

Also, HHS staff attendance or participation at a conference does not imply HHS conference sponsorship. Accordingly, for other than conference contracts funded entirely by HHS, prior to a contractor claiming HHS conference sponsorship, the contractor must provide to the Contracting Officer a written request for permission to claim HHS as the conference sponsor—see 370.602. The OPDIV/STAFFDIV head, or designee, shall approve such requests.

**370.602 Contract clause.**

To ensure that a contractor:

(a) Properly requests approval to claim HHS as the conference sponsor, where HHS is not the sole provider of conference funding; and

(b) Includes an appropriate Federal funding disclosure and content disclaimer statement on conference materials, the Contracting Officer shall include the clause in 352.270–7, Conference Sponsorship Request and Conference Materials Disclaimer, in solicitations, contracts, and orders that provide funding, in whole or in part, to support a conference.

**Subpart 370.7—Acquisitions Under the Leadership Act**

**370.700 Scope of subpart.**

This subpart sets forth the acquisition requirements regarding implementation of HIV/AIDS programs under the President’s Emergency Plan for AIDS Relief under the Leadership Act of 2003, and under the Tom Lantos and Henry J. Hyde United States Global Leadership Against HIV/AIDS, Tuberculosis, and Malaria Reauthorization Act of 2008 (Emergency Plan reauthorization legislation), which was signed by the President on July 30, 2008.

**370.701 Contract clause.**

The Contracting Officer shall insert the clause in 352.270–8, Prostitution and

Related Activities, in solicitations, contracts, and orders, and in existing contracts and orders (whenever they are modified to extend the period of performance or add funds, including any options that may be exercised): in connection with the implementation of HIV/AIDS programs under the President’s Emergency Plan for AIDS Relief; or where the contractor will receive funding under the United States Leadership Against HIV/AIDS, Tuberculosis and Malaria Act of 2003. (*Note: See 370.702 and 352.270–9 for the “Non-discrimination for Conscience” provision that must also be included in applicable solicitations.*) In resolving any issues/complaints that offerors/contractors may raise about meeting the requirements specified in the clause, the Contracting Officer shall consult with the Office of Global Health Affairs, Office of the General Counsel, the Project Officer, and other HHS officials, as appropriate.

**370.702 Solicitation provision.**

The Contracting Officer shall insert the provision in 352.270–9, Non-discrimination for Conscience, in solicitations valued at more than the micro-purchase threshold: in connection with the implementation of HIV/AIDS programs under the President’s Emergency Plan for AIDS Relief; or where the contractor will receive funding under the United States Leadership Against HIV/AIDS, Tuberculosis and Malaria Act of 2003. (*Note: See 370.701 and 352.270–8 for the “Prostitution and Related Activities” clause that must also be included in applicable solicitations, contracts, and orders.*) In resolving any issues/complaints that offerors may raise about meeting the requirements specified in the provision, the Contracting Officer shall consult with the Office of Global Health Affairs, Office of the General Counsel, the Project Officer, and other HHS officials, as appropriate.

## CHAPTER 4—DEPARTMENT OF AGRICULTURE

---

### SUBCHAPTER A—GENERAL

<i>Part</i>		<i>Page</i>
401	Agriculture Acquisition Regulation System .....	141
402	Definitions of words and terms .....	146
403	Improper business practices and personal conflicts of interest .....	146
404	Administrative matters .....	148

### SUBCHAPTER B—COMPETITION AND ACQUISITION PLANNING

405	Publicizing contract actions .....	150
406	Competition requirements .....	150
407	Acquisition planning .....	151
408	Required sources of supplies and services .....	152
409	Contractor qualifications .....	154
410	Market research .....	156
411	Describing agency needs .....	156
412	Acquisition of commercial items .....	157

### SUBCHAPTER C—CONTRACTING METHODS AND CONTRACT TYPES

413	Simplified acquisition procedures .....	159
414	Sealed bidding .....	159
415	Contracting by negotiation .....	160
416	Types of contracts .....	162
417	Special contracting methods .....	163
418	[Reserved]	

### SUBCHAPTER D—SOCIOECONOMIC PROGRAMS

419	Small business programs .....	164
420–421	[Reserved]	
422	Application of labor laws to Government acquisitions tions .....	165
423	Environment, energy and water efficiency, renew- able energy technologies, occupational safety, and drug-free workplace .....	167
424	Protection of privacy and freedom of information	169
425	Foreign acquisition .....	170

**48 CFR Ch. 4 (10-1-12 Edition)**

<i>Part</i>		<i>Page</i>
426	Other socioeconomic programs .....	171
SUBCHAPTER E—GENERAL CONTRACTING REQUIREMENTS		
427	Patents, data, and copyrights .....	172
428	Bonds and insurance .....	172
429	[Reserved]	
430	Cost accounting standards administration .....	173
431	Contract cost principles and procedures .....	174
432	Contract financing .....	174
433	Protests, disputes and appeals .....	178
SUBCHAPTER F—SPECIAL CATEGORIES OF CONTRACTING		
434	Major system acquisition .....	180
435	Research and development contracting .....	181
436	Construction and architect-engineer contracts .....	181
437	Service contracting .....	184
438	[Reserved]	
439	Acquisition of information technology .....	185
440	[Reserved]	
441	Acquisition of utility services .....	186
SUBCHAPTER G—CONTRACT MANAGEMENT		
442	Contract administration .....	187
443-444	[Reserved]	
445	Government property .....	187
446	Quality assurance .....	188
447	Transportation .....	188
448	[Reserved]	
449	Termination of contracts .....	189
450	Extraordinary contractual actions .....	189
451	[Reserved]	
SUBCHAPTER H—CLAUSES AND FORMS		
452	Solicitation provisions and contract clauses .....	191
453	Forms .....	201
SUBCHAPTER I—FOOD ASSISTANCE PROGRAMS		
470	Commodity acquisitions .....	203

## SUBCHAPTER A—GENERAL

### PART 401—AGRICULTURE ACQUISITION REGULATION SYSTEM

Sec.  
401.000 Scope of part.

#### Subpart 401.1—Purpose, Authority, Issuance

401.101 Purpose.  
401.103 Authority.  
401.104 Applicability.  
401.105 Issuance.  
401.105-1 Publication and code arrangement.  
401.105-2 Arrangement of regulations.  
401.105-3 Copies.  
401.106 OMB approval under the Paperwork  
Reduction Act.  
401.170 Electronic access to regulatory in-  
formation.

#### Subpart 401.2—Administration

401.201 Maintenance of the FAR.  
401.201-1 The two councils.

#### Subpart 401.3—Agency Acquisition Regulations

401.301 Policy.  
401.304 Agency control and compliance pro-  
cedures.  
401.370 Exclusions.  
401.371 AGAR Advisories.  
401.372 Departmental directives.

#### Subpart 401.4—Deviations From the FAR and AGAR

401.402 Policy.  
401.403 Individual deviations.  
401.404 Class deviations.

#### Subpart 401.6—Contracting Authority and Responsibilities

401.601 General.  
401.602 Contracting officers.  
401.602-3 Ratification of unauthorized com-  
mitments.  
401.603 Selection, appointment, and termi-  
nation of appointment.  
401.603-1 General.

AUTHORITY: 5 U.S.C. 301 and 40 U.S.C.  
486(c).

SOURCE: 61 FR 53646, Oct. 15, 1996, unless  
otherwise noted.

#### 401.000 Scope of part.

This part presents basic policies and  
general information about the Depart-

ment of Agriculture's (USDA) Acquisi-  
tion Regulation, subsequently referred  
to as the AGAR. The AGAR is an inte-  
gral part of the Federal Acquisition  
Regulations System.

#### Subpart 401.1—Purpose, Authority, Issuance

##### 401.101 Purpose.

(a) The AGAR provides for the codi-  
fication and publication of uniform  
policies and procedures for acquisitions  
by contracting activities within USDA.

(b) The purpose of the AGAR is to  
implement the Federal Acquisition  
Regulation (FAR), where further im-  
plementation is needed, and to supple-  
ment the FAR when coverage is needed  
for subject matter not covered in the  
FAR. The AGAR is not by itself a com-  
plete document, as it must be used in  
conjunction with the FAR.

##### 401.103 Authority.

The AGAR and amendments thereto  
are issued under 5 U.S.C. 301 and 40  
U.S.C. 486(c). The Senior Procurement  
Executive (SPE) has the delegated au-  
thority to promulgate Departmental  
acquisition regulations.

##### 401.104 Applicability.

The FAR and AGAR apply to all  
USDA acquisitions of supplies and  
services (including construction) which  
obligate appropriated funds, unless  
otherwise specified in this chapter or  
excepted by law.

##### 401.105 Issuance.

##### 401.105-1 Publication and code ar- rangement.

(a) The AGAR is codified in the Code  
of Federal Regulations (CFR) as Chap-  
ter 4 of Title 48, Federal Acquisition  
Regulations System, to implement and  
supplement Chapter 1 which con-  
stitutes the FAR. Parts 400 through 499  
have been assigned to USDA by the Of-  
fice of the Federal Register.

(b) The AGAR and its subsequent  
changes are published in:

**401.105-2**

(1) Daily issues of the FEDERAL REGISTER,

(2) Cumulative form in the CFR, and,

(3) Electronic form on the USDA Departmental Administration Procurement Homepage (see 401.170).

(c) Section 553(a)(2) of the Administrative Procedure Act, 5 U.S.C. 553, provides an exception from the standard public rulemaking procedures to the extent that the rule involves a matter relating to agency management or personnel or to public property, loans, grants, benefits, or contracts. In 1971, Secretary of Agriculture Hardin announced a voluntary partial waiver from the Administrative Procedure Act exception, and USDA agencies generally are required to provide notice and an opportunity for public comment on proposed rules (36 FR 13804, July 24, 1971). The AGAR has been promulgated and may be revised from time to time in accordance with the rulemaking procedures of the Administrative Procedure Act. The USDA also is required to publish for public comment procurement regulations in the FEDERAL REGISTER, pursuant to the Office of Federal Procurement Policy Act (41 U.S.C. 418b), and FAR 1.301.

