3) The approval by the Contracting Officer of a request for performance-based payment does not constitute an acceptance by the Government and does not excuse the Contractor from performance of obligations under this contract.

(d) Liquidation of performance-based payments.

(1) Performance-based finance amounts paid prior to payment for delivery of an item shall be liquidated by deducting a percentage or a designated dollar amount from the delivery payment. If the performance-based finance payments are on a delivery item basis, the liquidation amount for each such line item shall be the percent of that delivery item price that was previously paid under performance-based finance payments or the designated dollar amount. If the performance-based finance payments are on a whole contract basis, liquidation shall be by either predesignated liquidation amounts or a liquidation percentage.

(2) If at any time the amount of payments under this contract exceeds any limitation in this contract, the Contractor shall repay to the Government the excess. Unless otherwise determined by the Contracting Officer, such excess shall be credited as a reduction in the unliquidated performance-based payment balance(s), after adjustment of invoice payments and balances for any retroactive price adjustments.

(e) Reduction or suspension of performance-based payments. The Contracting Officer may reduce or suspend

performance-based payments, liquidate performance-based payments by deduction from any payment under the contract, or take a combination of these actions after finding upon substantial evidence any of the following conditions:

(1) The Contractor failed to comply with any material requirement of this contract (which includes paragraphs (h) and (i) of this clause).

(2) Performance of this contract is endangered by the Contractor's --

- (i) Failure to make progress; or
- (ii) Unsatisfactory financial condition.

(3) The Contractor is delinquent in payment of any subcontractor or supplier under this contract in the ordinary course of business.

(f) Title.

(1) Title to the property described in this paragraph (f) shall vest in the Government. Vestiture shall be immediately upon the date of the first performance-based payment under this contract, for property acquired or produced before that date.

Otherwise, vestiture shall occur when the property is or should have been allocable or properly chargeable to this contract

(2) "Property," as used in this clause, includes all of the following described items acquired or produced by the Contractor that are or should be allocable or properly chargeable to this contract under sound and generally accepted accounting principles and practices:

- (i) Parts, materials, inventories, and work in process;
- (ii) Special tooling and special test equipment to which the Government is to acquire title under any other clause of this contract;
- (iii) Nondurable (i.e., noncapital) tools, jigs, dies, fixtures, molds, patterns, taps, gauges, test equipment and other similar manufacturing aids, title to which would not be obtained as special tooling under subparagraph (f)(2)(ii) of this clause; and
- (iv) Drawings and technical data, to the extent the Contractor or subcontractors are required to deliver them to the Government by other clauses of this contract.

(3) Although title to property is in the Government under this clause, other applicable clauses of this contract (e.g., the termination or special tooling clauses) shall determine the handling and disposition of the property.

(4) The Contractor may sell any scrap resulting from production under this contract, without requesting the Contracting Officer's approval, provided that any significant reduction in the value of the property to which the Government has title under this clause is reported in writing to the Contracting Officer.

(5) In order to acquire for its own use or dispose of property to which title is vested in the Government under this clause, the Contractor must obtain the Contracting Officer's advance approval of the action and the terms. If approved, the basis for payment (the events or performance criteria) to which the property is related shall be deemed to be not in compliance with the terms of the contract and not payable (if the property is part of or needed for performance), and the Contractor shall refund the related performance-based payments in accordance with paragraph (d) of this clause.

(6) When the Contractor completes all of the obligations under this contract, including liquidation of all performance-based payments, title shall vest in the Contractor for all property (or the proceeds thereof) not --

(i) Delivered to, and accepted by, the Government under this contract; or

(ii) Incorporated in supplies delivered to, and accepted by, the Government under this contract and to which title is vested in the Government under this clause.

(7) The terms of this contract concerning liability for Government-furnished property shall not apply to property to which the Government acquired title solely under this clause.

