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See 14.B, 18.E and F

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Mozzarella Cheese Solicitation MCD6-010 dated 8/20/2008 for Domestic Programs

1. Solicitation Number: MCD6-010
2. Solicitation Issue Date: August 20, 2008
3. Issued By:
United States Department of Agriculture (USDA)
Kansas City Commodity Office (KCCO)
Domestic Procurement Division, Stop 8718
P.O. Box 419205
Kansas City, MO 64141-6205
4. Solicitation Type: Sealed Bids (IFB)
5. Offer Due Date/Local Time: By September 10, 2008 9:00 A.M. CDT
6. Award Notification Date: By September 17, 2008, 4:00 P.M. CDT
7. Public Release of Award Date: The day following acceptance or rejection, 4:00 P.M. CDT
8. Solicitation Information Contact:
Name: Hilary Cole
Telephone Number: 816-926-6645
E-mail: hilary.cole@kcc.usda.gov
9. Internet Address: <http://www.fsa.usda.gov/FSA/webapp?area=home&subject=coop&topic=pas>
10. This Acquisition is:
/x/ Unrestricted
/x/ Set Aside
/x/ Small Business (30 percent)

NOTICE OF PARTIAL SMALL BUSINESS SET-ASIDE

If specified in the solicitation, certain quantities are set aside exclusively for small business firms under the Small Business Act (15 U.S.C. 631, et seq.).

Bids received for these set-aside quantities from firms who are not small business concerns will not be considered. In the event the Government is unsuccessful in contracting with an eligible small business concern(s) for the set-aside quantities, it may award the quantities to other than small business concerns.

Small businesses offering a product/pack(s) from both large and small businesses shall submit separate offers using separate Long Term Contracting System (LTCS) logon IDs. An offer shall represent only product/pack from one size manufacturer (i.e., large or small). Failure to comply with this requirement may cause the entire bid to be considered non-responsive.

NOTICE OF 8(a) ACQUISITION

If specified in the solicitation, the Government may reserve up to five (5) percent of the solicitation quantity for 8(a) firms certified by the Small Business Administration in accordance with the Federal Acquisition Regulation (FAR), Part 19. The Government may increase the reserve to adjust quantities in the event of multiple awards to eligible 8(a) firms. In no event shall the Government offer for award a quantity in excess of an eligible 8(a) firm's maximum quantity, if so established by the Government. If the 8(a) small business firm is a nonmanufacturer, it shall meet the definition and requirements outlined in FAR Part 19. In the event the Government is unsuccessful in contracting with an eligible 8(a) firm for the reserved quantity, it may award the quantities to other than 8(a) firms.

11. NAICS Codes/Size Standards: See Master Solicitation for Commodity Procurements at:
<http://www.fsa.usda.gov/FSA/webapp?area=home&subject=coop&topic=pas>

12. Delivery Type: F.o.b destination

13. Submit Invoices To:

Financial Services Center
Fund and Commodity Management Office
Invoice Payment Group, Stop 8578
P.O. Box 419205
Kansas City, MO 64141-6205

For express mail:
Financial Services Center
Fund and Commodity Management Office
Invoice Payment Group, Stop 8578
6501 Beacon Drive
Kansas City, MO 64133-4676

For questions concerning invoices contact Financial Services Center at 816-926-6205.

14. Submission of offers:

A. Bids shall be submitted through the Long Term Contracting System (LTCS) to be considered responsive.

LTCS information technology requirements are:

- (1) Operating system: Windows NT, Windows 2000, or Windows XP, or equivalent.
- (2) Browser requirement: Internet Explorer 5.0 or above.
- (3) Encryption: Browser capable of handling 128-bit encryption.
- (4) Internet LTCS port is <https://indianocean.sc.egov.usda.gov/COS/Main>.
- (5) Government will provide bidder with ID number and the initial password needed to access LTCS.
- (6) Tools-Internet Options-Settings: Under the heading "Check for newer versions of stored pages" select EVERY VISIT TO THE PAGE.

Web Support Help Desk: 1-800-255-2434, Option #1

B. Offerors shall complete the LTCS certifications, including that their quality control system(s) conforms to the higher-level quality standard in contract clause 52.246-11.