[61 FR 53646, Oct. 15, 1996, as amended at 70 FR 44, Jan. 3, 2005]

**401.105-2 Arrangement of regulations.**

AGAR coverage parallels the FAR in format, arrangement, and numbering system. However, subdivisions below the section and subsection levels may not always correlate directly to FAR designated paragraphs and subparagraphs.

**401.105-3 Copies.**

Copies of the AGAR published in CFR form may be purchased from the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402. Requests should reference Chapter 4 of Title 48 CFR.

**401.106 OMB approval under the Paperwork Reduction Act.**

The following OMB control numbers apply to USDA solicitations and specified information collections within the AGAR:

**48 CFR Ch. 4 (10-1-12 Edition)**

AGAR segment	OMB Control No.
411.170 .....	0505-0014
415.2 .....	0505-0013
436.575 .....	0505-0011
437.110 .....	0505-0015
437.270 .....	0505-0016
452.211-1 .....	0505-0014
452.215-71 .....	0505-0013
452.236-75 .....	0505-0011
452.237-74 .....	0505-0015
452.237-76 .....	0505-0016

[61 FR 53646, Oct. 15, 1996, as amended at 64 FR 52674, Sept. 30, 1999]

**401.170 Electronic access to regulatory information.**

The USDA Departmental Administration Procurement Homepage provides access to the AGAR, AGAR amendments (circulars), AGAR Advisories, and other USDA procurement policy and guidance in electronic form. The Internet address for the Procurement Homepage is URL <http://www.usda.gov/procurement/>.

[63 FR 26994, May 15, 1998, as amended at 70 FR 44, Jan. 3, 2005]

**Subpart 401.2—Administration**

**401.201 Maintenance of the FAR.**

**401.201-1 The two councils.**

(a) USDA’s representative on the Civilian Agency Acquisition Council is designated by the SPE.

(b) The Procurement Policy Division will coordinate proposed FAR revisions within USDA.

[61 FR 53646, Oct. 15, 1996, as amended at 70 FR 44, Jan. 3, 2005]

**Subpart 401.3—Agency Acquisition Regulations**

**401.301 Policy.**

(a) The SPE, subject to the authorities in 401.103 and FAR 1.301, may issue and publish Departmental regulations, that together with the FAR, constitute Department-wide policies, procedures, solicitation provisions, and contract clauses governing the contracting process or otherwise controlling the relationship between USDA (including any of its contracting activities) and contractors or prospective contractors.

(b) Each designated head of a contracting activity (HCA) is authorized to issue or authorize the issuance of, at any organizational level, internal guidance which does not have a significant effect beyond the internal operating procedures of the activity, or a significant cost or administrative impact on offerors or contractors. Internal guidance issued by contracting activities will not be published in the FEDERAL REGISTER. HCA's shall ensure that the guidance, procedures, or instructions issued—

(1) Are consistent with the policies and procedures contained in this chapter;

(2) Follow the format, arrangement, and numbering system of this chapter to the extent practicable;

(3) Contain no material which duplicates, paraphrases, or is inconsistent with this chapter; and

(4) Are numbered and identified by use of alphabetical suffixes to the chapter number as follows:

- 4A [Reserved]
- 4B Agricultural Research Service.
- 4C Farm Service Agency.
- 4D Rural Development (mission area).
- 4E Food Safety and Inspection Service.
- 4F [Reserved]
- 4G Forest Service.
- 4H [Reserved]
- 4I Natural Resources Conservation Service.
- 4J [Reserved]
- 4K Food and Nutrition Service.
- 4L Animal and Plant Health Inspection Service.
- 4M [Reserved]
- 4N Departmental Administration.
- 4O–4P [Reserved]
- 4R Office of Inspector General.
- 4S [Reserved]

[61 FR 53646, Oct. 15, 1996, as amended at 70 FR 44, Jan. 3, 2005]

**401.304 Agency control and compliance procedures.**

(a) The AGAR System is under the direct oversight and control of the SPE, who is responsible for review and issuance of all Department-wide acquisition regulations published in the FEDERAL REGISTER to assure compliance with FAR part 1.

(b) The SPE is also responsible for review and issuance of unpublished, De-

partment-wide internal guidance under the AGAR System.

(c) HCA's are responsible for establishment and implementation of formal procedures for oversight and control of unpublished internal guidance issued within the contracting activity to implement FAR or AGAR requirements. These procedures shall be subject to the review and approval by the SPE.

(d) The SPE is responsible for evaluating coverage under the AGAR System to determine applicability to other agencies and for recommending coverage to the FAR Secretariat for inclusion in the FAR.

(e) Recommendations for revision of existing FAR coverage or new FAR coverage shall be submitted by the HCA to the SPE for further action.

**401.370 Exclusions.**

Subject to the policies of FAR subpart 1.3, certain USDA acquisition policies and procedures may be excluded from the AGAR under appropriately justified circumstances, such as:

(a) Subject matter which is effective for a period less than 12 months.

(b) Subject matter which is instituted on an experimental basis for a reasonable period.

(c) Acquisition procedures instituted on an interim basis to comply with the requirements of statute, regulation, Executive Order, OMB Circular, or OFPP Policy Letter.

**401.371 AGAR Advisories.**

The SPE may issue AGAR Advisories, consistent with the policies of the FAR and the AGAR, for the following purposes:

(a) To communicate Department-wide policy and/or procedural guidance to contracting activities;

(b) To delegate to procurement officials authority to make determinations or to take action to implement the policies of the FAR or the AGAR; and,

(c) To establish internal policy and procedures on an interim basis, prior to incorporation in the AGAR or in a Departmental Directive.

(d) AGAR Advisories are only available in electronic format on the USDA

#### 401.372

Procurement Web site at <http://www.usda.gov/procurement/>.

[61 FR 53646, Oct. 15, 1996, as amended at 70 FR 44, Jan. 3, 2005]

#### 401.372 Departmental directives.

Subject to the policies of FAR 1.3, USDA from time to time may issue internal directives to establish procedures, standards, guidance, or methods of performing duties, functions, or operations. Such directives include Departmental Regulations (DR's), Departmental Notices, and Secretary's Memoranda.

### Subpart 401.4—Deviations From the FAR and AGAR

#### 401.402 Policy.

Requests for authority to deviate from the provisions of the FAR or the AGAR shall be submitted in writing as far in advance as the exigencies of the situation will permit. Each request for deviation shall contain the following:

(a) A statement of the deviation desired, including identification of the specific paragraph number(s) of the FAR and AGAR;

(b) The reason why the deviation is considered necessary or would be in the best interest of the Government;

(c) If applicable, the name of the contractor and identification of the contract affected;

(d) A statement as to whether the deviation has been requested previously and, if so, circumstances of the previous request;

(e) A description of the intended effect of the deviation;

(f) A statement of the period of time for which the deviation is needed; and

(g) Any pertinent background information which will contribute to a full understanding of the desired deviation.

#### 401.403 Individual deviations.

In individual cases, deviations from either the FAR or the AGAR will be authorized only when essential to effect a necessary acquisition or where special circumstances make such deviations clearly in the best interest of the Government. Except for cost principles, HCA's may approve individual deviations from the AGAR, after co-

#### 48 CFR Ch. 4 (10-1-12 Edition)

ordinating with the General Counsel and the SPE. No deviations from the FAR or AGAR may be authorized at the contracting office level. A copy of each deviation and its supporting documentation shall be provided to the SPE. Deviations from the FAR shall not be made unless such action is authorized by the SPE after consultation with the Office of the General Counsel and any other appropriate office, on the basis of a written justification stating clearly the special circumstances involved.

#### 401.404 Class deviations.

Where deviations from the FAR or AGAR are considered necessary for classes of contracts, requests for authority to deviate shall be submitted in writing to the SPE for approval. The SPE may authorize class deviations from the FAR without consulting the Chairperson of the Civilian Agency Acquisition Council where urgency precludes consultation. The SPE shall subsequently inform the Chairperson of the Civilian Agency Acquisition Council of the deviation including the circumstances under which it was required.

### Subpart 401.6—Contracting Authority and Responsibilities

#### 401.601 General.

(a) The authority and responsibility vested in the Secretary to manage USDA's acquisition function is delegated through the Assistant Secretary for Administration to the SPE. This broad authority includes, but is not limited to, the following responsibilities:

(1) Prescribing and publishing Departmental acquisition policies, regulations, and procedures.

(2) Taking any necessary actions consistent with policies, regulations, and procedures with respect to purchases, contracts, leases, and other transactions.

(3) Designating contracting officers.

(4) Establishing clear lines of contracting authority.

(5) Evaluating and monitoring the performance of USDA's acquisition system.

(6) Managing and enhancing career development of the contracting work force.

(7) Participating in the development of Government-wide acquisition policies, regulations, and standards; and determining specific areas where government-wide performance standards should be established and applied.

(8) Determining areas of Department-unique standards and developing unique Department-wide standards.

(9) Certifying to the Secretary that the acquisition system meets approved standards.

(b) The SPE may delegate contracting authority to the Heads of Contracting Activities (HCA's) and the responsibility to manage their acquisition function.

(c) Unless prohibited by the FAR, the AGAR, or by other applicable statutes and regulations, the SPE may redelegate to HCA's the authority to make determinations as the agency head in order to implement the policies and procedures of the FAR. Such delegations shall be in writing, but need not be published.

(d) Unless prohibited by the FAR, the AGAR, or by other applicable statutes or regulations, each HCA may designate one individual from the contracting activity to carry out the functions of the HCA (HCAD). The HCAD may exercise all authority delegated to the HCA.

#### 401.602 Contracting officers.

##### 401.602-3 Ratification of unauthorized commitments.

(a) *Definitions. Ratification*, as used in this section, means the signed, documented action taken by an authorized official to approve and sanction a previously unauthorized commitment.