(g) Risk of loss. Before delivery to and acceptance by the Government, the Contractor shall bear the risk of loss for property, the title to which vests in the Government under this clause, except to the extent the Government expressly assumes the risk. If any property is damaged, lost, stolen, or destroyed, the basis of payment (the events or performance criteria) to which the property is related shall be deemed to be not in compliance with the terms of the contract and not payable (if the property is part of or needed for performance), and the Contractor shall refund the related performance-based payments in accordance with paragraph (d) of this clause.

(h) Records and controls. The Contractor shall maintain records and controls adequate for administration of this clause. The Contractor shall have no entitlement to performance-based payments during any time the Contractor's records or controls are determined by the Contracting Officer to be inadequate for administration of this clause.

(i) Reports and Government access. The Contractor shall promptly furnish reports, certificates, financial statements, and other pertinent information requested by the Contracting Officer for the administration of this clause and to determine that an event or other criterion prompting a financing payment has been successfully accomplished. The Contractor shall give the Government reasonable opportunity to examine and verify the Contractor's records and to examine and verify the Contractor's performance of this contract for administration of this clause.

(j) Special terms regarding default. If this contract is terminated under the Default clause,

(1) the Contractor shall, on demand, repay to the Government the amount of unliquidated performance-based payments, and

(2) title shall vest in the Contractor, on full liquidation of all performance-based payments, for all property for which the Government elects not to require delivery under the Default clause of this contract. The Government shall be liable for no payment except as provided by the Default clause.

(k) Reservation of rights.

(1) No payment or vesting of title under this clause shall --

(i) Excuse the Contractor from performance of obligations under this contract; or

(ii) Constitute a waiver of any of the rights or remedies of the parties under the contract.

(2) The Government's rights and remedies under this clause --

(i) Shall not be exclusive, but rather shall be in addition to any other rights and remedies provided by law or this contract; and

(ii) Shall not be affected by delayed, partial, or omitted exercise of any right, remedy, power, or privilege, nor shall such exercise or any single exercise preclude or impair any further exercise under this clause or the exercise of any other right, power, or privilege of the Government.

(l) Content of Contractor's request for performance-based payment. The Contractor's request for performance-based payment shall contain the following:

- (1) The name and address of the Contractor;
- (2) The date of the request for performance-based payment;
- (3) The contract number and/or other identifier of the contract or order under which the request is made;
- (4) Such information and documentation as is required by the contract's description of the basis for payment; and
- (5) A certification by a Contractor official authorized to bind the Contractor, as specified in paragraph (m) of this clause.

(m) Content of Contractor's certification. As required in paragraph (l)(5) of this clause, the Contractor shall make the following certification in each request for performance-based payment:

I certify to the best of my knowledge and belief that --

- (1) This request for performance-based payment is true and correct; this request (and attachments) has been prepared from the books and records of the Contractor, in accordance with the contract and the instructions of the Contracting Officer;
- (2) Except as reported in writing, all payments to subcontractors and suppliers under this contract have been paid, or will be paid, currently, when due in the ordinary course of business;
- (3) There are no encumbrances, except as reported in writing, against the property acquired or produced for, and allocated or properly chargeable to, the contract which would affect or impair the Government's title;
- (4) There has been no materially adverse change in the financial condition of the Contractor since the submission by the Contractor to the Government of the most recent written information dated \_\_\_\_\_; and
- (5) After the making of this requested performance-based payment, the amount of all payments for each deliverable item for which performance-based payments have been requested will not exceed any limitation in the contract, and the amount of all payments under the contract will not exceed any limitation in the contract.

#### I.5 52.244-6 SUBCONTRACTS FOR COMMERCIAL ITEMS (MAY 2002)

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

"Commercial item" has the meaning contained in the clause at 52.202-1, Definitions.

