

Doing Business with the FDIC

September 2011

Division of
Administration
and
Office of
Minority and
Women
Inclusion

Federal
Deposit
Insurance
Corporation

FDIC 

Purpose of this Brochure

This brochure is intended to assist firms seeking to do business with the Federal Deposit Insurance Corporation (FDIC). It outlines the FDIC mission, organization, operational requirements, and contracting policies and procedures. Most importantly, it discusses how a business should go about trying to fulfill our contracting needs.

Introducing FDIC

The FDIC is the leading U.S. federal organization providing deposit insurance and performing bank supervision. It is an organization of dedicated employees, with one mission in mind - to ensure your money is safe and sound within the nation's banking system. FDIC is an independent government corporation that protects against the loss of insured deposits if an FDIC-insured bank or savings association fails. FDIC deposit insurance is backed by the full faith and credit of the United States government.

Remember Your History?

Congress created the FDIC with the Banking Act of 1933 to maintain stability and public confidence in the nation's banking system. It was formed by President Franklin Delano Roosevelt in direct response to the financial chaos the nation was experiencing as a result of the 1929 stock market crash and the Great Depression. Between October 1929 and March 1933, more than 9,000 banks had ceased operations and for all practical purposes, the nation's banking system shut down completely.

Public Confidence Restored

The intent of the Banking Act was to provide a federal guarantee of deposits in U.S. depository institutions so that customers' funds, within certain limits, would be safe and available to them in the event of a bank failure. Since that time, FDIC has been insuring deposits and promoting safe and sound banking practices. The FDIC sign - posted in insured financial institutions across the country - has become a symbol of confidence. Since the start of FDIC insurance on January 1, 1934, not one depositor has lost a cent of insured funds as a result of a financial institution failure.

FDIC in Action

When a federally insured bank fails, including a savings and loan, FDIC responds immediately. It has a very important job that involves paying depositors up to the insurance limit and recovering as much money as possible from the failed institution's assets.

Deposit Insurance - The standard insurance amount is \$250,000 per depositor, per insured bank, for each ownership category.

The FDIC has several options for resolving failed institutions. In most cases, FDIC arranges for another healthy bank to assume the deposits of the failed institution, along with the current loans and other assets. This option is the least disruptive – “customers” of the failed institution become “customers” of the assuming institution. In rare instances, if FDIC is not able to find an assuming institution, then payments are made directly to insured depositors. It is important to note that no matter which option the FDIC uses, funds within the insurance limit are always fully protected.

FDIC also is responsible for managing the insurance fund used to protect the failed institution's depositors and for minimizing all losses not protected by deposit insurance (i.e., those over the insurance limit). This deals with the institution's assets. These assets include, primarily, loans, real estate and securities. In most cases, the failed institution's assets are sold to other institutions or businesses as soon as the troubled institution is closed. However, it may be necessary for FDIC to retain and manage some of the less desirable assets. Proceeds from asset sales are used to reimburse the insurance fund and pay uninsured depositors, to the extent possible.

Behind the “FDIC” Sign – Who does what?

All FDIC employees contribute to its mission on a daily basis in one functional area or another. The Corporation is organized into 15 Divisions and Offices located at Headquarters, six Regional Offices, approximately 90 smaller Field Offices, and three Temporary Satellite Offices. Functional responsibilities can be divided into two general areas – “business divisions” and “partnering divisions and offices.” The “business divisions” include those with specialized missions that collectively are responsible for carrying out the overall mission of the Corporation. The “partnering divisions and offices” provide the administrative, financial, and facilities support so that the “business divisions” are able to carry out their responsibilities.

Business Divisions

Division of Depositor and Consumer Protection – performs bank evaluations in communities all around the country and operates the deposit insurance program; promotes compliance with fair lending and other consumer protection laws and regulations; and increases public understanding of and confidence in the deposit insurance system.

Division of Resolutions and Receiverships – handles the resolution of failing FDIC-insured institutions and provides prompt, responsive and efficient administration (including asset sales initiatives) in order to maintain confidence and stability in our financial system and to minimize losses.