*Unauthorized commitment*, as used in this section, means an agreement made by a Government representative who lacked the authority to enter into a contract on behalf of the Government.

(b) *Policy*. The HCA may delegate ratification authority to the chief of the contracting office.

(c) *Procedure*. Whenever an official of the cognizant contracting activity who is authorized to ratify unauthorized commitments learns that a person or

firm has assumed work as a result of an unauthorized commitment, that official shall take the following actions:

(1) Immediately inform any person who is performing work as a result of an unauthorized commitment that the work is being performed at that person's risk;

(2) Inform the individual who made the unauthorized commitment of the seriousness of the act and the possible consequences;

(3) Ensure that the individual who made the unauthorized commitment furnishes all records and documents concerning the commitment and a complete, written statement of facts, including, but not limited to: a statement as to why a contracting officer was not used; why the vendor was selected and a list of sources considered; a description of work to be performed or products to be furnished; the estimated or agreed price; whether an appropriation is available for the work; and whether performance has begun. Under exceptional circumstances, such as when the individual who made the unauthorized commitment is no longer available to attest to the circumstances of the unauthorized commitment, the ratifying official may waive these requirements; and

(4) Decide whether ratification is proper and proceed as follows:

(i) If ratification is not justifiable, provide the cognizant program office, contracting office, and the unauthorized contractor with an explanation of the decision not to ratify.

(ii) If ratification appears adequately justified, ratify the action and retain or assign the contract to a successor contracting officer if necessary.

(iii) Maintain related approval, decisional, and background documents in the contract file for audit purposes.

(iv) Notify the cognizant program supervisor or line officer about the final disposition of the case; the notification may include a recommendation that the unauthorized commitment should be further considered a violation of USDA's employee conduct regulations.



## 401.603

### 401.603 Selection, appointment, and termination of appointment.

#### 401.603-1 General.

An HCA may delegate contracting authority to the extent authorized by the SPE in a general delegation of acquisition authority, by appointing qualified individuals as contracting officers, in accordance with the USDA Contracting Officer Warrant System, Departmental Regulation 5001-1.

## PART 402—DEFINITIONS OF WORDS AND TERMS

Sec.

402.000 Scope of part.

### Subpart 402.1—Definitions

402.101 Definitions.

AUTHORITY: 5 U.S.C. 301 and 40 U.S.C. 486(c).

SOURCE: 61 FR 53646, Oct. 15, 1996, unless otherwise noted.

#### 402.000 Scope of part.

As used throughout this chapter, the following words and terms are used as defined in this subpart unless the context in which they are used clearly requires a different meaning, or a different definition is prescribed for a particular part or portion of a part.

### Subpart 402.1—Definitions

#### 402.101 Definitions.

*Acquisition official* means an individual who has been delegated authority to manage or to exercise acquisition functions and responsibilities.

*Agency head* or *Head of the Agency* means the Secretary of Agriculture, Deputy Secretary, or the Assistant Secretary for Administration.

*Head of the contracting activity* (HCA) means the official who has overall responsibility for managing the contracting activity (i.e., Chief, Forest Service; Administrator, Agricultural Research Service; etc.), or the individual designated by such an official to carry out the functions of the HCA.

*Senior Procurement Executive* (SPE) means the agency official appointed as such by the head of the agency pursuant to Executive Order 12931. The Di-

## 48 CFR Ch. 4 (10-1-12 Edition)

rector, Office of Procurement and Property Management, has been designated as the USDA SPE.

[61 FR 53646, Oct. 15, 1996, as amended at 63 FR 26994, May 15, 1998]

## PART 403—IMPROPER BUSINESS PRACTICES AND PERSONAL CONFLICTS OF INTEREST

### Subpart 403.1—Safeguards

Sec.

403.101 Standards of conduct.

403.101-3 Agency regulations.

403.104 Procurement integrity.

403.104-5 [Reserved]

403.104-7 Violations or possible violations.

### Subpart 403.2—Contractor Gratuities to Government Personnel

403.203 Reporting suspected violations of the gratuities clause.

403.204 Treatment of violations.

### Subpart 403.3—Reports of Suspected Antitrust Violations

403.303 Reporting suspected antitrust violations.

### Subpart 403.4—Contingent Fees

403.405 Misrepresentations or violations of the Covenant Against Contingent Fees.

### Subpart 403.5—Other Improper Business Practices

403.502 Subcontractor kickbacks.

### Subpart 403.6—Contracts With Government Employees or Organizations Owned or Controlled by Them

403.602 Exceptions.

403.603 Responsibilities of the contracting officer.

### Subpart 403.8—Limitation on the Payment of Funds To Influence Federal Transactions

403.806 Processing suspected violations

AUTHORITY: 5 U.S.C. 301 and 40 U.S.C. 486(c).

SOURCE: 61 FR 53646, Oct. 15, 1996, unless otherwise noted.

**Subpart 403.1—Safeguards**

**403.101 Standards of conduct.**

**403.101-3 Agency regulations.**

(a) The standards of conduct for USDA procurement officials are the uniform standards established by the Office of Government Ethics in 5 CFR Part 2635, *Standards of Ethical Conduct for Employees of the Executive Branch*, and FAR 3.104, *Procurement integrity*.

(b) Procurement officials and other employees who require advice concerning the application of standards of conduct to any acquisition issue shall obtain ethics advisory opinions from ethics advisory officials in their agency personnel offices.

**403.104 Procurement integrity.**

**403.104-5 [Reserved]**

**403.104-7 Violations or possible violations.**

The contracting officer shall forward information concerning any violation or possible violation of the Procurement Integrity Act (41 U.S.C. 423) to the chief of the contracting office.

[61 FR 53646, Oct. 15, 1996, as amended at 63 FR 26995, May 15, 1998. Redesignated and amended at 70 FR 44, Jan. 3, 2005]

**Subpart 403.2—Contractor Gratuities to Government Personnel**

**403.203 Reporting suspected violations of the gratuities clause.**

A suspected violation of the contract clause, FAR 52.203-3, *Gratuities*, shall be reported immediately to the cognizant contracting officer in writing, stating the circumstances surrounding the incident(s), the date(s), and names of all parties involved. The contracting officer shall review the report for completeness, add any additional information deemed necessary and a recommendation for action, and submit the report to the HCA.

**403.204 Treatment of violations.**

The HCA shall review the report and consult with the Offices of General Counsel and Inspector General to determine whether further action should

be pursued. If it is found that the facts and circumstances warrant further action, the HCA shall give the contractor a formal written notice which summarizes the reported violation and affords the contractor the opportunity to make a written or oral response within a reasonable, specified period after receipt of the notice. The notice shall be sent by certified mail with return receipt requested. Oral presentations shall follow the procedures outlined in FAR 3.204(b). The HCA shall furnish copies of any adverse determination to the contracting officer and the Department Debaring Officer for their subsequent considerations under FAR 3.204(c)(1) and (2), respectively.

**Subpart 403.3—Reports of Suspected Antitrust Violations**

**403.303 Reporting suspected antitrust violations.**

Contracting officers shall report the circumstances of suspected violations of antitrust laws to the Office of Inspector General in accordance with procedures in Departmental Regulations (1700 series).

**Subpart 403.4—Contingent Fees**

**403.405 Misrepresentations or violations of the Covenant Against Contingent Fees.**

(a) A suspected misrepresentation or violation of the Covenant Against Contingent Fees shall be documented in writing by the contracting officer and reported immediately to the chief of the contracting office. The chief of the contracting office shall determine if a violation has occurred and report any violation to the Office of Inspector General. The chief of the contracting office shall take action in accordance with FAR 3.405(b).

(b) If the chief of the contracting office decides to refer the case to the Department of Justice, it should be referred through the Office of Inspector General with a copy of the report and referral submitted through the HCA to the Senior Procurement Executive.

[61 FR 53646, Oct. 15, 1996. Redesignated and amended at 70 FR 44, Jan. 3, 2005]

**403.502**

**Subpart 403.5—Other Improper Business Practices**

**403.502 Subcontractor kickbacks.**

Contracting officers shall report the circumstances of suspected violations of the Anti-Kickback Act (41 U.S.C. 51-58) to the Office of Inspector General in accordance with procedures in Departmental Regulations (1700 series).

[61 FR 53646, Oct. 15, 1996, as amended at 70 FR 44, Jan. 3, 2005]

**Subpart 403.6—Contracts With Government Employees or Organizations Owned or Controlled by Them**

**403.602 Exceptions.**

The HCA is authorized to accept a contract from the policy in FAR 3.601.

**403.603 Responsibilities of the contracting officer.**

The contracting officer, when requesting authorization under 403.602, shall prepare a written determination and findings for the signature of the HCA. The determination shall document compliance with FAR 3.603, specifying the compelling reason(s) for award, and shall be placed in the contract file.

**Subpart 403.8—Limitation on the Payment of Funds To Influence Federal Transactions**

**403.806 Processing suspected violations.**

Suspected violations of the requirements of 31 U.S.C. 1352 shall be referred to the Office of Inspector General in accordance with procedures in Departmental Regulations (1700 series).

**PART 404—ADMINISTRATIVE MATTERS**

**Subpart 404.2—Contract Distribution**

Sec.

404.203 Taxpayer identification information.

**48 CFR Ch. 4 (10-1-12 Edition)**

**Subpart 404.4—Safeguarding Classified Information Within Industry**

404.403 Responsibilities of contracting officers.

**Subpart 404.6—Contract Reporting**

404.601 [Reserved]

404.602 Federal Procurement Data System.

**Subpart 404.8—Government Contract Files**

404.870 Document numbering system.

**Subpart 404.11—Central Contractor Registration**

404.1103 Procedures.

**Subpart 404.70—Precontract Notices**

404.7001 Solicitation provision.

AUTHORITY: 5 U.S.C. 301 and 40 U.S.C. 486(c).

SOURCE: 61 FR 53646, Oct. 15, 1996, unless otherwise noted.