"Subcontract" 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 nondevelopmental items as components of items to be supplied under this contract.
- (c) (1) The Contractor shall insert the following clauses in subcontracts for commercial items:
  - (i) 52.219-8, Utilization of Small Business Concerns (OCT 2000) (15 U.S.C. 637(d)(2) and (3)), in all subcontracts that offer further subcontracting opportunities. If the subcontract (except subcontracts to small business concerns) exceeds \$500,000 (\$1,000,000 for construction of any public facility), the subcontractor must include 52.219-8 in lower tier subcontracts that offer subcontracting opportunities.
  - (ii) 52.222-26, Equal Opportunity (APR 2002) (E.O. 11246).
  - (iii) 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)).
  - (iv) 52.222-36, Affirmative Action for Workers with Disabilities (JUN 1998) (29 U.S.C. 793).
  - (v) 52.247-64, Preference for Privately Owned U.S.-Flag Commercial Vessels (JUN 2000) (46 U.S.C. Appx 1241) (flowdown not required for subcontracts awarded beginning May 1, 1996).
- (2) While not required, the Contractor may flow down to subcontracts for commercial items a minimal number of additional clauses necessary to satisfy its contractual obligations.
- (d) The Contractor shall include the terms of this clause, including this paragraph (d), in subcontracts awarded under this contract.

I.6 52.246-20 WARRANTY OF SERVICES (MAY 2001)

- (a) Definition. "Acceptance," as used in this clause, means the act of an authorized representative of the Government by which the Government assumes for itself, or as an agent of another, ownership of existing and identified supplies, or approves specific services, as partial or complete performance of the contract.
- (b) Notwithstanding inspection and acceptance by the Government or any provision concerning the conclusiveness thereof, the

Contractor warrants that all services performed under this contract will, at the time of acceptance, be free from defects in workmanship and conform to the requirements of this contract. The Contracting Officer shall give written notice of any defect or nonconformance to the Contractor 14 days. This notice shall state either--

- (1) That the Contractor shall correct or reperform any defective or nonconforming services; or
  - (2) That the Government does not require correction or reperformance.
- (c) If the Contractor is required to correct or reperform, it shall be at no cost to the Government, and any services corrected or reperformed by the Contractor shall be subject to this clause to the same extent as work initially performed. If the Contractor fails or refuses to correct or reperform, the Contracting Officer may, by contract or otherwise, correct or replace with similar services and charge to the Contractor the cost occasioned to the Government thereby, or make an equitable adjustment in the contract price.
- (d) If the Government does not require correction or reperformance, the Contracting Officer shall make an equitable adjustment in the contract price.

**PART III - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS**

**SECTION J - LIST OF ATTACHMENTS**

J.1 LIST OF ATTACHMENTS

ATTACHMENT NO.	TITLE	NO. OF PAGES
1	Wage Determinations for Geographic Areas in Contract Line Items 01 through 07	56

**PART IV - REPRESENTATIONS AND INSTRUCTIONS**

**SECTION K - REPRESENTATIONS, CERTIFICATIONS, AND  
OTHER STATEMENTS OF OFFERORS**

**K.1 52.203-2 CERTIFICATE OF INDEPENDENT PRICE DETERMINATION (APR 1985)**

(a) The offeror certifies that --

(1) The prices in this offer have been arrived at independently, without, for the purpose of restricting competition, any consultation, communication, or agreement with any other offeror or competitor relating to --

- (i) Those prices;
- (ii) The intention to submit an offer;, or
- (iii) The methods or factors used to calculate the prices offered.

(2) The prices in this offer have not been and will not be knowingly disclosed by the offeror, directly or indirectly, to any other offeror or competitor before bid opening (in the case of a sealed bid solicitation) or contract award (in the case of a negotiated solicitation) unless otherwise required by law; and

(3) No attempt has been made or will be made by the offeror to induce any other concern to submit or not to submit an offer for the purpose of restricting competition.

