



United States
Department of
Agriculture

Farm
Service
Agency

Kansas City Commodity Office
Post Office Box 419205
Kansas City, Missouri 64141

Date: October 12, 2007

FAX NO. (816) 926-6381 or (816) 926-6767

COMMODITY EXCHANGE 3D

The Commodity Credit Corporation (CCC) desires to exchange CCC-owned bulk wheat for canned beef, pork, and beef stew, further referenced as canned meats, delivered to various locations.

CCC seeks offers for 2,304,000 pounds (64 truck loads) of canned beef and 144,000 pounds (4 truck loads) of canned pork and 1,944,000 pounds (54 truck loads) of beef stew produced and packaged in accordance with Requirements Documents BPS-07 Canned Meats, Exhibit A.

Offers and any modifications or withdrawals of offers must be received in the Kansas City Commodity Office (KCCO) by 2:30 p.m., CDT, Wednesday, October 31, 2007.

CCC will telephone contractor with notice of acceptance by: 9:15 a.m., CDT, Thursday, November 1, 2007.

Public release of award information will be after 1:30 p.m. CDT, Friday, November 2, 2007.

Exhibit B contains a list of Uniform Grain and Rice Storage Agreement (UGRSA) warehouse names and locations together with the quality and net bushel quantity of CCC-owned bulk wheat. Only lots of CCC-owned bulk wheat included in Exhibit B are available to offer for exchange. KCCO strongly urges prospective contractors to contact the storing warehouse operator to arrive at the terms and conditions applicable for delivery of the wheat prior to offering to exchange canned meats for CCC-owned bulk wheat.

The offerors will offer for a quantity of CCC-owned bulk wheat on Exhibit B, designating a specific lot number(s) in exchange for the quantity of/or portion of canned meats as requested on Exhibit C, Offer Form. In formulating the offer, the offeror should note that CCC-owned bulk wheat will be received by the contractor instore, at storage locations specified in Exhibit B.

Successful offerors will be required to deliver one (1) or more trucks, up to the total number of trucks awarded, to one (1) or more locations within a region. Deliveries may include one stop and a final delivery. Prior to the beginning of the delivery periods for each month, CCC will provide notices to deliver via electronic mail that will have contact information and exact delivery locations. A list of anticipated quantities and destinations is attached. Deliveries may not be limited to these destinations. Offerors should review the offer form and the anticipated delivery locations to determine possible multiple stop locations.

Offers must be made on a lot by lot basis and cannot be contingent on the acceptance of another lot. Offeror must submit one plant per Exhibit C and may submit multiple lot combinations per item number by using a separate Exhibit C for each combination. Only entire warehouse lot net quantities may be included in an offer, except that **one** warehouse lot may be split for each line item in order to arrive at the intended offer quantity. CCC may accept or reject any or all offers or portions thereof.

All costs for transportation/manufacturing/handling of canned meats from the processor's plant to the final destination are for the contractor's account.

Any differences between quantity and quality of CCC-owned bulk wheat received by the contractor are to be settled between the storing warehouse operator and the contractor. CCC will not facilitate this settlement.

The successful offerors shall furnish a performance bond or other financial instrument appropriate and approved by CCC, for the protection of the Government in an amount equal to 100 percent of the market value of the CCC-owned commodity awarded to the successful offeror through the Exchange. Performance bonds or other financial instrument must cover at least 60 days beyond final performance by the contractor. The market value will be as of the date of contract award, as determined by CCC. If requested in the offer, CCC will make a reduction(s) in the amount of the performance security furnished by contractor; provided that the requested time period basis, 1) is a minimum of one delivery month, 2) is a whole number of delivery months, 3) contract performance has been completed at least 30 days, 4) has no unsettled claims or disputes, and 5) amount will be determined by CCC based on the contract value of the CCC-owned commodity exchanged. The bond shall be in the form of firm commitment, supported by corporate sureties whose names appear on the list contained in Treasury Department Circular 570, individual sureties, or by other acceptable security such as postal money order, certified check, cashier's check, irrevocable letter of credit, or, in accordance with Treasury Department regulations, certain bonds or notes of the United States. The successful offeror has the option to furnish an "Irrevocable letter of credit" (ILC) in lieu of a performance bond. An ILC, as used in this clause, means a written commitment by a federally insured financial institution to pay all or part of a stated amount of money, until the expiration date of the letter, upon presentation by the Government (the beneficiary) of a written demand therefore. Neither the financial institution nor the successful offeror can revoke or condition the letter of credit. The ILC shall be in an amount equal to 100 percent of the market value of the CCC-owned commodity awarded to the successful offeror through the Exchange. The letter of credit shall be irrevocable, shall not require presentation of a document other than a written demand and the ILC (including confirming letter, if any), and shall be issued/confirmed by an acceptable federally insured financial institution. The ILC shall have an initial expiration date to cover, at a minimum, the entire period from time of award until the entire quantity of product to be supplied by the successful offeror/Contractor is delivered as specified.