Division of Insurance and Research – identifies and analyzes risks to the deposit insurance fund arising from trends in the economic, financial and banking sectors

Partnering Divisions and Offices (including, but not limited to)

Division of Information Technology – provides information technology (IT) to the FDIC, including all strategic planning for the acquisition of hardware, software and systems development and implementation, and conducts the day-to-day IT operations.

Division of Finance – provides financial management for all revenue and expenses of the Corporation and its receivership operation.

Division of Administration – provides all administrative services, including human resources management, training and consulting services, contracting, leasing, facilities management and security services supporting the physical and administrative infrastructure of the Corporation.

Office of Minority and Women Inclusion (OMWI) – has nationwide responsibility for FDIC’s Minority and Women Outreach Program, which includes the Small Disadvantaged Business Program. In addition, OMWI participates in policy and procedure development to ensure a fair representation of minority, women and small disadvantaged firms in the FDIC contracting program. The Office publicizes and explains its activities and programs through conferences, seminars, educational activities and minority and women-targeted publications about FDIC contracting opportunities.

Legal Division – supports the development of contracting policies and procedures and provides assistance when legal issues arise from statutory interpretation and compliance. In addition, provides assistance on complex contracting issues, such as claims and disputes, and other matters referred by the Contracting Officer.

These and other FDIC Divisions and Offices require the use of outside contractors to provide a variety of services to support the overall FDIC mission. Also, outside contractors are required to provide information technology hardware, software and systems to support the FDIC mission.

Acquisition Services Branch

The FDIC contracting program deals with diverse needs and specialized requirements of both our Business and Partnering Divisions and Offices. Procurement actions could range from loan servicing to construction/renovation to the purchase of laptop computers, and asset management and disposition.

The Acquisition Services Branch (ASB), in the Division of Administration, is responsible for procuring all goods and services, including information technology systems, required by FDIC. The Branch has a Headquarters Office in Arlington, VA, and another office in the Dallas Regional Office, Dallas, Texas.

How Do We Differ from Other Federal Agencies Vis-a-Vis the Procurement Function?

The FDIC does not use appropriated funds, and is not subject to the Federal Acquisition Regulations (FAR) and other federal statutes such as the Competition in Contracting Act (CICA). FDIC works under separate and unique laws, and has established its own contracting policies and procedures for procuring its goods and services. This allows the FDIC to be more flexible in addressing its policy and procedural requirements, and has taken the best of the FAR and the best of the corporate world to create its own unique blend of policies and procedures.

Go to the following web site: <http://www.fdic.gov/buying/goods/acquisition/index.html> to view the various contractual instruments including the Acquisition Policy Manual (APM), the official policy document along

with its implementing and supplementing document entitled Procedures, Guidance and Information (PGI). FDIC is also different from other federal agencies in the solicitation and contracting documents we use. Also, we have different standards in determining eligibility of contractors. Prior to any contract award greater than \$100,000 for services, all contractors and subcontractors must meet certain minimum contractor integrity and fitness standards as defined in the Contractor Conflicts of Interest Regulation, 12 C.F.R. part 366. This regulation provides guidance to contractors and subcontractors on conflicts of interest, ethical responsibilities and use of confidential information.

In addition, we develop and supplement solicitation lists from many other sources. While the FDIC is not required to use [FedBizOpps](#), in some instances, we may use this virtual marketplace to post and search for procurement opportunities. We also obtain sources from our Office of Minority and Women Inclusion (OMWI), various program offices, and outreach conferences.

The Acquisition Management Process

An understanding of the FDIC acquisition process is important, both in terms of developing an effective marketing strategy, as well as avoiding mistakes which could prove costly. The FDIC acquisition management process is governed by the Acquisition Policy Manual. Like federal and commercial firms, FDIC uses competitive solicitations to obtain goods and services. We draft solicitations which identify the requirement and provide instructions for submitting responses; we evaluate proposals received; decide which proposal/contractor offers the best value (considering technical, price and other factors as necessary); and then award the contract. Administration of the contract continues for the life of the procurement and includes performance monitoring, inspection and acceptance of the goods or services, invoice processing and closeout.

