

*Effective Date: February 1, 2008*

## **QUALIFICATION REQUIREMENTS FOR PROSPECTIVE CONTRACTORS SELLING COMMODITIES TO USDA**

USDA Commodity Operations through the Kansas City Commodity Office (KCCO) procures various products for domestic and foreign food assistance programs. Procurements of commodities for foreign distribution are made on behalf of the U.S. Agency for International Development and the Foreign Agricultural Service. KCCO also procures various products for USDA's Food and Nutrition Service for domestic feeding programs.

The qualification requirements requested from a prospective contractor are a reexamination and revalidation of established qualification requirements as required by the Federal Acquisition Regulation (FAR) 9.202(f), and are necessary for KCCO to carry out its procurement mission. A prospective contractor shall be qualified prior to submitting offers for invitations for bid or requests for proposals. An interested prospective contractor shall fully complete and provide all materials requested herein. KCCO will review this submission and determine if a prospective contractor will be added to the Qualified Bidders List. Offers will not be accepted from a prospective contractor that has failed to comply with these requirements.

Procurement information concerning invitations for bid; commodity requirement documents, the master solicitation for commodity procurements, and historical contract award information can be located at <http://www.fsa.usda.gov/FSA/webapp?area=home&subject=coop&topic=pas>.

A prospective contractor may submit applications at any time. A prospective contractor will be notified in writing whether requirements have been satisfied. A prospective contractor that is a small business concern may be referred to the Small Business Administration (SBA) for a Certificate of Competency, if deemed necessary by the contracting officer.

The following steps are required to complete the qualification process:

### Administrative Requirements

Each prospective contractor shall:

1. Register in the Central Contractor Registration (CCR) system at <http://www.ccr.gov>. The CCR requires a one-time business registration with mandatory annual updates. The CCR allows a prospective contractor to control the accuracy of its own business information. There is no fee to register in CCR. The data from registrations will be used for procurement and payment purposes.

2. Complete electronic annual representations and certifications at <http://orca.bpn.gov> in conjunction with required registration in the CCR database. Each prospective contractor is required to update its representations and certifications submitted to ORCA as necessary, but at least annually, to ensure they are kept current, accurate, and complete. The representations and certifications are effective until one year from date of submission or update to ORCA.
3. Complete Standard Form 3881, ACH Vendor/Miscellaneous Payment Enrollment Form, which can be located at [www.sc.egov.usda.gov](http://www.sc.egov.usda.gov).
4. Submit a copy of applicable SBA certificate if the company is a certified small disadvantaged business (SDB), 8(a), and/or HUBZone, and is not certified in the CCR as such.

#### Capability Requirements

In accordance with FAR 9.104-1 and 9.104-3(b), each prospective contractor shall certify its capability to perform as follows:

5. All written submissions from potential vendors must be on company letterhead authenticating the exact legal entity name and include the following:
  - a. A list of all products that it is interested in providing.
  - b. A description of historical experience including the number of years it has sold these or similar products in the commercial marketplace or to governmental organizations.
  - c. Any additional pertinent information regarding a prospective contractor's capabilities such as, but not limited to, a satisfactory record of integrity and business ethics and verification that it is otherwise qualified and eligible to receive an award under applicable laws and regulations.
6. In accordance with 13 CFR 121.406, a prospective contractor that is a non-manufacturer of processed products must be engaged in the wholesale or retail trade and sell the items being offered to the general public. The supplier must furnish a copy of the written agreement in effect between the non-manufacturer and an approved supplier to certify compliance with the applicable KCCO solicitation requirements. The agreement must be on the supplier's company letterhead and must be signed by both parties.

## Financial Responsibility

7. Financial responsibility determination will be made prior to award. In order to facilitate the responsibility determination, KCCO will request and evaluate Dun and Bradstreet (D&B) business analysis reports for each prospective contractor. If the financial information available through D&B business analysis reports is not sufficient to complete a satisfactory review of a prospective contractor's financial stability, KCCO will request a prospective contractor to submit, prior to offer, its latest complete comparative financial statement. The financial statement must be prepared in accordance with generally accepted accounting principles and be audited or reviewed by an independent certified public accountant in accordance with standards established by the American Institute of Certified Public Accountants. At a minimum, the statement should include a balance sheet, profit and loss statement, statement of cash flows, statement of retained earnings and any notes to the financial statement. For partnerships, the last fiscal year end or current financial statement of the partnership and the personal financial statement of each partner will be required. For individuals, financial statements that include all of his/her personal and business assets and liabilities will be required.

A prospective contractor shall demonstrate that it has adequate financial resources to perform the contract or the ability to obtain them as required by FAR 9.104-3(a), including the availability of necessary working capital and satisfactory credit. This may include, but is not limited to, the financial protection against losses as set forth in FAR part 28.

The D&B business analysis report or the latest financial statement will be reviewed on an annual basis to determine continued eligibility to receive an award. Every January 1<sup>st</sup> each qualified contractor will need to submit its current audit or review level financial statements to D&B. In addition, a qualified contractor will need to notify its commodity specialist when the financial information has been submitted to D&B. The D&B web address is <https://eupdate.dnb.com/default.asp?cmid=IOG200047>. The financial statements submitted to D&B should be no more than 16 months old. If the financial information submitted to D&B is sufficient to evaluate and determine financial responsibility, no further documentation or information will be required from the contractor.

If financial information available through D&B is insufficient to complete a satisfactory review of a qualified contractor's financial responsibility or for any reason a qualified contractor does not provide D&B with its financial information, the qualified contractor must submit its current financial statement to USDA, FSA, KCCO, Contract Reconciliation Division, Financial Review Branch within a reasonable time of its fiscal year close.

It is highly recommended that each prospective or qualified contractor submit its audit or review level financial statement to D&B as this information impacts the

D&B Business Report. Failure to submit the required financial information to D&B or the contracting officer may result in the contracting officer making a nonresponsibility determination.

If the qualification requirements defined herein are met, a vendor identification entity number will be assigned to the newly qualified contractor in order to submit future offers to KCCO.

A prospective contractor is encouraged to submit its qualification package as soon as possible so it may be notified of qualification status in advance of upcoming invitations for bid. The qualification packages should be submitted under seal and marked **CONFIDENTIAL** to Attention: Small Business Specialist, Kansas City Commodity Office, 6501 Beacon Drive, Mail Stop 8500, Kansas City, MO 64133 (Betty Kunkel, Small Business Specialist, Phone 816-926-3295, Fax 816-823-4034, Email [betty.kunkel@kcc.usda.gov](mailto:betty.kunkel@kcc.usda.gov).)

Except as provided in FAR Part 24.2 (the "Freedom of Information Act") qualification information, including the pre-award survey report, accumulated for purposes of determining the responsibility of a prospective contractor shall not be released or disclosed outside the government. All information provided will be kept confidential to the extent permitted by law.

Under penalty of perjury, each qualification package must be submitted and signed by an individual who has the legal authority to contractually bind a prospective contractor on whose behalf that information package is submitted. If any information provided by a prospective contractor becomes inaccurate, a prospective contractor must immediately notify the Small Business Specialist and provide updated and accurate information in writing, under penalty of perjury. KCCO reserves the right to waive minor irregularities and omissions in the information obtained in the qualification package submitted.