United States Department of Agriculture **Farm Service Agency**

Kansas City Commodity Office
Post Office Box 419205

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

DATE: May 7, 2009

CHEESE BARTER NO. 01

The Commodity Credit Corporation (CCC) desires to barter CCC-owned Extra-Grade Nonfat Dry Milk (NDM) in 25-kgs bags for 6/5 lb shredded yellow reduced-fat cheddar cheese, 6/5 lb sliced yellow process cheese blend, and 30 lb shredded frozen lite Mozzarella to various locations.

CCC seeks offers for 8,640,000 pounds of 6/5 lb shredded yellow reduced-fat cheddar cheese produced and packaged in accordance with Requirements Documents BCD5-B, Exhibit A.

CCC seeks offers for 10,296,000 pounds of 6/5 lb sliced yellow process cheese blend produced and packaged in accordance with Requirements Documents PCD7-B, Exhibit B.

CCC seeks offers for 6,168,960 pounds of 30 lb shredded frozen lite Mozzarella produced and packaged in accordance with Requirements Documents MCD6-B, Exhibit C.

Offers and any modifications or withdrawals of offers must be received in the Kansas City Commodity Office (KCCO) by 10:00 a.m., CDT, May 27, 2009.

CCC will notify successful offeror with notice of acceptance by: 5:00 p.m., CDT, June 03, 2009.

Public release of award information will be after 5:00 p.m. CDT, June 04, 2009.

The quantity of NDM bartered for all three cheeses will not exceed 50,000,000 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

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

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

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

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

The offeror shall utilize the attached offer form to enter a single firm-fixed barter rate in pounds of NDM per net pound of cheese delivered FOB destination. A single firm-fixed barter rate per item in pounds of NDM per net pound of cheese shall apply to each region. The destinations, regions and requested quantities of cheese are listed in the attached offer form and the attached anticipated delivery locations. 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 cheese from the manufacturer's plant to the final destination are for the successful offeror's account.

CCC will consider the cheese received when the successful offeror submits the following delivery documentation to USDA/FSA/CMD/Inventory Branch, Attn: Debbie Scullen, P.O. Box 419205, Mail Stop 8748, Kansas City, MO. 64141-6205:

1. USDA Form KC-269 (notice to deliver) or commercial invoice form;
2. Certification that product tendered meets specifications in 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 cheese delivered in good condition.

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

NDM will be released instore at the point(s) of CCC storage. CCC will issue to the warehouse operator an ND to transfer title to the NDM to the successful offeror. CCC will transfer title to the CCC-owned NDM within 4 business days of receipt of valid delivery documents. 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 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.

A full truckload of NDM equals 765 bags. In the event a release would divide a truckload of NDM, KCCO will round down and make the release in full truckload increments. The unallocated remainder would be carried over to subsequent releases. CCC will only divide a truckload 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 cheese, as determined by CCC.

The cheese 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.

EVALUATION OF OFFERS
Offers will be evaluated based on pounds of cheese 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. Offerors currently not supplying cheese to USDA 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 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
For BCD5-B: Jaime G. Martinez at: 816.926.3399
For PCD7-B: Marlyn Ziegler at 816.926.6620
For MCD6-B: Hilary Cole at 816.926.6645

William Lang
Contracting Officer

Exhibits
Attachments