C. Price offered for each state shall be entered on the LTCS Price page. Quantities offered for each plant location, product/pack size, and delivery month or delivery period shall be entered on the LTCS Capacity page. Certification answers shall be entered on the LTCS Certification page.

D. The LTCS Price page WILL accept positive, zero (\$0.0000), and negative bid prices (i.e., -\$0.0300). A blank price field will be interpreted as no bid for a particular state. A price of zero (\$0.0000) IS A VALID PRICE and is a bid of flat market price to the CME. Section 17.D. identifies the anticipated delivery cities by type and/or pack. Bidders are encouraged to enter a price for each state displayed on the LTCS Price page.

E. The LTCS Capacity page will ONLY accept capacity quantities that are stated in multiples of a truck size for a particular delivery period or delivery month. The standard truck size for the commodity is 40,320 lbs.

Example: If bidder enters a capacity of 400,000 lbs. for a particular delivery period or delivery month, LTCS will give the bidder an error message and will suggest the closest truck size to the quantity entered by the bidder. In this example, LTCS would suggest 403,200 lbs. The bidder may accept the quantity suggested by LTCS, or they may enter a different capacity.

Capacity (by Plant Location, Product, and Delivery Month) may be offered for either an entire delivery month OR the individual first half and second half delivery periods within the month. Capacity offered for an entire delivery month offers flexibility for the Government to order commodity by individual first half and second half delivery periods in any combination, not to exceed the maximum capacity offered for that delivery month.

A blank or a zero (0) value in a capacity field shall be interpreted as the bidder did not intend to bid a quantity for a particular plant location, product, and delivery period or delivery month.

F. On the LTCS certification page, bidder shall choose a pack size for delivery of LMPS, Unfrozen, Processor Packs as the delivery order will not identify a specific pack size. Bidder may also check additional pack size(s), if any, that the bidder is willing to deliver at no additional cost to the

Government. At contractor's option, contractor may deliver one of those additional pack size(s) that the contractor identified on the LTCS certification page upon request from a destination processor.

15. Basis of offers:

- A. Bids shall be submitted as a differential price per pound to the Chicago Mercantile Exchange (CME) cash market price for 40 pound block cheese.
- B. The contract price for a delivery period shall be the total of the accepted differential price, PLUS the following economic price adjustment (EPA): the previous week average (PWA) of the CME cash 40 pound block cheese trading as reported in USDA's Dairy Market News.
- C. The week average for the PWA is a simple average of all the daily closing prices for 40 pound block cheese during the calendar week of the CME cash trading. Previous week means the first full Gregorian calendar week before the first day of the delivery period on the contract delivery order. Example: If the first day of the delivery period is July 16, the PWA price shall be for the week of July 7-11.
- D. In the event the CME prices are not available or do not accurately represent the market (as determined by the Government), the Government may use the National Agricultural Statistics Service (NASS) cheese price series (or suitable replacement) as the basis for calculating the PWA value for block cheese.
- E. For early delivery of the cheese authorized by the Government, the PWA price shall be based on the actual delivery period instead of the delivery period indicated on the delivery order. Example: The delivery order states July 16-31 and the delivery was authorized for and delivered in July 1-15, 2008, the PWA price shall be the June 23-27, 2007 CME.
- F. Bidders may submit bids for less than the quantities indicated.

16. Schedule of Supplies:

Type	Pack Size	Pounds	
		Minimum	Maximum
LMPS, frozen, shredded	30 lb box (exact weight)	1,249,920	5,564,160
LITE, frozen, shredded	30 lb box (exact weight)	1,814,400	7,136,640
LMPS, frozen	8/6 lb loaves (random weight)	1,532,160	7,418,880
LMPS, chilled	Processor Pack (Master Bag totes)	13,144,320	54,311,040
TOTAL		17,740,800	74,430,720

Commodity specifications, packaging and marking requirements can be found in the USDA Commodity Requirements document MCD6, Mozzarella Cheese, and is available at: <http://www.fsa.usda.gov/FSA/webapp?area=home&subject=coop&topic=pas-da>.