**Subpart 404.2—Contract Distribution**

**404.203 Taxpayer identification information.**

(a) If the contractor furnishes taxpayer identification number (TIN) and type of organization information pursuant to solicitation provision 52.204-3 or 52.212-3, and the USDA Office of the Chief Financial Officer, Controller Operations Division, New Orleans will be the payment office, that information will be entered into the Foundation Financial Information System (FFIS) in accordance with FFIS Vendor Table Maintenance Procedures set forth in FFIS Bulletins issued by the Office of the Chief Financial Officer and AGAR Advisories issued by the Office of Procurement and Property Management.

(b) Separate submission of the TIN or type of organization information, in accordance with 52.204-3 or 52.212-3, is not required for contractors registered in the Central Contractor Registration (CCR) database.

[70 FR 44, Jan. 3, 2005]

**Department of Agriculture**

**404.7001**

**Subpart 404.4—Safeguarding  
Classified Information Within  
Industry**

**Subpart 404.11—Central  
Contractor Registration**

**404.403 Responsibilities of contracting  
officers.**

When a proposed solicitation is likely to require access to classified information, the contracting officer shall consult with the Information Security Staff, Personnel and Document Security Division, Office of Procurement and Property Management, regarding the procedures that must be followed.

[70 FR 44, Jan. 3, 2005]

**Subpart 404.6—Contract Reporting**

**404.601 [Reserved]**

**404.602 Federal Procurement Data  
System.**

(a) Contracting activities shall report contract actions into the Federal Procurement Data System in accordance with the instructions issued or distributed by the SPE.

(b) The unique identifier for each contract action reported to the Federal Procurement Data System shall begin with the two-letter USDA Agency Prefix "AG".

[70 FR 44, Jan. 3, 2005]

**Subpart 404.8—Government  
Contract Files**

**404.870 Document numbering system.**

The SPE shall issue AGAR Advisories to establish and maintain a numbering system for USDA contracts, modifications, and delivery/task orders. USDA contracting offices shall number contracts, modifications, and orders in accordance with this numbering system.

[70 FR 44, Jan. 3, 2005]

**404.1103 Procedures.**

(a) Contracting officers and other USDA employees shall not enter information into the Central Contractor Registration (CCR) database on behalf of prospective contractors. Prospective contractors who are unable to register on-line at the CCR Web site should be advised to submit a written application to CCR for registration into the CCR database. USDA employees may assist prospective contractors by downloading the registration template, CCR handbook, and other information from the CCR Web site and providing copies of that material to requesters. Written applications for registration may be submitted to Department of Defense Central Contractor Registration, 74 Washington Ave., Suite 7, Battle Creek, MI 49017-3084.

(b) Verification that the prospective contractor is registered in the CCR database shall be done via the CCR Internet Web site <http://www.ccr.gov>. This verification process using the CCR Web site applies both to acquisitions executed using USDA legacy procurement systems and the USDA Integrated Acquisition System.

(c) AGAR Advisories issued by the Office of Procurement and Property Management will address internal procedures for integration of contractor information in the CCR database with the USDA FFIS payment system.

[70 FR 44, Jan. 3, 2005]

**Subpart 404.70—Precontract  
Notices**

**404.7001 Solicitation provision.**

The contracting officer shall insert the provision at 452.204-70, Inquiries, in all solicitations.

## SUBCHAPTER B—COMPETITION AND ACQUISITION PLANNING

### PART 405—PUBLICIZING CONTRACT ACTIONS

#### Subpart 405.3—Synopsis of Contract Awards

Sec.

405.303 Announcement of contract awards.

#### Subpart 405.4—Release of Information

405.403 Requests from Members of Congress.

405.404 Release of long-range acquisition estimates.

405.404-1 Release procedures.

#### Subpart 405.5—Paid Advertisements

405.502 Authority.

AUTHORITY: 5 U.S.C. 301 and 40 U.S.C. 486(c).

SOURCE: 61 FR 53646, Oct. 15, 1996, unless otherwise noted.

#### Subpart 405.3—Synopsis of Contract Awards

##### 405.303 Announcement of contract awards.

Contracting officers shall make information available on any contract award with an estimated total value over \$1 million (including options) to their agency congressional liaison office in sufficient time for the agency to announce it by 5:00 p.m. Washington, DC time on the day of award. The agency congressional liaison office shall, concurrent with the public announcement, provide the award announcement information to the USDA Congressional Relations Office.

#### Subpart 405.4—Release of Information

##### 405.403 Requests from Members of Congress.

The head of the contracting activity (HCA) is the agency head designee pursuant to FAR 5.403.

[61 FR 53646, Oct. 15, 1996, as amended at 70 FR 45, Jan. 3, 2005]

##### 405.404 Release of long-range acquisition estimates.

##### 405.404-1 Release procedures.

(a) HCA's shall establish written procedures to control the release of long-range acquisition estimates, as authorized under FAR 5.404-1.

(b) Classified information shall not be released without the approval of the Information Security Staff, Personnel and Document Security Division, Office of Procurement and Property Management. Departmental Manuals and Regulations (3400 series) contain guidance on classified information.

[61 FR 53646, Oct. 15, 1996, as amended at 70 FR 45, Jan. 3, 2005]

#### Subpart 405.5—Paid Advertisements

##### 405.502 Authority.

(a) The authority vested in the agency head to authorize publication of paid advertisements in newspapers (44 U.S.C. 3702) is delegated, with power of redelegation, to HCA's. HCA redelegation of this authority shall be in writing.

(b) Policies and procedures regarding prior authorization required for media other than newspapers are contained in USDA Departmental Regulations 1400 series.

### PART 406—COMPETITION REQUIREMENTS

#### Subpart 406.2—Full and Open Competition After Exclusion of Sources

Sec.

406.202 Establishing or maintaining alternative sources.

#### Subpart 406.3—Other Than Full and Open Competition

406.302 Circumstances permitting other than full and open competition.

406.302-70 Otherwise authorized by law.

#### Subpart 406.5—Competition Advocates

406.501 Requirements.

## Department of Agriculture

407.503

AUTHORITY: 5 U.S.C. and 40 U.S.C. 486(c).

SOURCE: 61 FR 53646, Oct. 15, 1996, unless otherwise noted.

### Subpart 406.2—Full and Open Competition After Exclusion of Sources

#### 406.202 Establishing or maintaining alternative sources.

The Senior Procurement Executive is authorized to make determinations pursuant to FAR 6.202(a) and sign the determination and findings required by FAR 6.202(b).

### Subpart 406.3—Other Than Full and Open Competition

#### 406.302 Circumstances permitting other than full and open competition.

#### 406.302-70 Otherwise authorized by law.

(a) *Authority.* Section 1472 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3318) (the Act) authorizes the Secretary of Agriculture to award contracts, without competition, to further research, extension, or teaching programs in the food and agricultural sciences.

(b) *Limitations.* The use of this authority is limited to those instances where it can be determined that contracting without full and open competition is in the best interest of the Government and necessary to the accomplishment of the research, extension, or teaching program. Therefore:

(1) Contracts under the authority of the Act shall be awarded on a competitive basis to the maximum practicable extent.

(2) When full and open competition is not deemed appropriate, the contracting officer shall make a written justification on a case-by-case basis in accordance with procedures in FAR 6.303 and 6.304.

### Subpart 406.5—Competition Advocates

#### 406.501 Requirements.

(a) The Chief, Procurement Policy Division, Office of Procurement and Property Management, has been designated as the Competition Advocate for USDA.

(b) Each HCA shall designate a competition advocate for the contracting activity. The HCA shall forward a copy of the designation memorandum to the Competition Advocate for USDA.

[70 FR 45, Jan. 3, 2005]

## PART 407—ACQUISITION PLANNING

### Subpart 407.1—Acquisition Plans

Sec.

407.103 Agency-head responsibilities.

407.170 Advance acquisition plans.

#### Subpart 407.3 [Reserved]

### Subpart 407.5—Inherently Governmental Functions

407.503 Policy.

AUTHORITY: 5 U.S.C. 301 and 40 U.S.C.

SOURCE: 61 FR 53646, Oct. 15, 1996, unless otherwise noted.

### Subpart 407.1—Acquisition Plans

#### 407.103 Agency-head responsibilities.

Heads of Contracting Activities (HCA's) shall develop procedures to comply with FAR 7.103.

#### 407.170 Advance acquisition plans.

Each HCA shall maintain an advance acquisition planning system.

[70 FR 45, Jan. 3, 2005]

#### Subpart 407.3 [Reserved]

### Subpart 407.5—Inherently Governmental Functions

#### 407.503 Policy.

(a) HCA's shall establish procedures to ensure that requesting activities

**Pt. 408**

**48 CFR Ch. 4 (10–1–12 Edition)**

provide the written determination required by FAR 7.503(e), when submitting requests for procurement of services.

(b) In the event of a disagreement as to whether the functions to be performed are inherently governmental, the HCA may refer the matter to the Senior Procurement Executive (SPE) for resolution. When submitting disagreements to the SPE for resolution the HCA shall provide a summary of the areas of disagreement, supported by the following:

(1) The HCA's assessment of whether the services are "inherently governmental";

(2) The basis for that assessment (include references to the definition and policy in FAR subpart 7.5 and/or Office of Federal Procurement Policy letter 92–1);

(3) A copy of the statement of work; and,

(4) The requesting activity's written determination in accordance with FAR 7.503(e).

(c) Such disagreements shall be resolved prior to issuance of the solicitation.

[61 FR 53646, Oct. 15, 1996, as amended at 63 FR 26995, May 15, 1998]

**PART 408—REQUIRED SOURCES OF SUPPLIES AND SERVICES**

**Subpart 408.4—Federal Supply Schedules**

Sec.

408.404 Using schedules.

408.404–3 Requests for waivers.

**Subpart 408.7—Acquisition From Nonprofit Agencies Employing People Who Are Blind or Severely Disabled**

408.701 Definitions.

408.705 Procedures.

408.705–2 Direct order process.

408.705–3 Allocation process.

408.705–4 Compliance with orders.