Procurement on a Best Value Basis

Overall, the procurement process takes advantage of a competitive and commercial marketplace to deliver on a timely and least cost basis, goods and services it needs and which offer best value to FDIC Divisions and Offices. Best value decisions are based on internal business judgments, considering a series of qualitative and quantitative decisions among factors such as capability, capacity, past performance, and price. A strict lowest price decision, which drives much of private sector contracting, does not always work at FDIC for our non-commercial requirements.

Contract Types – What to Expect

The Contracting Officer is responsible for selecting the type of contract that represents the most suitable business arrangement for procuring goods and services on behalf of FDIC. There are two basic types of contracts (pricing arrangements) used by FDIC: fixed price contracts and level of effort (time & materials) contracts.

A fixed price contract can be expressed as a firm fixed price where the contractor is paid for successfully performing the work, or a fixed unit price where the price is established in the contract and applied against a quantity ordered to determine the ultimate price to be paid based on successful performance.

A level of effort contract can be expressed as either a time and materials (T&M) or labor hour (LH) contract. In both cases, the contractor receives compensation (direct labor rates) based on hours worked and accepted by FDIC. The T&M contract also provides reimbursement for material costs.

Methods for Acquiring Goods and Services

In addition to individual contract awards, FDIC uses the following methods to procure its goods and services:

Basic Ordering Agreements are used for repetitive requirements generally greater than \$100,000 to pre-qualify a group of contractors and establish a means of acquiring mostly services at a later date or on a repetitive basis.

The General Services Administration's (GSA) Federal Supply Schedules (FSS) are used by FDIC to place orders for goods and services directly with FSS contractors.

The FDIC Purchase Card (P-Card) is used for purchases of \$5,000 or less that involve low dollar goods and administrative services. Some P-Cards are authorized at levels above \$5,000 and these require competitive bidding.

How Does the Contracting Process Work

The FDIC acquisition process is based on a “cradle to grave” approach where a Contracting Officer maintains control and responsibility for a procurement action from the pre-procurement phase through contract administration and closeout. The basic phases of the contracting process include:

Presolicitation – identifying the requirement, performing market research, preparing the statement of work and solicitation package.

Solicitation – identifying prospective offerors, distributing the solicitation package and receiving proposals.

Evaluation – evaluating the technical and price proposals submitted by offerors that are responsive to the solicitation package.

Award – making the best value decision for the award, obtaining all pre-award approvals, and executing the contract with the successful offeror. It also includes notifying the unsuccessful offerors and conducting debriefings.

Administration – involves all activities necessary to ensure that the contractor adheres to the terms and conditions of the contract. It involves monitoring contractor performance, processing and paying invoices, executing modifications, handling claims and closing out the contract.

Procurements Less than \$5,000

When a requirement is less than \$5,000, competitive pricing is not required and awards may be made directly with the FDIC Purchase Card (P-Card). This method is the preferred method by FDIC for acquiring low-dollar goods and administrative services largely due to its cost effectiveness and cost savings.

Procurement Less than \$100,000

Simplified procurement procedures are used for contracting requirements that are not complex in nature and less than \$100,000. These procedures can utilize oral (telephone) or written requests for quotations. Award documents are typically short form contracts. A minimum of three firms are generally solicited for these types of procurements. Award decisions are generally based on price alone, or price with a pass/fail on technical delivery requirements.

Contracts Greater than \$100,000

Formal contracting procedures are generally used for requirements that are complex and greater than \$100,000. Due to the higher dollar amounts and complexity level, formal Requests for Proposals and contracts are used under these procedures. Generally, a minimum of three firms are solicited. Award decisions are based on a detailed technical evaluation, financial capability review and price evaluation.