Delivery orders shall be issued by a USDA/KCCO contracting officer by mail, orally, by facsimile, or by electronic commerce methods.

17. Shipment/Delivery Schedule:

A. The period of performance of the contract shall be January 1, 2009 through December 31, 2009, and deliveries shall be made in accordance with the contract.

B. Estimated Maximum Cheese Orders

Jan-Dec 2009	Frozen		Frozen	Chilled
	LMPS 30 Lb Box Shreds	Frozen LMPS 8/6 Lb Loaves	LITE 30 Lb Box Shreds	Processor Pack (Totes)
Jan-2009	645,120	806,400	1,169,280	6,935,040
Feb-2009	483,840	685,440	604,800	5,160,960
Mar-2009	403,200	403,200	443,520	4,435,200
Apr-2009	0	241,920	201,600	3,064,320
May-2009	0	120,960	120,960	1,330,560
Jun-2009	201,600	80,640	0	806,400
Jul-2009	685,440	806,400	1,088,640	6,249,600
Aug-2009	846,720	1,411,200	1,088,640	4,959,360

Sep-2009	564,480	887,040	967,680	4,959,360
Oct-2009	887,040	685,440	443,520	5,725,440
Nov-2009	403,200	645,120	604,800	5,967,360
Dec-2009	443,520	645,120	403,200	4,717,440
TOTAL	5,564,160	7,418,880	7,136,640	54,311,040

C. Anticipated orders: The following list is provided as information to offerors and includes estimated quantities and locations as currently ordered. Actual orders may vary from the list due to changes in program requirements. CAPACITY OFFERED MAY EXCEED ANTICIPATED ORDER QUANTITY, SEE SECTION 17-B.

http://www.fsa.usda.gov/Internet/FSA_File/mcd6_010.pdf

http://www.fsa.usda.gov/Internet/FSA_File/mcd6_010_e.xls

D. Anticipated Destinations: The following list is provided as information to offerors and includes destinations as currently ordered. Actual destinations may vary from the list below due to changes in program requirements.

LITE SHRED 30 LB BOX

Destination City	State
-----	-----
BIRMINGHAM	AL
CALERA	AL
CLANTON	AL
MOBILE	AL
PHOENIX	AZ
AZUSA	CA
COMMERCE	CA
CORDELIA	CA
GARDENA	CA
LOS ANGELES	CA
POMONA	CA
SACRAMENTO	CA
COMMERCE CITY	CO
DENVER	CO
FORT MORGAN	CO
FT MORGAN	CO
PUEBLO WEST	CO
ROCKY HILL	CT
LAKELAND	FL
WINTER HAVEN	FL
AMERICUS	GA
COLLEGE PARK	GA
DOUGLAS	GA
DOUGLASVILLE	GA
KENNESAW	GA
GRANITE CITY	IL
ALEXANDRIA	LA
BATON ROUGE	LA
ST MARTINVILLE	LA
BRIGHTON	MI
GRAND RAPIDS	MI
WYOMING	MI
BILLINGS	MT
HELENA	MT
CREEDMOOR	NC
SALISBURY	NC

FARGO	ND
PORT NEWARK	NJ
VINELAND	NJ
AUBURN	NY
BRENTWOOD	NY
CHEEKTOWAGA	NY
HOLLEY	NY
MILTON	NY
FORT MILL	SC
LEXINGTON	SC
AUSTIN	TX
EL PASO	TX
GRAND PRAIRIE	TX
HOUSTON	TX
LUBBOCK	TX
SAN ANTONIO	TX
CLEARFIELD	UT