408.706 Purchase exemptions.

408.707 Prices.

408.711 Quality complaints.

408.712 Specification changes.

408.714 Communications with the central nonprofit agencies and the Committee.

**Subpart 408.8—Acquisition of Printing and Related Supplies**

408.802 Policy.

**Subpart 408.11—Leasing of Motor Vehicles**

408.1103 Contract requirements.

AUTHORITY: 5 U.S.C. 301 and 40 U.S.C. 486(c).

SOURCE: 61 FR 53646, Oct. 15, 1996, unless otherwise noted.

**Subpart 408.4—Federal Supply Schedules**

**408.404 Using schedules.**

**408.404–3 Requests for waivers.**

A copy of the request for a waiver and the approval shall be placed in the contract file to support the acquisition of items off schedule.

**Subpart 408.7—Acquisition From Nonprofit Agencies Employing People Who Are Blind or Severely Disabled**

SOURCE: 61 FR 53646, Oct. 15, 1996, unless otherwise noted.

EDITORIAL NOTE: Nomenclature changes to subpart 408.7 appear at 70 FR 45, Jan. 3, 2005.

**408.701 Definitions.**

*Committee Member* is the Presidential appointee representing USDA as a member of the Committee for Purchase from People Who Are Blind or Severely Disabled.

*Organization head* is the Under Secretary or Assistant Secretary of a mission area or the head of a USDA staff office.

[70 FR 45, Jan. 3, 2005]

**408.705 Procedures.**

(a) The organization head shall appoint one person as Javits-Wagner-O'Day Act (JWOD) Liaison to represent the organization and to coordinate the organization's actions with the Committee Member.

(b) JWOD advocates may represent more than one organization. Liaisons need not be acquisition officials.

(c) The organization head shall issue and maintain a performance plan to promote and enhance the organization's acquisitions from JWOD participating nonprofit agencies.

(d) The performance plan shall:

## Department of Agriculture

408.802

(1) Announce the organization's support for the JWOD Act;

(2) Establish a promotion program for the products and services provided by the JWOD participating nonprofit agencies;

(3) Provide for the JWOD Liaison's role in acquisition planning;

(4) Establish measurable program goals for growth or other accomplishment in the organization's JWOD program actions; and

(5) Establish an awards program for successful participation in the JWOD program.

[61 FR 53646, Oct. 15, 1996, as amended at 70 FR 45, Jan. 3, 2005]

### **408.705-2 Direct order process.**

(a) The chief of a contracting office may apply to a central nonprofit agency for authorization to order specific supplies or services directly from a JWOD participating nonprofit agency.

(b) A copy of the application should be provided to the JWOD Liaison who will inform the USDA Committee Member.

### **408.705-3 Allocation process.**

(a) The chief of a contracting office may apply to a central nonprofit agency for a production allocation of specific supplies or services to a JWOD participating nonprofit agency.

(b) A copy of the application should be provided to the JWOD Liaison who will inform the USDA Committee Member.

### **408.705-4 Compliance with orders.**

Prior to attempting to resolve a failure to perform by a participating nonprofit agency with the Committee, the chief of the contracting office should provide advance notice to the JWOD Liaison who will inform the USDA Committee Member.

### **408.706 Purchase exemptions.**

Prior to applying to the Committee for a purchase exemption, the chief of the contracting office should provide advance notice to the JWOD Liaison who will inform the USDA Committee Member.

### **408.707 Prices.**

Prior to applying for a price revision, the chief of the contracting office should provide advance notice to the JWOD Liaison who will inform the USDA Committee Member.

### **408.711 Quality complaints.**

Prior to attempting to resolve a complaint regarding the quality of goods or services provided by participating nonprofit agency with the Committee, the chief of the contracting office should provide advance notice to the JWOD Liaison who will inform the USDA Committee Member.

### **408.712 Specification changes.**

Prior to providing 90-days advance notification to the Committee on actions that affect supplies and services on the Procurement List, the chief of the contracting office should provide advance notice to the JWOD Liaison who will inform the USDA Committee Member.

### **408.714 Communications with the central nonprofit agencies and the Committee.**

Any matter requiring referral to the Committee shall be provided to the JWOD Liaison who will coordinate the matter with the Committee Member.

## **Subpart 408.8—Acquisition of Printing and Related Supplies**

### **408.802 Policy.**

(a) The Director, Office of Communications (OC) has been designated as the central printing authority in USDA, with the authority to represent the USDA before the Joint Committee on Printing (JCP), the Government Printing Office, and other Federal and State agencies on all matters related to printing.

(b) Prior to contracting for any of the items defined in FAR 8.801, the contracting officer shall verify that the requisite approval has been received by the publication liaison officer or requisitioner.

(c) The approval from OC or the approval authority designated by OC shall be maintained in the contract file.



### Subpart 408.11—Leasing of Motor Vehicles

#### 408.1103 Contract requirements.

If the requirement includes the need for the vendor to provide operational maintenance such as fueling, lubrication, or other fluid changes or replenishment, the contracting officer shall include in the contract:

(1) A requirement for the use of fluids and lubricants containing the maximum available amounts of recovered materials, and alternative fuels whenever available; and

(2) A preference for retreaded tires meeting the Federal retread specifications, tires with the maximum recovered material content, or retreading services for the tires on the vehicle.

[70 FR 45, Jan. 3, 2005]

## PART 409—CONTRACTOR QUALIFICATIONS

### Subpart 409.4—Debarment, Suspension and Ineligibility

Sec.

409.403 Definitions.

409.404 List of parties excluded from Federal procurement and nonprocurement programs.

409.405 Effect of listing.

409.405-1 Continuation of current contracts.

409.405-2 Restrictions on subcontracting.

409.406 Debarment.

409.406-3 Procedures.

409.407 Suspension.

409.407-3 Procedures.

### Subpart 409.5—Organizational and Consultant Conflicts of Interest

409.503 Waiver.

AUTHORITY: 40 U.S.C. 121, 41 U.S.C. 421.

SOURCE: 61 FR 53646, Oct. 15, 1996, unless otherwise noted.

### Subpart 409.4—Debarment, Suspension and Ineligibility

#### 409.403 Definitions.

*Debarring official.* Pursuant to the Secretary's delegations of authority in 7 CFR 2.24, the Senior Procurement Executive (SPE) is designated as the debarring official (Department Debarring Officer) with the following exceptions:

(a) For commodity contracts awarded on behalf of the Commodity Credit Corporation (CCC), the Executive Vice President, CCC, or his designee is designated as the debarring official pursuant to 7 CFR part 1407.

(b) For contracts awarded under the School Lunch and Surplus Removal Programs (42 U.S.C. 1755 and 7 U.S.C. 612c), the Department Debarring Officer has delegated debarring authority to the Agricultural Marketing Service (AMS).

[63 FR 26995, May 15, 1998]

#### 409.404 List of parties excluded from Federal procurement and nonprocurement programs.

The Department Debarring Officer is USDA's single point of contact with GSA for debarment and suspension actions taken under this subpart. The debarring official for AMS shall notify the Department Debarring Officer of each debarment and suspension action by promptly submitting a copy of the debarment or suspension notice and any later changes to the debarment or suspension status. The Department Debarring Officer will forward a copy of each notice to GSA for inclusion in the Government-wide list.

#### 409.405 Effect of listing.

Compelling reasons are considered to be present where failure to contract with the debarred or suspended contractor would seriously harm the agency's programs and prevent accomplishment of mission requirements. The SPE is authorized to make the determinations under FAR 9.405. Requests for such determinations shall be submitted through the head of the contracting activity (HCA) to the SPE.

#### 409.405-1 Continuation of current contracts.

The HCA is authorized to make the determinations under FAR 9.405-1.

#### 409.405-2 Restrictions on subcontracting.

The HCA is authorized to approve subcontracts with debarred or suspended subcontractors under FAR 9.405-2.

**409.406 Debarment.****409.406-3 Procedures.**

(a) *Investigation and referral.* When a contracting officer becomes aware of possible irregularities or any information which may be sufficient cause for debarment, the case shall be immediately referred through the HCA to the debarring official. The case must be accompanied by a complete statement of the facts (including a copy of any criminal indictments, if applicable) along with a recommendation for action. Where the statement of facts indicates the irregularities to be possible criminal offenses, or for any other reason further investigation is considered necessary, the matter shall be referred to the HCA who should consult with the Office of Inspector General to determine if further investigation is required prior to referring to the debarring official.

(b) *Decision-making process.* If, after reviewing the recommendations and consulting with the Office of Inspector General and Office of the General Counsel, as appropriate, the debarring official determines debarment is justified, the debarring official shall initiate the proposed debarment in accordance with FAR 9.406-3(c) and notify the HCA of the action taken.

(c) *Fact-finding proceeding.* For actions listed under FAR 9.406-3(b)(2), the contractor shall be given the opportunity to appear at an informal hearing. The hearing should be held at a location and time that is convenient to the parties concerned, if at all possible. The contractor and any specifically named affiliates may be represented by counsel or any duly authorized representative. Witnesses may be called by either party. The proceedings shall be conducted expeditiously and in such a manner that each party will have an opportunity to present all information considered pertinent to the proposed debarment. The contractor shall be provided a copy of a transcript of the proceedings under the conditions established in FAR 9.406-3(b)(2)(ii).

**409.407 Suspension.****409.407-3 Procedures.**

(a) *Investigation and referral.* When a contracting officer becomes aware of possible irregularities or any information which may be sufficient cause for suspension, the case shall be immediately referred through the HCA to the debarring official. The case must be accompanied by a complete statement of the facts along with a recommendation for action. Where the statement of facts indicates the irregularities to be possible criminal offenses, or for any other reason further investigation is considered necessary, the matter shall be referred to the HCA who should consult with the Office of Inspector General to determine if further investigation is required prior to referring it to the debarring official.

(b) *Decision-making process.* If, after reviewing the recommendations and consulting with the Office of Inspector General and Office of the General Counsel, as appropriate, the debarring official determines suspension is justified, the debarring official shall initiate the proposed suspension in accordance with FAR 9.407-3(c) and notify the HCA of the action taken.

