1. PURPOSE

This Directive states the policy and procedures for obtaining Blanket Purchase Agreements (BPA) for the performance of inspection services under the Agricultural Marketing Act (AMA) of 1946, as amended.

2. AUTHORITIES

Code of Federal Regulations (CFR) 7 CFR 68.80, Licensed Inspectors, Technicians and Samplers; and Federal Acquisition Regulations (FAR) 13.2, BPA.

3. POLICY

It is the policy of the Grain Inspection, Packers and Stockyards Administration, Federal Grain Inspection Service (FGIS) to establish BPA's with private individuals to perform inspection services under the AMA when it is more economical and efficient than having Federal employees perform these services. Services may include checkloading, checkweighing, condition of container examining, sampling, acceptance inspections, or related special inspection services.

4. RESPONSIBILITIES

a. The Field Office Manager (FOM) will:

   (1) Establish a Recommended Source List (RSL).

      (a) Consult local sources for the names of individuals interested in performing services under the AMA of 1946. Suggested sources are employment agencies, Chambers of Commerce, union offices, and the Veterans Administration.

      (b) Consider the individual's ability, availability, reliability, previous experience, and possible conflict with other employment.
(c) Ensure that individuals meet the contracting requirements for former U.S. Department of Agriculture employees as prescribed in Departmental Regulation 5000-6, Contract Awards to Former Employees.

(d) Review the specifications in Attachment 1 and any other material with the proposed licensee.

(e) Have the proposed licensee demonstrate, through field office testing and evaluation, the ability to perform the functions for which the license is desired.

(2) Submit names for the RSL to the Field Servicing Office (FSO) by March 1, every year and once every 3 years for those locations where licensees are needed.

(a) Provide FSO with the name, address, telephone number, and social security number of the proposed licensees for the RSL. The names provided must include those who currently hold BPA's and an additional three names. The additional names are not necessary if the total amount paid to any combination of licensees for any given location is less than $2,000. When a new location is coming on line, the FOM will submit the number of individuals required to perform all duties, with a minimum of three additional names, if the requirement is anticipated to exceed $2,000 paid to commodity samplers.

(b) Advise FSO of work orders that may exceed $2,500. Service contracts that exceed $2,500 are subject to the provisions of the Service Contract Act of 1965.

NOTE: The term work order refers to duties performed at a specific location, with a specific timeframe, and performed by one or more samplers.

b. The Contacting Officer (CO) will:

(1) Develop the RSL of prospective offerers using the information received from the FOM. FSO will mail each potential licensee a quotation form, evaluate the offers, and establish the RSL. All quotations and RSL’s will be discussed with the FOM prior to determining the award. FSO will develop evaluation criteria which will be used to rank the RSL. This criteria will include the cost of training and supervision of the individuals.
(2) Obtain quotations from the proposed licensees. The quotation must include pertinent information, such as wage rates, special conditions, availability, and work locations. Hourly rates will not be discussed with the FOM, other FGIS employees, licensees, the processor or the processor's employees.

(3) Obtain wage rates from the Department of Labor.

(4) Approve the individual to enter into a BPA when the prospective licensee has satisfactorily demonstrated the ability to perform the function. Once the individual has been approved, the FOM will have the individual complete Form FGIS-943, Application for License Under AMA of 1946, and will issue Form FGIS-935, AMA License (see Licensing Handbook).

NOTE: All BPA's will remain in effect until canceled; therefore, individuals who currently have a SPA will not receive a new one if they remain on the RSL.

5. COMPLIANCE REVIEWS

The FOM or designees will spot check the licensees to ensure that performance meets the specifications. These spot checks will be made at the FOM's discretion. Form IN-14, Contractor's Checklist, will be completed for each licensee during the review and used in evaluating the licensee's performance. Performance failures will be handled as follows:

a. **Minor Performance Failure.** The reviewer will discuss minor performance failures with the licensee immediately and request that they be corrected. An example of a minor performance failure is:

   Failure to mail samples and reports within three (3) hours after completion of an inspection.

b. **Major Performance Failure.** The FOM will inform the licensee of noncompliance with the BPA specifications by issuing Form FGIS-153, Corrective Action Report. This report will be issued in accordance with the provisions of Chapter 4 of the Licensing Handbook. Examples of major performance failures are:

   (1) Three minor performance failures previously issued to the licensee and each additional minor performance failure, and

   (2) Failure to observe or correct, if practicable, unsatisfactory sanitation and safety requirements which could discredit the Government.

c. **Critical Performance Failure.** The reviewer will bring critical performance failures to the FOM's attention. Upon learning of a critical performance failure, the FOM will take action as specified in Section 68.84 of the AMA of 1946, as amended.
Examples of critical performance failures are:

(1) Allowing the processor to supply official samples, weights, and count data;
(2) Giving the processor custody of the official sample;
(3) Accepting gratuities from the processor, the processor's employees, and others;
(4) Falsifying official records;
(5) Disregarding safety and sanitation requirements;
(6) Smoking in flour mills or plants (other than in designated smoking areas);
(7) Unauthorized deviations from sampling plans or procedures;
(8) Unauthorized absence during processing or carrier loading; and
(9) Failure to safeguard samples, inspection data, and equipment.

6. OBTAINING PAYMENT FOR SERVICE

Field offices are required to prepare Form AD-838D, BPA-Invoice-Receipt Certification, in accordance with the National Finance Center (NFC) Voucher and Invoice Payments Manual, Title II, Chapter S.

a. When preparing the Form AD-838D, follow the instructions on the reverse of the form.

b. Attach the invoice(s) to the back of the completed Form AD-838D and forward to NFC for processing. Invoices should be numbered. If the vendor does not number the invoice, an informal numbering system of your choice may be used.