LMPS SHRED 30 LB BOX
DESTINATION

CITY	STATE
-----	-----
LITTLE ROCK	AR
PHOENIX	AZ
LAKE FOREST	CA
PUEBLO WEST	CO
OCALA	FL
CLEVELAND	GA
CONYERS	GA
FAIRBURN	GA
KENNESAW	GA
BLOOMINGTON	IN
FORT WAYNE	IN
LOGANSPORT	IN
VINCENNES	IN
CHICOPEE	MA
TAUNTON	MA
WILMINGTON	MA
WORCESTER	MA
BALTIMORE	MD
JESSUP	MD
POCOMOKE CITY	MD
BRIGHTON	MI
GRAND RAPIDS	MI
WYOMING	MI
NEWPORT	MN
HELENA	MT
CONCORD	NH
FOREST GROVE	OR
ALTOONA	PA
COAL TOWNSHIP	PA
PHILADELPHIA	PA
WILKES-BARRE	PA
CRANSTON	RI
JOHNSON CITY	TN
CLEARFIELD	UT
SPANISH FORK	UT
MADISON HEIGHTS	VA
RICHMOND	VA

SUFFOLK	VA
PLAINFIELD	VT
PUYALLUP	WA
SPOKANE	WA
DARIEN	WI
EAU CLAIRE	WI

LMPS 8/6-lb lvs

Destination

City	State
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PHOENIX	AZ
ANAHEIM	CA
AZUSA	CA
CARSON	CA
COMMERCE	CA
LOS ANGELES	CA
POMONA	CA
SACRAMENTO	CA
SANTA CLARITA	CA
PUEBLO WEST	CO
WINTER HAVEN	FL
NAMPA	ID
GRANITE CITY	IL
CHICOPEE	MA
MEDFORD	MA
TAUNTON	MA
WILMINGTON	MA
WORCESTER	MA
ROMULUS	MI
WARREN	MI
WILLIAMSTON	MI
LINCOLN	NE
OMAHA	NE
SALEM	NH
NEWARK	NJ
AUBURN	NY
BINGHAMTON	NY
BRENTWOOD	NY
CHEEKTOWAGA	NY
HOLLEY	NY
MALONE	NY
MILTON	NY
YORKVILLE	NY
CLEVELAND	OH
COLUMBUS	OH
DAYTON	OH
CLACKAMAS	OR
GLADSTONE	OR
BOYERTOWN	PA
RED LION	PA
JOHNSON CITY	TN
CLEARFIELD	UT
MADISON HEIGHTS	VA
RICHMOND	VA
SUFFOLK	VA
DARIEN	WI
EAU CLAIRE	WI

LMPS Processor Pack

DESTINATION

CITY	STATE
-----	-----
CARSON	CA
BRUNSWICK	GA
RINGGOLD	GA
CHICAGO	IL
SALINA	KS
FLORENCE	KY
BROCKTON	MA
PEABODY	MA
TAUNTON	MA
LAUREL	MD
CANTON	MI
GAYLORD	MI
ROMULUS	MI
WARREN	MI
WILLIAMSTON	MI
CARTHAGE	MO
HELENA	MT
CREEDMOOR	NC
MONROE	NC
LONDONDERRY	NH
PORTSMOUTH	NH
CHERRY HILL	NJ
BROOKLYN	NY
TROY	OH
CLACKAMAS	OR
NEW WILMINGTON	PA
NORTH EAST	PA
PHILADELPHIA	PA
READING	PA
SCRANTON	PA
WEST MIDDLESEX	PA
WILKES-BARRE	PA
SWANTON	VT
SPENCER	WI
STEVENS POINT	WI

18. Other Requirements:

A. Ordering of Commodity Procedure.

(1) For each allocation period of contract performance, the awarded price and capacity of all Contractors in good standing will be considered for USDA/Food and Nutrition Service food requisitions. In addition to price and capacity, factors considered in ordering will include the time of shipment, the total cost to the Government to deliver the product to the ultimate destination, minimum quantity guarantee, maximum quantity limit, set-aside(s), and the responsibility of the Contractor as demonstrated by past performance under the contract, including, but not limited to, quality and timeliness.

(2) Ordering of commodity under this contract shall be accomplished by issuance of an Order Wire not less than 30 calendar days before the required delivery period, except in the case of emergencies. In the case of an emergency, commodity may be ordered by telephone, facsimile, or electronic commerce. The Government shall confirm telephone requests in writing.

(3) If an N/D is issued less than 7 calendar days prior to the first day of the delivery period, the Government shall extend the delivery period by the number of days the N/D is issued late, if the contractor furnishes evidence satisfactory to the Government that it was prepared to deliver during the delivery period. If ordering of commodity is by telephone, facsimile, or electronic commerce, and less than 7 calendar days prior to the first day of the delivery period, the Government shall negotiate with the contractor to establish a shorter notification period for purposes of application of liquidated damages.