(c) *Fact-finding proceedings.* For actions listed under FAR 9.407-3(b)(2), the contractor shall be given the opportunity to appear at an informal hearing, similar in nature to the hearing for debarments as discussed in 409.406-3(c).

### **Subpart 409.5—Organizational and Consultant Conflicts of Interest**

**409.503 Waiver.**

(a) The HCA, on a non-delegable basis, is authorized to waive any general rule or procedure in FAR 9.5 when in the Government's interest.

(b) Each request for waiver shall include:

(1) The general rule or procedure proposed to be waived;

(2) An analysis of the potential conflict, including the benefits and detriments to the Government and prospective contractors;

**Pt. 410**

- (3) A discussion of why the conflict cannot be avoided, neutralized, or mitigated; and
- (4) Advice of counsel obtained under FAR 9.504(b).

**PART 410—MARKET RESEARCH**

Sec.

410.001 Policy.

410.002 Procedures.

AUTHORITY: 5 U.S.C. 301 and 40 U.S.C. 486(c)

SOURCE: 70 FR 45, Jan. 3, 2005, unless otherwise noted.

**410.001 Policy.**

In addition to those uses listed in FAR 10.001, agencies must use the results of market research to—

- (a) Ensure the minimum use of hazardous or toxic materials;
- (b) Ensure the maximum use of biobased products and biofuels; and
- (c) Identify products and services on or eligible for addition to the Javits-Wagner-O'Day Act Procurement List in order to achieve USDA's goal to increase participation in this program.

**410.002 Procedures.**

Market research must include obtaining information on the commercial quality assurance practices as an alternative for Government inspection and testing prior to tender for acceptance.

**PART 411—DESCRIBING AGENCY NEEDS**

**Subpart 411.1—Selecting and Developing Requirements Documents**

Sec.

411.101 Order of precedence for requirements documents.

411.103 Market acceptance.

411.106 Purchase descriptions for service contracts.

411.170 Brand name or equal.

411.171 Solicitation provisions and contract clauses.

**Subpart 411.2—Using and Maintaining Requirements Documents**

411.202 Maintenance of standardization documents.

**48 CFR Ch. 4 (10–1–12 Edition)**

**Subpart 411.4—Delivery or Performance Schedules**

411.404 Contract clauses.

**Subpart 411.6—Priorities and Allocations**

411.600 Scope of subpart.

AUTHORITY: 5 U.S.C. 301 and 40 U.S.C. 486(c).

SOURCE: 61 FR 53646, Oct. 15, 1996, unless otherwise noted.

**Subpart 411.1—Selecting and Developing Requirements Documents**

**411.101 Order of precedence for requirements documents.**

(a) Office of Management and Budget (OMB) Circular A-119 establishes a Federal policy requiring the use of voluntary consensus standards in lieu of government-unique standards except where inconsistent with law or otherwise impractical.

(b) The HCA is authorized to submit the determination required by OMB Circular A-119 that a voluntary standard is inconsistent with law or otherwise impracticable. The HCA must submit the determination to OMB through the National Institute of Standards and Technology in accordance with the Circular with a copy provided to the SPE.

[70 FR 45, Jan. 3, 2005]

**411.103 Market acceptance.**

(a) The head of the contracting activity (HCA) may determine that offerors must demonstrate, in accordance with FAR 11.103(a), the market acceptability of their items to be offered.

(b) The contracting officer shall place a copy of this determination, signed by the HCA, in the solicitation file.

**411.106 Purchase descriptions for service contracts.**

When contract personnel are to be used, the requiring official shall record on the requisition his or her determination whether harm to the Government might occur should contractor

## Department of Agriculture

Pt. 412

personnel fail to identify themselves as non-Government officials.

[61 FR 53646, Oct. 15, 1996. Redesignated at 70 FR 45, Jan. 3, 2005]

### **411.170 Brand name or equal.**

(a) A “brand name or equal” purchase description shall include the following type of information:

(1) Identification of the item by generic description.

(2) Make, model number, catalog designation, or other description, and identification of a commercial catalog where it is listed.

(3) Name of manufacturer, producer, or distributor of the item and complete address.

(4) All salient characteristics of the “brand name or equal” product or products which have been determined by the requisitioner to be essential to the Government’s minimum requirements.

(b) [Reserved]

### **411.171 Solicitation provisions and contract clauses.**

(a) Contracting officers shall insert the provision at 452.211-70, Brand Name or Equal, in solicitations, other than those for construction, where “brand name or equal” purchase descriptions are used.

(b) Contracting officers shall insert the clause at 452.211-71, Equal Products Offered, in solicitations, other than those for construction, where the provision at 452.211-70 is included.

(c) Contracting officers shall insert the clause at 452.211-72, Statement of Work/Specifications, when the description (statement of work) or specification(s) is included in Section J of the solicitation.

(d) Contracting officers shall insert the clause at 452.211-73, Attachment to Statement of Work/Specifications, when there are attachments to the description (statement of work) or specifications.

[63 FR 26995, May 15, 1998]

## **Subpart 411.2—Using and Maintaining Requirements Documents**

### **411.202 Maintenance of standardization documents.**

Recommendations for changes to standardization documents are to be submitted through the Senior Procurement Executive, who will coordinate the submission of these recommendations to the cognizant preparing activity.

## **Subpart 411.4—Delivery or Performance Schedules**

### **411.404 Contract clauses.**

(a) The contracting officer shall insert the clause at 452.211-74, Period of Performance, when it is necessary to specify a period of performance, beginning on the date of award, date of receipt of notice of award, or a specified date.

(b) The contracting officer shall insert the clause at 452.211-75, Effective Period of the Contract, when it is necessary to specify the effective period of the contract.

[63 FR 26995, May 15, 1998]

## **Subpart 411.6—Priorities and Allocations**

### **411.600 Scope of subpart.**

The Defense Priorities and Allocation System (DPAS) excludes USDA activities (see 15 CFR 700.18(b)). USDA Contracting Officers are not authorized to place rated orders under DPAS.

## **PART 412—ACQUISITION OF COMMERCIAL ITEMS**

AUTHORITY: 5 U.S.C. 301 and 40 U.S.C. 486(c).

412.302

48 CFR Ch. 4 (10-1-12 Edition)

**Subpart 412.3—Solicitation Provisions and Contract Clauses for the Acquisition of Commercial Items**

**412.302 Tailoring of provisions and clauses for the acquisition of commercial items.**

The head of the contracting activity is authorized to approve waivers in ac-

cordance with FAR 12.302(c). The approved waiver may be either for an individual contract or for a class of contracts for the specific item. The approved waiver and supporting documentation shall be incorporated into the contract file.

[61 FR 53646, Oct. 15, 1996]

## SUBCHAPTER C—CONTRACTING METHODS AND CONTRACT TYPES

### PART 413—SIMPLIFIED ACQUISITION PROCEDURES

#### Subpart 413.3—Simplified Acquisition Methods

Sec.

413.301 Governmentwide commercial purchase card.

413.306 SF 44, Purchase Order-Invoice-Voucher.

413.307 Forms.

AUTHORITY: 5 U.S.C. 301 and 40 U.S.C. 486(c).

SOURCE: 64 FR 45895, Aug. 23, 1999, unless otherwise noted.

#### Subpart 413.3—Simplified Acquisition Methods

##### 413.301 Governmentwide commercial purchase card.

USDA policy and procedures on use of the Governmentwide commercial purchase card are established in Departmental Regulation Series 5000.

##### 413.306 SF 44, Purchase Order-Invoice-Voucher.

The Standard Form 44 (and the previously prescribed USDA Form AD-744) is not authorized for use within USDA.

##### 413.307 Forms.

Form AD-838, Purchase Order, is prescribed for use by USDA in lieu of Optional Forms (OFs) 347 and 348 except that use of the OF 347 and OF 348 is authorized when utilizing the USDA Integrated Acquisition System.

[70 FR 45, Jan. 3, 2005]

### PART 414—SEALED BIDDING

#### Subpart 414.2—Solicitation of Bids

Sec.

414.201 Preparation of invitations for bids.

414.201-6 Solicitation provision.

#### Subpart 414.4—Opening of Bids and Award of Contract

414.404 Rejection of bids.

414.404-1 Cancellation of invitations after opening.

414.407 Mistakes in bids.

414.407-3 Other mistakes disclosed before award.

414.407-4 Mistakes after award.

414.409 Information to bidders.

414.409-2 Award of classified contracts.

AUTHORITY: 5 U.S.C. 301 and 40 U.S.C. 486(c).

SOURCE: 61 FR 53646, Oct. 15, 1996, unless otherwise noted.

#### Subpart 414.2—Solicitation of Bids

##### 414.201 Preparation of invitations for bids.

##### 414.201-6 Solicitation provision.

The contracting officer shall insert the provision 452.214-70, Award by Lot, when multiple items are segregated into clearly identifiable lots and the contracting officer wants to reserve the right to award by item within a lot, if award in that manner would be advantageous to the Government.

#### Subpart 414.4—Opening of Bids and Award of Contract

##### 414.404 Rejection of bids.

##### 414.404-1 Cancellation of invitations after opening.

An acquisition official at a level above the contracting officer is authorized to make the determinations under FAR 14.404-1(c) and (e)(1).

##### 414.407 Mistakes in bids.

##### 414.407-3 Other mistakes disclosed before award.

The authority to make the determinations under FAR 14.407-3(a), (b), and (d) is delegated, without power of re delegation, to the head of the contracting activity. The authority to make the determination under FAR 14.407-3(c) is delegated to the contracting officer. Each determination pursuant to FAR 14.407-3 shall have the concurrence of the Office of the General Counsel (OGC).

**414.407-4**

**414.407-4 Mistakes after award.**

If a mistake in bid is disclosed after award, the contracting officer shall make a final determination in accordance with the provisions of FAR 14.407-4 (b) and (c) and shall coordinate each proposed determination with OGC. Such coordination shall, at a minimum, consist of the contracting officer providing the proposed determination and the case file to OGC for comment.

