



**United States
Department of
Agriculture**

**Farm
Service
Agency**

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

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

DATE: 12/21/2009

ULTRA HIGH TEMPERATURE MILK BARTER NO. 02

The Commodity Credit Corporation (CCC) desires to barter CCC-owned Low Heat, Extra-Grade Nonfat Dry Milk (NDM) in 25-kgs bags for 12/32 oz UHT Fluid Milk 1% and 27/8 oz UHT Fluid Milk 1% to various locations.

CCC seeks offers for 14,048,100 pounds of 12/32 oz UHT Fluid Milk 1% and 4,386,445 pounds of 27/8 oz UHT Fluid Milk 1% produced and packaged in accordance with Requirements Document UHD3, Located at: http://www.fsa.usda.gov/Internet/FSA_File/uhd3.pdf

Offers and any modifications or withdrawals of offers must be received in the Kansas City Commodity Office (KCCO) by 10:00 a.m., CST, January 7, 2010.

CCC will notify successful offeror with notice of acceptance by: 5:00 p.m., CST, January 13, 2010.

Public release of award information will be by 5:00 p.m. CST, January 14, 2010.

The quantity of NDM bartered for UHT milk will not exceed 12,200,000 lbs. A list of warehouse names and current locations of CCC-owned NDM available for barter is provided below.

Group Warehouse, Inc.
3550 S. Willow Ave.
Fresno, CA 93725

Tulare Industrial Center, Inc.
446 W. Prosperity Ave.
Tulare, CA 93274

Trans-Hold, Inc.
Port of Stockton/Rough & Ready Island
Bldg. 213 Luce Ave.
Stockton, CA 95203

Haskins Produce, Inc.
10210 Idaho Ave.
Hanford, CA 93232

Van-G Trucking, Inc.
8000 E. Manning Ave.
Fowler, CA 93625

Commercial Distribution Center, Inc.
16500 East Truman Road
Independence, MO 64050

Interstate Underground Warehouse and
Industrial Park, Inc.
8201 E. 23rd Street
Kansas City, MO 64129

Space Center Distr. KC, Inc.
2999 E. Geospace Drive
Independence, MO 64056

Paris Brothers, Inc.
8800 N.E. Underground Drive
Pillar 112
Kansas City, MO 64161

The offeror shall utilize the attached offer form to enter a single firm-fixed barter rate in pounds of NDM per net pound of UHT milk delivered FOB destination. A single firm-fixed exchange rate in pounds of NDM per net pound of UHT milk shall apply to each region. The destinations, regions and requested quantities of UHT milk are listed in the attached offer form. In formulating the offer, the offeror should note that CCC-owned NDM will be received by the successful offeror instore, at storage locations specified.

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, except Hawaii which may include up to four stops. CCC will provide notices to deliver (N/D) via electronic mail that will have contact information, delivery locations and required delivery periods.

All costs for transportation/manufacturing/handling of UHT milk from the manufacturer's plant to the final destination are for the successful offeror's account.

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 NDM 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. CCC will issue to the warehouse operator an ND to transfer title to the NDM to the successful offeror. 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 Notice to Deliver. Any storage, handling, or other warehouse charges, such as unitization, accruing thereafter shall be for the account of the successful offeror. Notwithstanding the foregoing, any prepaid warehouse charges, including the prepaid load-out charges, on any lot of the NDM delivered to the successful offeror shall accrue to the benefit of the

successful offeror. Title and risk of loss shall pass to the successful offeror on the date when the NDM is transferred in store.

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

1. USDA Form KC-269 (Notice to Deliver) or commercial invoice form;
2. Certification that product tendered meets or exceeds the specifications in the Requirements Document; and
3. A copy of the Bill of Lading or other commercial receipt signed by recipient agent evidencing delivery date and quantity of UHT milk delivered in good condition.

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

The grade of the product delivered by CCC shall be evidenced by a grading certificate issued by the Dairy Grading Branch, Dairy Programs of USDA's Agricultural Marketing Service (AMS). A copy of the certificate will be furnished to the successful offeror upon release of the NDM.

A full truckload of NDM equals 765 bags. In the event a release would divide a pallet of NDM, KCCO will round down and make the release in full pallet increments. CCC will only divide a pallet on the final release under the contract.

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

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 UHT milk, as determined by CCC.

The UHT milk delivered shall be a product of the United States, except as may otherwise be required by law, and shall be considered to be such a product if it is grown, processed, and otherwise prepared for sale or distribution exclusively in the United States except with respect to additives. Additives from non-domestic sources will be allowed to be utilized as a United States product if such additives are not otherwise: (1) produced in the United States; or (2) commercially available at fair and reasonable prices in the United States from domestic sources. The successful offeror will maintain records evidencing product origin and will make such records available for review by the Government.

Suppliers of products shall be responsible for placing a seal(s) on all doors of each transportation conveyance upon completion of loading or servicing. The seal number(s) shall be entered on the bill of lading, which must be signed or acknowledged by the carrier or its agent. Seals shall be sequentially numbered, barrier-type and meet the American Society for Testing and Materials (ASTM) Standards. Seals shall be 1/8-inch diameter cable, high security bolt, or equivalent. Information on ASTM Standards may be found at: <http://www.astm.org/>

EVALUATION OF OFFERS

Offers will be evaluated based on the pounds of UHT milk offered in relation to the value of CCC-owned NDM to be acquired by the offeror in this barter, as determined by CCC. CCC reserves the right to accept offers most advantageous to the government, which may not necessarily reflect the lowest barter 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.

A prospective offeror that is a non-manufacturer of UHT milk must furnish a copy of the written agreement in effect between the non-manufacturer and a supplier to certify compliance with the applicable KCCO solicitation requirements. The agreement shall be on the supplier's company letterhead and shall be signed by both the offeror and the supplier. This agreement must be in effect at the time offers are submitted and included in the offer submission. Failure to provide non-manufacture(s) agreement(s) may result in rejection of 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 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
Beacon Facility – Stop 8718
P.O. Box 419205
Kansas City, Missouri 64141-6205
Clyde King at 816-926-2610

William L. Lang
Contracting Officer
Attachment