7. INQUIRIES

Direct questions concerning this Directive to the Management Services Division, Policy and Program Management Branch, on (301) 734-6116. Inquiries concerning BPA's for inspection services should be directed to FSO, Procurement Realty Section, Minneapolis, MN, (612) 370-2110.

/s/ Acting Deputy Administrator
Attachment
SPECIFICATIONS

1. OVERALL OBJECTIVES

The overall objective of the contract is to provide sampling, checkweighing, checkloading, condition of container inspection, and acceptance services on beans, peas, lentils, and miscellaneous processed grain products according to {1} all pertinent specifications, instructions, standards, etc.; and {2} procedures stated in the Dry Peas, Split Peas, and Lentils Inspection Handbook; Processed Commodities Handbook; Bean Inspection Handbook; Sanitation Inspection Handbook for Beans, Peas, Lentils, and Processed Commodities; and the Agricultural Marketing Service (AMS) Handbook, Procedures for Inspection of the Condition of Food Containers.

a. Acceptance services will be in accordance with Chapter 4 of the Processed Commodities Handbook.

b. Sampling will be in accordance with Chapter 1 of the Dry Peas, Split Peas, and Lentils Inspection Handbook; Chapter 2 of the Processed Commodities Handbook as applicable; Chapter 1 of the Inspection Handbook for Beans; and specific sampling procedures contained in Federal and Military specifications for Miscellaneous Processed Grain Commodities.

c. Checkweighing will be performed in accordance with the Weighing Handbook, and specific checkweighing procedures contained in Federal and military specifications and Agricultural Stabilization and Conservation Service (ASCS) announcements.

d. Checkloading will be performed in accordance with FGIS Program Directive 918.50, Check counting, Observation of Loading, and Checkloading Services.

e. Condition of Container examination will be in accordance with the AMS Handbook, Procedures for Inspection of the Condition of Food Containers, and the United States Standards for Condition of Food Containers.

2. CONTRACTOR'S RESPONSIBILITIES

a. Comply with the applicable provisions of 1. above.

b. Be licensed to perform assigned services during working hours.
c. Provide own transportation to and from service point.

d. Deliver or mail samples and other required documents to designated location(s) in accordance with the timeframes specified in the work order.

e. Complete and sign all required reports and inspection forms. Keep an accurate record of the time inspections begin and end.

f. Prepare and submit invoices to the appropriate field office.

g. Report immediately any apparent violation of the AMA, Part 68 regulations, and instruction to the field office in accordance with FGIS Directive 366.1, Reporting Violations of the U.S. Grain Standards Act and the Agricultural Marketing Act {AMA} of 1946.

h. Possess no interest, financial or otherwise, direct or indirect, in merchandising, handling, storing, or processing commodities of the kind to be sampled or related products, as specified in 7 CFR 68.80.

i. Guarantee sample integrity.

j. Meet the physical condition requirements in the Sanitation Inspection Handbook for Beans, Peas, Lentils, and Processed Commodities.

k. Abide by the plant's or mill's safety and sanitation regulations.

l. Perform on an hourly basis as stated in the contract.

3. FGIS RESPONSIBILITIES

a. Field offices will furnish each service point with:

   (1) Pertinent ASCS announcements and abstracts; Federal and Military Specifications; U.S. Military Standards, Defense Personnel Support Center (DPSC) and Veterans Administration (VA) contracts: Visual Aid Publications for Containers; Instructions; Forms; AMS Handbook, Procedures for Inspection of the Condition of Food Containers; and
Military Standard 105, Sampling Procedures and Tables for Inspection by Attributes.

(2) The necessary equipment to perform inspection services.

(3) Containers and tags for mailing samples.


(5) Security containers.

(6) A copy of the AMA of 1946, Part 68, as amended.

b. Furnish each contractor with:

(1) An up-to-date license.

(2) Form FGIS-110, “Bribery Card.”

(3) Instructions on invoicing for payment.

c. Make sure that contractors understand:

(1) Inspection methods and techniques.

(2) How to use all handbooks, instructions, sampling plans, forms, and any equipment involved in performing required services.

(3) The necessity and procedures for sample, equipment, and inspection data security.

(4) Samples must be mailed or hand delivered to the appropriate laboratory in a timely manner.
(5) They are not employees of the Federal Government and therefore, are not covered by such benefits as health, retirement, vacation, social security, unemployment compensation, workman's compensation, etc.

(6) Four major performance failures within a contract year will be considered a critical performance failure.

(7) The number of hours they will be requested to work is not guaranteed; that is, the hours might be less than the amount shown on the purchase order.

(8) They must complete and send to the field office Form FGIS-992, Services Performed Report, each time they are called to a service location to perform a service. If, upon arrival, there is no work (including standby time), the service location callout and departure times and the phrase "2-hour minimum" must be shown in the "Comments of Sampler" block. If there was less than 2 hours of work performed (including standby time), the service location departure time and the phrase "2-hour minimum" must be shown in the block.

d. Give contractors the location and time of service requests.

e. Reimburse contractors according to the contract schedule.

f. Spot check contractor's performance to ensure that it is according to contract specifications.

4. BASES FOR PAYMENT

a. Contractual services are based on the hourly rate with a guaranteed 2-hour minimum payment per service request.

b. The hourly rate is uniform for all services covered by the contract, whether services are performed singly or combined.

c. The service hours begin when contractors arrive at the service location, but not before the callout time, and end when they leave the service location, less mealtime.
d. There is no special hourly rate for overtime, night differential, or holidays. The contractor is not paid for travel or transportation cost or for delivering samples to designated points.

e. Payment for partial service hours is based on one-fourth of the hourly rate for each quarter hour worked.