(4) The contractor may increase their stated monthly or delivery period capacity if the Government agrees to the capacity change. Changes to the capacity will not affect overall maximum contract quantity.

(5) If the Contractor intends to use AMS for quality assurance, the Government shall allocate a minimum of three (3) truckloads per month to the Contractor unless a smaller quantity is requested by the consignee.

(6) USDA may modify the allocation of products ordered under the contract because of changes in program requirements; provided USDA complies with the overall minimum-maximum quantities for the contract, and the contractor agrees to the change in allocations among pack sizes.

B. Maximum EPA Price.

If the PWA price for 40-pound block cheese exceeds \$2.25 per pound (referred to as the maximum price), the Government reserves the right to suspend ordering under the contract.

C. Delivery Order - Limitations:

(1) The Government shall request delivery of supplies in truckload quantities to the states shown on the LTCS Price page. Each truckload quantity is 40,320 pounds.

(2) The Government may make changes and/or cancellations to delivery orders by giving the Contractor no less than 48 hours notice of the change. If the Government cancels an order and the Contractor can provide evidence satisfactory to the Government that it has already packaged the order as required by the contract, the Government will accept the commodity.

(3) The commodity ordered shall be delivered by the contractor no later than the delivery period set forth in the N/D. No extensions shall be granted due to weekends or Federal holidays.

(4) For shipments of commodity in excess of two stop-offs and a final destination, the adjustment to the contract price will be mutually agreed upon prior to delivery.

D. Seals on Transportation Conveyances

(1) Suppliers of commodities, products and/or services shall be responsible for placing a seal(s) on all cargo doors of each transportation conveyance upon completion of loading, partial unloading, inspection, or servicing. The seal must be a numbered, barrier-type, high security bolt, cable or equivalent device which can only be removed with bolt cutter type tools. The contractor or its agent shall provide a sufficient number of barrier-type seals to ensure clear security of the lading while in route through final destination.

(2) The seal numbers shall be documented on the Bill of Lading, which must be signed or acknowledged by the carrier or its agent. Deliveries may be refused if the seal is broken or missing, or if the seal number(s) does not match the seal number(s) recorded on the conveyance's Bill of Lading.

E. The Contractor shall only tender for acceptance those items that conform to the requirements of this contract and shall be evidenced by a Certificate Of Analysis (COA) and language that states the product meets the Compositional, Physical Analysis, and other requirements of the contract.

F. With respect to the quality standard(s) shown in the Master Solicitation for Commodity Procurements (FAR clause 52.246-11, Higher-Level Contract Quality Requirement) the following apply:

Except as otherwise provided in the contract, the Government shall bear its own expense of Government quality assurance.

When contractor's quality control system is not ready at the time specified by the Contractor for performance of quality assurance at source, the Contracting Officer may charge to the Contractor the additional cost of quality assurance.

The Contracting Officer may also charge the Contractor for any additional cost of quality assurance when prior nonconformance makes re-surveillance necessary.

The Contracting Officer may require or permit correction in place, promptly after notice, by and at the expense of the Contractor.

19. FAR and Agriculture Acquisition Regulation (AGAR) Provisions and Clauses:

A. This solicitation shall be subject to the terms and conditions of KCCO's Master Solicitation for Commodity Procurements (MSCP) in effect as of the date of this solicitation and can be found at: <http://www.fsa.usda.gov/FSA/webapp?area=home&subject=coop&topic=pas>. The FAR and AGAR provisions and clauses applicable to this solicitation are contained in the MSCP.

B. The alteration to FAR provision 52.214-22, Evaluation of Bids for Multiple Awards, found in FAR provision 52.252-3 in the MSCP is deleted for this solicitation. FAR provision 52.214-22 is incorporated into the contract without alteration.