**414.409 Information to bidders.**

**414.409-2 Award of classified contracts.**

Disposition of classified information shall be in accordance with Departmental Regulation and Manual (3400 Series) and in accordance with direction issued by the Information Security Staff, Personnel and Document Security Division, Office of Procurement and Property Management.

[70 FR 45, Jan. 3, 2005]

**PART 415—CONTRACTING BY NEGOTIATION**

**Subpart 415.2—Solicitation and Receipt of Proposals and Information**

Sec.

- 415.204 Contract format.
- 415.207 Handling proposals and information.
- 415.209 Solicitation provisions and contract clauses.

**Subpart 415.3—Source Selection**

- 415.303 Responsibilities.
- 415.305 Proposal evaluation.

**Subpart 415.4—Contract Pricing**

- 415.404-4 Profit.

**Subpart 415.5—Preaward, Award, and Postaward Notifications, Protests and Mistakes**

- 415.570 Post-award conference.

**Subpart 415.6—Unsolicited Proposals**

- 415.604 Agency points of contact.
- 415.606 Agency procedures.

AUTHORITY: 5 U.S.C. 301 and 40 U.S.C. 486(c).

SOURCE: 64 FR 52674, Sept. 30, 1999, unless otherwise noted.

**48 CFR Ch. 4 (10-1-12 Edition)**

**Subpart 415.2—Solicitation and Receipt of Proposals and Information**

**415.204 Contract format.**

The Senior Procurement Executive is authorized to exempt contracts from the uniform contract format.

**415.207 Handling proposals and information.**

(a) Throughout the source selection process, agency personnel and non-Government evaluators with access to proposal information shall disclose neither the number of offerors nor their identity except as authorized by FAR subpart 15.5. (See also FAR 5.403.)

(b) The contracting officer shall obtain the following written agreement from the non-Government evaluator prior to the release of any proposal to that evaluator.

**AGREEMENT GOVERNING THE USE AND DISCLOSURE OF PROPOSALS**

RFP

Offeror

1. To the best of my knowledge and belief, no conflict of interest exists that may diminish my capacity to perform an impartial and objective review of the offeror's proposal, or may otherwise result in a biased opinion or an unfair advantage. If a potential conflict of interest arises or if I identify such a conflict, I agree to notify the Government promptly concerning the potential conflict. In determining whether any potential conflict of interest exists, I agree to review whether my or my employer's relationships with other persons or entities, including, but not limited to, ownership of stocks, bonds, other outstanding financial interests or commitments, employment arrangements (past, present, or under consideration), and, to the extent known by me, all financial interests and employment arrangements of my spouse, minor children, and other members of my immediate household, may place me in a position of conflict, real or apparent, with the evaluation proceedings.

2. I agree to use proposal information only for evaluation purposes. I understand that any authorized restriction on disclosure placed upon the proposal by the prospective contractor or subcontractor or by the Government shall be applied to any reproduction or abstracted information of the proposal. I agree to use my best effort to safeguard such information physically, and not to disclose the contents of, or release any information relating to, the proposal(s) to anyone outside of the Source Evaluation Board or other

## Department of Agriculture

415.570

panel assembled for this acquisition, the Contracting Officer, or other individuals designated by the Contracting Officer.

3. I agree to return to the Government all copies of proposals, as well as any abstracts, upon completion of the evaluation.

\_\_\_\_\_  
(Name and Organization)

\_\_\_\_\_  
(Date)

(End of provision)

(c) The release of a proposal to a non-Government evaluator for evaluation does not constitute the release of information for purposes of the Freedom of Information Act (5 U.S.C. 552).

(d) The contracting officer shall attach a cover page bearing the following notice: GOVERNMENT NOTICE FOR HANDLING PROPOSALS—This proposal shall be used and disclosed for evaluation purposes only. Attach a copy of this Government notice to every reproduction or abstract of the proposal. Any authorized restrictive notices which the submitter places on this proposal shall be strictly complied with. Disclosure of this proposal outside the Government for evaluation purposes shall be made only to the extent authorized by, and in accordance with, FAR 3.104-4, FAR 15.207, and AGAR 415.207.

[64 FR 52674, Sept. 30, 1999; 64 FR 54963, Oct. 8, 1999, as amended at 70 FR 46, Jan. 3, 2005]

### 415.209 Solicitation provisions and contract clauses.

(a) The provision at 452.215-71, Instructions for the Preparation of Technical and Business Proposals, may be used when offerors will be required to submit technical and business proposals. Contracting officers should tailor the clause to reflect the degree of information required for the specific acquisition.

(b) The contracting officer shall insert the provision at 452.215-72, Amendments to Proposals, in solicitations which require the submittal of lengthy, complex technical proposals.

### Subpart 415.3—Source Selection

#### 415.303 Responsibilities.

The head of the contracting activity (HCA) is authorized to appoint an indi-

vidual other than the contracting officer as the source selection authority.

#### 415.305 Proposal evaluation.

HCAs are responsible for establishing procedures regarding the release of cost information to the members of the technical evaluation team.

### Subpart 415.4—Contract Pricing

#### 415.404-4 Profit.

(a)(1) USDA will use a structured approach to determine the profit or fee prenegotiation objective in acquisition actions when price negotiation is based on cost analysis.

(2) The following types of acquisitions are exempt from the requirements of the structured approach, but the contracting officer shall comply with FAR 15.404-4(d) when analyzing profit for these contracts or actions:

- (i) Architect-engineer contracts;
- (ii) Construction contracts;
- (iii) Contracts primarily requiring delivery of material supplied by subcontractors;
- (iv) Termination settlements; and
- (v) Cost-plus-award-fee contracts;

(b) Unless otherwise restricted by contracting activity procedures, the Contracting Officer may use another Federal agency's structured approach if that approach has been formalized and is maintained as part of that Agency's acquisition regulations (*i.e.*, included in that Agency's assigned chapter of title 48 of the Code of Federal Regulations).

(c) The HCA is responsible for establishing procedures to ensure compliance with this subpart.

### Subpart 415.5—Preaward, Award, and Postaward Notifications, Protests and Mistakes

#### 415.570 Post-award conference.

If a postaward conference is necessary, the contracting officer shall insert clause 452.215-73, Post-Award Conference.



**415.604**

**Subpart 415.6—Unsolicited Proposals**

**415.604 Agency points of contact.**

HCAs are responsible for establishing procedures to ensure compliance with the requirements of FAR 15.604.

**415.606 Agency procedures.**

HCAs are responsible for establishing the procedures for control of unsolicited proposals required by FAR 15.606(a) and for identifying the contact points as required by FAR 15.606(b).

**PART 416—TYPES OF CONTRACTS**

Sec.

416.000 Scope of part.

**Subpart 416.2—Fixed-Price Contracts**

416.203 Fixed-price contracts with economic price adjustment.

416.203-4 Contract clauses.

**Subpart 416.4—Incentive Contracts**

416.405 Cost-reimbursement incentive contracts.

416.405-2 Cost-plus-award-fee contracts.

416.406 Contract clauses.

416.470 Solicitation provision.

**Subpart 416.5—Indefinite-Delivery Contracts**

416.505 Ordering.

416.506 Solicitation provision and contract clauses.

**Subpart 416.6—Time-and-Materials, Labor-Hour, and Letter Contracts**

416.603 Letter contracts.

416.603-2 Application.

416.603-4 Contract clauses.

416.670 Contract clauses.

**Subpart 416.7—Agreements**

416.702 Basic agreements.

AUTHORITY: 5 U.S.C. 301 and 40 U.S.C. 486(c).

SOURCE: 61 FR 53646, Oct. 15, 1996, unless otherwise noted.

**416.000 Scope of part.**

Heads of contracting activities (HCA's) are authorized to establish written procedures allowing the use of any contract type described in FAR part 16 for acquisitions made under

**48 CFR Ch. 4 (10-1-12 Edition)**

simplified acquisition procedures in FAR part 13.

**Subpart 416.2—Fixed-Price Contracts**

**416.203 Fixed-price contracts with economic price adjustment.**

**416.203-4 Contract clauses.**

An economic price adjustment clause based on cost indexes of labor or material may be used under the conditions listed in FAR 16.203-4(d) after approval by the HCA and consultation with the Office of the General Counsel.

**Subpart 416.4—Incentive Contracts**

**416.405 Cost-reimbursement incentive contracts.**

**416.405-2 Cost-plus-award-fee contracts.**

The HCA may designate an acquisition official other than the contracting officer as the fee determination official (FDO) to make the final determination of the award fee. The designated official must have warranted contracting authority at the same level as the contracting officer or higher, and shall not have participated in preparing the contractor performance evaluation. If the HCA does not designate an FDO, the chief of the contracting office shall act as the FDO.

[61 FR 53646, Oct. 15, 1996. Redesignated at 63 FR 26995, May 15, 1998.]

**416.406 Contract clauses.**

The contracting officer shall insert a clause substantially the same as the clause at 452.216-70, Award Fee, in solicitations and contracts which contemplate the award of cost-plus-award-fee contracts.

[61 FR 53646, Oct. 15, 1996. Redesignated at 63 FR 26995, May 15, 1998.]

**416.470 Solicitation provision.**

The contracting officer shall insert the provision at 452.216-71, Base Fee and Award Fee Proposal, in solicitations which contemplate the award of a cost-plus-award-fee contract.

**Department of Agriculture**

**417.204**

**Subpart 416.5—Indefinite-Delivery Contracts**

**416.505 Ordering.**

(a) The Chief, Procurement Policy Division, Office of Procurement and Property Management, has been designated as the Departmental Task Order Ombudsman.

(b) Each HCA shall designate a task order ombudsman for the contracting activity. The HCA shall forward a copy of the designation memorandum to the Departmental Task Order Ombudsman. Contracting activity ombudsmen shall review and resolve complaints from contractors concerning task or delivery orders placed by the contracting activity.

