

Long Term Contracting (LTC)

LTC is built within the Commodity Operations System's (COS) framework and addresses additional requirements which are not accomplished with the current DEBES / PCIMS Systems such as automated tracking of vendor awards to master contracts. LTC automates the bid evaluation process by utilizing Ketron Sciences' MPSIII PC version of the Linear Program (LP) software for improved performance.

Features

Invitations: Provides the ability to select additional commodities and destinations without Delivery Orders (D/O). Capable of setting high and cutoff prices to reject vendor bids by commodity and pack size.

Vendor Bids: Accepts negative and zero vendor bid prices for market-adjusted price contracting. Provides ability to compare between a vendor's on-time and late bids as well as vendor submitted and USDA modified bids.

Security: State of the art web security with Secure Socket Layer protocol and encryption technology. Applicable bid information is encrypted in the database until bid opening.

Reporting: Standard reports that provide easy access to bid and award data. Vendors able to access acceptance and order wires electronically when awards are made.

Scope

LTC is designed to provide flexibility to automate long term contracts for current cheese commodities as well as for other commodities in the future which:

- Supports the procurement of 130 Million pounds of cheese commodities annually which total approximately \$200 Million.
- Used by more than 40 independent commodity vendors throughout the USA.
- Utilized for long term master and shortfall contracting with automated tracking of monthly allocations against the master and shortfall contracts.

The screenshot shows the 'Long Term Contracting System' web interface. The top navigation bar includes links for 'Invitation Select', 'Bid Process', 'Acceptance Wire', 'Order Wire', 'Admin', and 'Link'. The main content area displays the 'Bid Process/Price' section for 'PUDING SS ROY-TO-EAT VANILLA - 48/3 5 OZ CUPS'. Below this, there is a table for 'Domestic' destinations with columns for 'Destination', 'Price per LBS', and 'Destination'. The table lists various states including AR-Arkansas, CA-California, CT-Connecticut, DE-Delaware, IA-Iowa, ID-Idaho, IL-Illinois, MA-Massachusetts, MI-Michigan, MN-Minnesota, MO-Missouri, NC-North Carolina, ND-North Dakota, NH-New Hampshire, NJ-New Jersey, NM-New Mexico, OH-Ohio, OK-Oklahoma, OR-Oregon, PA-Pennsylvania, RI-Rhode Island, SC-South Carolina, SD-South Dakota, TX-Texas, VA-Virginia, WA-Washington, WI-Wisconsin, and WY-Wyoming. The table also includes a section for 'Offshore' destinations.

The web technology utilized in developing LTC:

- JAVA / HTML / J2EE / Java Script
- DB2
- CA-IDMS
- CA-IDMS Server and Quick Bridge
- Windows 2000 Server
- WebSphere Studio Application Developer
- Web Services using SOAP communications
- IIS & WebSphere Application Server

Business Process

1. Delivery Orders are Entered

FNS creates Delivery Orders through the Electronic Commodity Ordering System (ECOS) application.

2. DDOD Creates an Invitation

An invitation to procure commodity is created by USDA/FSA/KCCO/ Dairy and Domestic Operations Division and released for bidding using the Long Term Contracting (LTC) application.

3. Commodity Vendors Create Bids

Vendors access the Vendor portion of the Long Term Contracting (LTC) application to create, modify, validate, and submit commodity bids. All bids are encrypted until the bids are opened.

4. DDOD Opens the Bids

DDOD uses the Long Term Contracting (LTC) application to open and review bids. DDOD can review reports.

5. DDOD Maintains the Bids

DDOD maintains the bids and can request an authorization from the vendor to change a bid.

6. Set-Aside Evaluation

The set-aside evaluation determines the items to set-aside for small business set-aside preference program.

7. Bid Evaluation

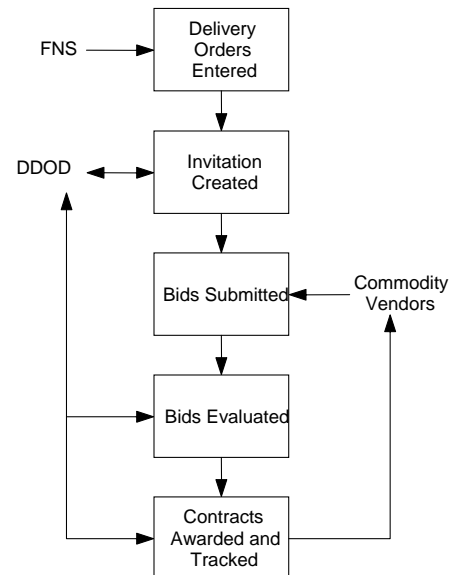
The evaluation determines the lowest combined total cost of commodity after applying the applicable constraints.

8. Awards

Master and shortfall Min/Max Contracts are awarded based on the results of the bid evaluation with a minimum and maximum purchase amount. Monthly allocation Commodity Contracts are awarded and created in PCIMS based on the results of the bid evaluation.

9. Master/Shortfall Contract Tracking

Allocation Commodity Contracts created in PCIMS are tracked against the appropriate master and shortfall contracts to allow DDOD to fulfill contract minimums quantities and avoid exceeding contract maximum quantities.



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