Noncompetitive Procurement

Noncompetitive contracting procedures are used when it is determined that only one firm can provide the goods or services required. Even though the FDIC policy is to procure goods and services on a competitive basis, unique situations may and do arise in which competitive procurement is impracticable. These generally involve urgent or specialized requirements.

Get Registered

For consideration on solicitation distribution mailing lists for contracts in your business area, you should register in the following places:

- FDIC Contract Resource List (CRL) - <https://www.fdic-crl.com/>
 - Registration in FDIC CRL will also serve as registration in the MWOB Database
 - Federal Business Opportunities (FedBizOpps) - <https://www.fbo.gov>
 - Central Contractor Registration System (CCR) - <http://www.ccr.gov>
- Links to the websites above can also be found at www.fdic.gov.

FDIC Contract Resource List (CRL)

FDIC maintains a Contract Resource List (CRL) of potential contractors to assist with work related to failing financial institutions and associated requirements. FDIC will use information from the Contract Resource List, as well as other sources, when developing solicitation lists for future contract requirements. Please be aware that the number of firms that are marketing to do business with FDIC is significant. FDIC does not guarantee that all firms that submit a corporate capabilities statement will be included in future Requests for Proposals. If you are interested in being included on the Contract Resource List (CRL), please submit your corporate capabilities to the web address as reflected above.

You will be prompted to provide the following information:

- Company name
- Description of services (in 20 words or less)
- Address
- Point of contact
- Phone/fax/email
- Years of experience
- **Business size classification and Minority or Women Owned status**
- Website

Also, you should identify which of the four categories of work apply to your company:

- Brokerage, Marketing and/or Property Management Services
- Appraisal Services
- Asset and/or Portfolio Management Services
- Financial and/or Consulting Services

You may upload any other marketing information about you or your company as an attachment at the website. You will receive a confirmation e-mail that your information was accepted. Please call (703) 562-2488 with any questions regarding the Contract Resource List (CRL).

Minority and Women Inclusion (OMWI)

FDIC firmly believes in promoting fair and consistent treatment of all firms interested in contracting with FDIC and in providing opportunities, to the maximum extent possible, for Minority and Women Owned Businesses and Small Disadvantaged Businesses (SDBs).

We Do This By:

- participating in conventions, seminars, and professional meetings composed of, or attended predominately by MWOBs and SDBs; and
- conducting seminars, meetings, workshops, and other functions to identify MWOBs and SDBs.

The goal of our Outreach Program is to increase the number of MWOBs and SDBs available for FDIC contracting requirements. OMWI will use FDIC's Contract Resource List (CRL) to support this objective. Reminder: If you are interested in being included on the Contract Resource List, please submit your corporate capabilities at the following web address: <https://www.fdic-crl.com/>.

Contractors & Subcontractors

Firms interested in providing goods and/or services to FDIC can do so by responding to our solicitations and offering the best possible technical and price solution for our requirement. This includes forming the best possible team to perform the contract. Many of our requirements can be performed by one firm referred to as a prime contractor. In other cases, a firm may need to supplement their own technical expertise with that of another firm. This is done through subcontracting arrangements. The best contractor teaming arrangement must be considered by each offeror on a solicitation by solicitation basis. Before searching for subcontractors, prospective offerors are encouraged to read the solicitation and statement of work carefully. A list of prime contractors supporting FDIC in work related to failed financial institutions can be found at the following website: <http://www.fdic.gov/buying/goods/ListofAwardsandContractorContactInformation.html>.

Central Contractor Registration (CCR) System

This is the primary registrant database for the U.S. Federal Government. The FDIC will only award contracts to businesses that are registered in CCR.

CCR collects, stores and disseminates data in support of agency acquisition missions. The preferred method for completing your registration is via the World Wide Web at <http://www.ccr.gov>. The CCR Handbook is available at that site to assist you with your registration and to provide detailed instructions.

GOAL – To be included on solicitation distribution mailing lists for contracts in your business area and participate in FDIC’s contracting program!! It’s good business for you and good business for us.

Notes:

Notes:

Designed by FDIC/DOA/CSB/Graphic Design Unit