(b) Each signature on the offer is considered to be a certification by the signatory that the signatory --

(1) Is the person in the offeror's organization responsible for determining the prices being offered in this bid or proposal, and that the signatory has not participated and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) of this provision; or

(2)

(i) Has been authorized, in writing, to act as agent for the following principals in certifying that those principals have not participated, and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) of this provision \_\_\_\_\_  
[insert full name of person(s) in the offeror's organization responsible for determining the prices offered in this bid or proposal, and the title of his or her position in the offeror's organization];

(ii) As an authorized agent, does certify that the principals named in subdivision (b)(2)(i) of this provision have not participated, and will not participate, in any action contrary to subparagraphs (a)(1) through (a)(3) of this provision; and

(iii) As an agent, has not personally participated, and will not participate, in any action contrary to subparagraphs (a)(1) through (a)(3) of this provision.

(c) If the offeror deletes or modifies subparagraph (a)(2) of this provision, the offeror must furnish with its offer a signed statement setting forth in detail the circumstances of the disclosure.

**K.2 52.204-3 TAXPAYER IDENTIFICATION (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 52.215-6 PLACE OF PERFORMANCE (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 to request 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 (Name and Address of Owner and Address, City, State, County, Zip Code, Operator of the Plant or Facility if Other than Offeror or Respondent)

_____	_____
_____	_____
_____	_____
_____	_____

K.4 52.219-1 SMALL BUSINESS PROGRAM REPRESENTATIONS  
(APR 2002)

- (a) (1) The North American Industry Classification System (NAICS) code for this acquisition is 541211.
  - (2) The small business size standard is no more than \$ 07.0 MILLION average annual receipts for an offeror's preceeding 3 FYs.
  - (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 the 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 the 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 the 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 veteran-owned small business concern.
  - (5) [Complete only if the offeror represented itself as a veteran-owned small business concern in paragraph (b)(4) of this provision.] The offeror represents as part of its offer that it  is,  is not a service-disabled veteran-owned small business concern.
  - (6) [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)(6)(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:

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Each HUBZone small business concern participating in the joint venture shall submit a separate signed copy of the HUBZone representation.

- (c) Definitions. As used in this provision--

"Service-disabled veteran-owned small business concern"--

- (1) Means a small business concern--

- (i) Not less than 51 percent of which is owned by one or more service-disabled veterans or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more service-disabled veterans; and
- (ii) The management and daily business operations of which are controlled by one or more service-disabled veterans or, in the case of a veteran with permanent and severe disability, the spouse or permanent caregiver of such veteran.

- (2) "Service-disabled veteran" means a veteran, as defined in 38 U.S.C. 101(2), with a disability that is service-connected, as defined in 38 U.S.C. 101(16).

"Small business concern" 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.

"Veteran-owned small business concern" means a small business concern--

- (1) Not less than 51 percent of which is owned by one or more veterans (as defined at 38 U.S.C. 101(2)) or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more veterans; and

- (2) The management and daily business operations of which are controlled by one or more veterans.

"Women-owned small business concern," means a small business concern--

- (1) That 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, HUBZone 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.5 52.222-22 PREVIOUS CONTRACTS AND COMPLIANCE REPORTS (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.6 52.222-25 AFFIRMATIVE ACTION COMPLIANCE (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.7 52.222-38 COMPLIANCE WITH VETERAN'S EMPLOYMENT REPORTING REQUIREMENTS  
(Dec 2001)

By submission of its offer, the offeror represents that, if it is subject to the reporting requirements of 38 U.S.C. 4212(d) (i.e., if it has any contract containing Federal Acquisition Regulation clause 52.222-37, Employment Reports on Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans), it has submitted the most recent VETS-100 Report required by that clause.

**SECTION L - INSTRUCTIONS, CONDITIONS, AND NOTICES TO OFFERORS**

L.1 52.252-1 SOLICITATION PROVISIONS INCORPORATED BY REFERENCE (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/these address(es):

[www.arnet.gov/far](http://www.arnet.gov/far)

[www.usda.gov/procurement/policy/agar.html](http://www.usda.gov/procurement/policy/agar.html)