The performance bond or other financial instrument must be received within 10 business days of notification of award. CCC will transfer title to the CCC-owned bulk wheat within 2 business days of receipt of the performance bond or other financial instrument approved by CCC for this invitation, and CCC will pay for storage charges through the date title is transferred. The stop storage date on lots released to the successful offeror will be shown on the wire release. CCC will pay storage through date of release, but not to exceed 12 business days from the date of contract award. Warehouse receipts will be mailed to the storing warehouse operator using overnight mail. CCC will instruct the storing warehouse operator to cancel the warehouse receipts and hold the wheat in open storage for the successful offeror's account. If interested, the successful offeror may request that the storing warehouse operator issue new warehouse receipts to the successful offeror.

The successful offeror is responsible for paying load out charges, plus any storage charges incurred after CCC transfers title to the CCC-owned bulk wheat instore. The storage and handling rates contained in the CCC Schedule of Rates will apply to wheat until loaded out, provided the transferee, in writing, orders the wheat loaded out for immediate shipment within 30 days after the date title is transferred. If the transferee does not request, in writing, load out within 30 days after the date title is transferred, the storage and

handling rates applicable to the transferee for the wheat shall not exceed CCC's Schedule of Rates in effect at the time of title transfer until the earlier of: 1) 60 days, or 2) title to the wheat is transferred by the transferee to another party, or 3) the transferee loads the wheat out of the warehouse.

CCC will release the performance bond, or other financial instrument, and acknowledge receipt of the canned meats when the successful offeror submits the following documentation to USDA/FSA, P.O. Box 419205, Mail Stop 8718, Kansas City, MO. 64141-6205:

- USDA Form KC-269 (Notice to Deliver) or commercial invoice form;
- Origin USDA Agricultural Products Acceptance Certificate issued at time of checkloading; and
- A copy of the Bill of Lading or other commercial receipt signed by recipient agent evidencing delivery date and quantity of canned meats delivered in good condition.

These documents are to be provided to CCC at no additional cost.

Any actual damages suffered by CCC resulting from any failure or refusal of successful offeror to perform shall be for the account of the successful offeror. Such actual damages shall include, but not be limited to, the fair market value of the canned meats, as determined by CCC.

The end product delivered must be entirely produced in the United States from commodities produced in the United States. Produced in the United States means manufactured, processed, mined, harvested, or otherwise prepared for sale or distribution, from components originating in the United States, its territories or possessions, the Commonwealth of Puerto Rico, or the Trust Territories of the Pacific Islands (hereinafter referred to as the United States). Components originating in the United States that have been exported, and subsequently imported back into the United States, will not be considered as having been produced in the United States. The successful offeror will maintain records evidencing product origin and will make such records available for review by the Government.

EVALUATION OF OFFERS

Offers will be evaluated based on truck loads of canned meats offered in relation to the value of CCC-owned bulk wheat to be acquired by the offeror in this exchange, as determined by CCC. CCC reserves the right to accept offers most advantageous to the government, which may not necessarily reflect the lowest exchange ratio.

SUBMISSION OF OFFERS

CCC reserves the right to refuse to consider an offer if it does not have adequate information to determine the responsibility of offeror, financially or otherwise, or if CCC determines, upon the available information, that the offeror is not presently responsible. First time offerors for canned meat contracts should notify CCC prior to submission of an offer.

Offers must be submitted by facsimile. In all cases, offers shall be addressed to: **Kansas City Commodity Office, Domestic Procurement Division Bid Box.**

- Facsimile Numbers are 816-926-6381 or 816-926-6767. For facsimile submission assistance, please contact KC Administrative Office Communications Center at 816-823-1012.

The time recorded by the facsimile as offeror's transmission time will be used to determine the time of receipt by CCC. OFFERORS ARE RESPONSIBLE FOR THE TIMELY RECEIPT OF OFFERS AND ANY AMENDED OFFERS. No offers, modifications, or withdrawals will be accepted by telephone.

Further information may be obtained by contacting:

Kansas City Commodity Office
Domestic Procurement Division
P.O. Box 419205, Stop 8718
Kansas City, Missouri 64141-6205
Jeff Jackson at 816-926-2530

Information regarding commodity requirements may be directed to USDA Agricultural Marketing Service, Valerie Dinkel at 202-690-1369.

Steven P. Miteff,
Deputy Director,
Kansas City Commodity Office

Exhibits A-E