C. The FAR Provision 52.216-1, Type of Contract, in the MSCP is deleted and replaced with the following:
FAR Provision 52.216-1, Type of Contract (Apr 1984)

The Government contemplates award of a fixed-price, with economic price adjustment, indefinite delivery contract resulting from this solicitation. (End of provision)

D. FAR Clause 52.216-18, Ordering (Oct 1995)

(a) Any supplies and services to be furnished under this contract shall be ordered by issuance of delivery orders or task orders by the individuals or activities designated in the Schedule. Such orders may be issued from date of contract award through the end date of the contract's period of performance.

(b) All delivery orders or task orders are subject to the terms and conditions of this contract. In the event of conflict between a delivery order or task order and this contract, the contract shall control.

(c) If mailed, a delivery order or task order is considered "issued" when the Government deposits the order in the mail. Orders may be issued orally, by facsimile, or by electronic commerce methods only if authorized in the Schedule. (End of clause)

E. FAR Clause 52.216-19, Order Limitations (Oct 1995)

(a) Minimum order. When the Government requires supplies or services covered by this contract in an amount of less than one truckload, the Government is not obligated to purchase, nor is the Contractor obligated to furnish, those supplies or services under the contract.

(b) Maximum order. The Contractor is not obligated to honor:

(1) Any order for a single item in excess of the balance of the contract maximum or Contractor's offered capacity for the applicable delivery period, whichever is less;

(2) Any order for a combination of items in excess of the balance of the contract maximum or Contractor's offered capacity for the applicable delivery period, whichever is less; or

(3) A series of orders from the same ordering office within 31 days that together call for quantities exceeding the limitation in subparagraph (b)(1) or (2) of this section.

(c) Notwithstanding paragraph (b) of this section, the Contractor shall honor any order exceeding the maximum order limitations in paragraph (b), unless that order (or orders) is returned to the ordering office within 7 days of issuance, with written notice stating the Contractor's intent not to ship the item (or items) called for and the reasons. Upon receiving this notice, the Government may acquire the supplies or services from another source. (End of clause)

F. FAR Clause 52.216-22, Indefinite Quantity (Oct 1995)

(a) This is an indefinite-quantity contract for the supplies or services specified, and effective for the period stated, in the Schedule. The quantities of supplies and services specified in the Schedule are estimates only and are not purchased by this contract.

(b) Delivery or performance shall be made only as authorized by orders issued in accordance with the Ordering Clause. The Contractor shall furnish to the Government, when and if ordered, the supplies or services specified in the Schedule up to and including the quantity designed in the Schedule as the "maximum." The Government shall order at least the quantity of supplies or services designated in the Schedule as the "minimum."

(c) Except for any limitations on quantities in the Order Limitations clause or in the Schedule, there is no limit on the number of orders that may be issued. The Government may issue orders requiring delivery to multiple destinations or performance at multiple locations.

(d) Any order issued during the effective period of this contract and not completed within that period shall be completed by the Contractor within the time specified in the order. The contract shall govern the Contractor's and Government's rights and obligations with respect to that order to the same extent as if the order were completed during the contract's effective period; provided, that the contractor shall not be required to make any deliveries under this contract after December 31, 2009. (End of clause)

G. /X/ Applicable if checked. FAR Clause 52.232-18, Availability of Funds (Apr 1984). Funds are not presently available for this contract. The Government's obligation under this contract is contingent upon the availability of appropriated funds from which payment for contract purposes can be made. No legal liability on the part of the Government for any payment may arise until funds are made available to the contracting officer for this contract and until the contractor receives notice of such availability, to be confirmed in writing by the contracting officer. (End of clause)

H. /x/ Applicable if checked. FAR Clause 52.232-19, Availability of Funds for the Next Fiscal Year (Apr 1984). Funds are not presently available for performance under this contract beyond 10/31/2009. The Government's obligation for performance of this contract beyond that date is contingent upon the availability of appropriated funds from which payment for contract purposes can be made. No legal liability on the part of the Government for any payment may arise for performance under this contract beyond 10/31/2009, until funds are made available to the Contracting Officer for performance and until the Contractor receives notice of availability, to be confirmed in writing by the Contracting Officer. (End of clause)

Wayne A. Oliver
Contracting Officer, USDA
Solicitation MCD6-010