I. FEDERAL ACQUISITION REGULATION (48 CFR CHAPTER 1) PROVISIONS

NUMBER	TITLE	DATE
52.204-6	DATA UNIVERSAL NUMBERING SYSTEM (DUNS) NUMBER	JUN 1999
52.214-34	SUBMISSION OF OFFERS IN THE ENGLISH LANGUAGE	APR 1991
52.215-1	INSTRUCTIONS TO OFFERORS--COMPETITIVE ACQUISITION ALTERNATE I	MAY 2001 OCT 1997
52.232-38	SUBMISSION OF ELECTRONIC FUNDS TRANSFER INFORMATION WITH OFFER	MAY 1999

L.2 PERIOD FOR ACCEPTANCE OF OFFERS

The offeror shall agree to hold its offer firm for 75 calendar days from the date specified for receipt of offers.

L.3 52.216-1 TYPE OF CONTRACT (Apr 1984)

The Government contemplates award of one or more firm, fixed price contract(s) resulting from this solicitation.

L.4 452.215-71 INSTRUCTIONS FOR THE PREPARATION OF  
TECHNICAL AND BUSINESS PROPOSALS (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) Alternate proposals will not be accepted.

(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) Original and one copy (two documents in all) of the completed, signed offer (Sections A through K of the solicitation package)

(b) Three copies of the technical proposal

(c) Two copies of the business proposal

(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:

Offeror shall submit a technical proposal meeting the government's needs as described in Section C of this solicitation and meeting the requirements of this solicitation. The technical proposal shall be evaluated in accordance with the evaluation criteria in Section M. The technical proposal shall specifically address the following:

1. Will the audit field work be conducted/supervised by a licensed Certified Public Accountant (CPA)?

2. Identify key personnel who will perform audits; partner, audit manager/supervisor, senior accountant/auditor, or staff accountant/auditor. Provide a current resume of each of the key personnel.

3. Have key audit personnel met the continuing education requirements of the Government Auditing Standards?

4. Describe the offeror's organizational experience, particularly audits of government or quasi-government entities.

5. Does the offeror participate in an external quality control review program? If so, specify the program and the organization's current review status.

6. Offeror shall identify three current, or recent, clients for auditing services. Government clients are preferred. Provide the name of the contracting officer, or contact; telephone number; organization; and the total contract dollar amounts.

(c) Business Proposal Instructions.

(1) Business Proposal.

(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.

L.5 AGAR 452.204-70 INQUIRIES (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.6 AGAR 452.215-72 AMENDMENTS TO PROPOSALS (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.

L.7 AGAR 452.219-70 SIZE STANDARD AND NAICS CODE INFORMATION (SEP 2001)

The North American Industrial Classification System (NAIC) Code(s) and business size standard(s) describing the products and/or services to be acquired under this solicitation are listed below:

-- NAICS Code	541211
-- Size Standard	no more than SEVEN MILLION DOLLARS average annual receipts for an offeror's preceeding 3 fiscal years.

**SECTION M - EVALUATION FACTORS FOR AWARD**

**M.1 52.252-1 SOLICITATION PROVISIONS INCORPORATED BY REFERENCE (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/these address(es):

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**I. FEDERAL ACQUISITION REGULATION (48 CFR CHAPTER 1) PROVISIONS**

NUMBER	TITLE	DATE
52.217-5	EVALUATION OF OPTIONS	JUL 1990

**M.2 EVALUATION OF OPTIONS.**

For each contract line item, the Government will evaluate offers for award purposes by adding the total price for all options to the total price for the basic requirement. Evaluation of options will not obligate the Government to exercise the option(s).

**M.3 EVALUATION CRITERIA**

For each contract line item, the government will make the award to the offeror(s) whose proposal conforms to solicitation requirements and represents the "best value" to the Government, based on technical quality, past performance and price. The following factors shall be used to evaluate proposals in descending order of importance:

1. Technical quality
2. Past performance of the offeror(s)
3. Price

Technical quality and past performance are significantly more important than price.

**M.4 TECHNICAL PROPOSAL**

In the technical proposal, offerors shall address all items listed in Section L, paragraph L.4 of the solicitation.