(c) Any contractor who is not satisfied with the resolution of a complaint by a contracting activity ombudsman may request the Departmental Task Order Ombudsman to review the complaint.

[61 FR 53646, Oct. 15, 1996, as amended at 70 FR 46, Jan. 3, 2005]

**416.506 Solicitation provision and contract clauses.**

(a) The contracting officer shall insert a provision substantially the same as the provision at 452.216-72, Evaluation Quantities-Indefinite-Delivery Contract, in solicitations which contemplate the award of indefinite-quantity or requirements contracts to establish the basis on which offers will be evaluated.

(b) The contracting officer shall insert the clause at 452.216-73, Minimum and Maximum Contract Amounts, in indefinite-delivery, indefinite-quantity contracts when the clause at FAR 52.216-18 is used.

**Subpart 416.6—Time-and-Materials, Labor-Hour, and Letter Contracts**

**416.603 Letter contracts.**

**416.603-2 Application.**

The HCA is authorized to extend the period for defining a letter contract re-

quired by FAR 16.603-2(c) in extreme cases where it is determined in writing that such action is in the best interest of the Government.

**416.603-4 Contract clauses.**

The contracting officer shall insert the clause at 452.216-75, Letter Contract, in a definitive contract superseding a letter contract.

**416.670 Contract clauses.**

The contracting officer shall limit the Government's obligation under a time-and-materials or labor-hour contract by inserting the clause at 452.216-74, Ceiling Price.

**Subpart 416.7—Agreements**

**416.702 Basic agreements.**

Promptly after execution by the Government, the HCA shall furnish to the Senior Procurement Executive a copy of each basic agreement negotiated with contractors in accordance with FAR 16.702.

**PART 417—SPECIAL CONTRACTING METHODS**

AUTHORITY: 5 U.S.C. 301 and 40 U.S.C. 486(c).

**Subpart 417.2—Options**

**417.204 Contracts.**

The head of the contracting activity is authorized to approve contracts which exceed the 5 year limitation in FAR 17.204(e).

[61 FR 53646, Oct. 15, 1996]

**PART 418 [RESERVED]**

## SUBCHAPTER D—SOCIOECONOMIC PROGRAMS

### PART 419—SMALL BUSINESS PROGRAMS

#### Subpart 419.2—Policies

Sec.

419.201 General policy.

419.201-70 Office of Small and Disadvantaged Business Utilization (OSDBU).

419.201-71 Small business coordinators.

419.201-73 Reports.

#### Subpart 419.5—Set-Asides for Small Business

419.508 Solicitation provisions and contract clauses.

#### Subpart 419.6—Certificates of Competency and Determinations of Responsibility

419.602 Procedures.

419.602-1 Referral.

419.602-3 Resolving differences between the agency and the Small Business Administration.

AUTHORITY: 5 U.S.C. 301 and 40 U.S.C. 486(c).

SOURCE: 61 FR 53646, Oct. 15, 1996, unless otherwise noted.

#### Subpart 419.2—Policies

SOURCE: 70 FR 46, Jan. 3, 2005, unless otherwise noted.

##### 419.201 General policy.

It is the policy of USDA to provide maximum practicable contracting and subcontracting opportunities to small business (SB), small disadvantaged business (SDB), HUBZone small business, women-owned business (WOB), veteran-owned small business (VOSB), and service-disabled veteran-owned small business (SDVOSB) concerns.

##### 419.201-70 Office of Small and Disadvantaged Business Utilization (OSDBU).

The Office of Small and Disadvantaged Business Utilization (OSDBU) develops rules, policy, procedures and guidelines for the effective administration of USDA's small business program that includes all categories named under 419.201.

##### 419.201-71 Small business coordinators.

The head of the contracting activity (HCA) or a representative of the HCA shall designate in writing a small business coordinator in each contracting office. Supervisors of small business coordinators are encouraged to provide sufficient time for the coordinators to carry out their small business program duties. Coordinators' duties shall include, but not be limited to, the following:

(a) Reviewing each proposed acquisition expected to exceed the simplified acquisition threshold prior to its solicitation. The coordinator shall:

(1) Recommend section 8(a), HUBZone, or SDVOSB action and identify potential contractors, or

(2) Identify available SDB, WOB, and VOSB to be solicited by competitive procedures. Coordinators shall document the contract file with recommendations made and actions taken.

(b) Participating in goal-setting procedures and planning activities and establishing aggressive SDB, WOB, and SDVOSB goals based on the annual review of advance acquisition plans.

(c) Participating in the review of those contracts which require the successful offeror to submit written plans for the utilization of small businesses as subcontractors to include all preference program areas in 419.201.

(d) Ensuring that purchases exceeding \$2,500 and not exceeding the simplified acquisition threshold are reserved exclusively for small businesses, including all preference program areas named in 419.201. This policy shall be implemented unless the contracting officer is unable to obtain offers from two or more small business concerns that are competitive with market prices and in terms of quality and delivery of the goods or services being purchased.

(e) Maintaining comprehensive source listings of small businesses.

(f) Upon written request, providing small businesses (in the preference program areas named in 419.201) the bidders' mailing lists of individuals receiving solicitations which will contain the subcontracting clause entitled "Utilization of Small Business Concerns" (FAR 52.219-8). These lists may be limited to those supplies or services of major interest to the requesting firms.

(g) Developing a program of contacts with local and small (to include all preference program areas named in 419.201) trade, business, and professional associations and organizations and Indian tribal councils to apprise them of USDA's program needs and recurring contract requirements.

(h) Periodically meeting with program managers to discuss requirements of the small business preference program, to explore the feasibility of breaking large complex requirements into smaller lots suitable for participation by small firms, and to encourage program managers to meet with these firms so that their capabilities can be demonstrated.

(i) Establishing internal operating procedures which implement the requirements of the regulations as set forth in this part 419.

(j) Compiling data and preparing all reports pertaining to the small business program activities, and ensuring that these reports are accurate, complete and up-to-date.

(k) Assisting and counseling small business firms.

(l) Reviewing proposed large contract requirements that may be bundled to determine the potential for breaking out components suitable for purchase from small business firms.

(m) Ensuring that the SBA Resident Procurement Center Representative (PCR) is provided an opportunity and reasonable time to review any solicitation that meets the dollar threshold for small business (including all preference program areas named in 419.201) subcontracting plans.

**419.201-73 Reports.**

The Director, OSDBU, shall be responsible for submitting reports concerning USDA's progress and achieve-

ments in the procurement preference program.

**Subpart 419.5—Set-Asides for Small Business**

**419.508 Solicitation provisions and contract clauses.**

The contracting officer shall insert the provision at 452.219-70, Size Standard and NAICS Code Information, in solicitations that are set aside for small businesses.

[61 FR 53646, Oct. 15, 1996, as amended at 66 FR 49317, Sept. 27, 2001]

**Subpart 419.6—Certificates of Competency and Determinations of Responsibility**

**419.602 Procedures.**

**419.602-1 Referral.**

Contracting officers shall refer determinations of non-responsibility regarding small businesses directly to the SBA Regional Office servicing the location where the contractor's office (home) is located.

**419.602-3 Resolving differences between the agency and the Small Business Administration.**

The HCA is authorized to appeal the issuance of a COC to SBA Headquarters as provided by FAR 19.602-3(a).

[63 FR 26995, May 15, 1998]

**PARTS 420-421 [RESERVED]**

**PART 422—APPLICATION OF LABOR LAWS TO GOVERNMENT ACQUISITIONS**

**Subpart 422.1—Basic Labor Policies**

Sec.  
422.103 Overtime.  
422.103-4 Approvals.

**Subpart 422.3—Contract Work Hours and Safety Standards Act**

422.302 Liquidated damages and overtime pay.

## 422.103

### Subpart 422.4—Labor Standards for Contracts Involving Construction

- 422.404 Davis-Bacon Act wage determinations.
- 422.404-6 Modifications of wage determinations.
- 422.406 Administration and enforcement.
- 422.406-8 Investigations.

### Subpart 422.6—Walsh-Healey Public Contracts Act

- 422.604 Exemptions.
- 422.604-2 Regulatory exemptions.
- 422.608 [Reserved]

### Subpart 422.8—Equal Employment Opportunity

- 422.803 Responsibilities.
- 422.804 Affirmative action programs.
- 422.804-2 Construction.
- 422.807 Exemptions.

### Subpart 422.13—Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans

- 422.1305 Waivers.
- 422.1308 Complaint procedures.

### Subpart 422.14—Employment of Workers With Disabilities

- 422.1403 Waivers.
  - 422.1406 Complaint procedures.
- AUTHORITY: 5 U.S.C. 301 and 40 U.S.C. 486(c).
- SOURCE: 61 FR 53646, Oct. 15, 1996, unless otherwise noted.

### Subpart 422.1—Basic Labor Policies

#### 422.103 Overtime.

#### 422.103-4 Approvals.

Requests for the use of overtime shall be approved by an acquisition official at a level above the contracting officer in accordance with the procedures in FAR 22.103-4 (a) and (b).

### Subpart 422.3—Contract Work Hours and Safety Standards Act

#### 422.302 Liquidated damages and overtime pay.

Heads of contracting activities (HCA's) are authorized to review determinations of liquidated damages due under section 104(c) of the Contract

## 48 CFR Ch. 4 (10-1-12 Edition)

Work Hours and Safety Standards Act, and to take remedial action, if appropriate, in accordance with FAR 22.302(c). Contractors or subcontractors may request review of administrative determinations of liquidated damages by written notice to the contracting officer. The contracting officer shall promptly forward appeals of liquidated damages determinations to the HCA.

### Subpart 422.4—Labor Standards for Contracts Involving Construction

#### 422.404 Davis-Bacon Act wage determinations.

#### 422.404-6 Modifications of wage determinations.

HCA's are authorized to request extension of the 90 day period for award after bid opening as provided in FAR 22.404-6(b)(6).

#### 422.406 Administration and enforcement.

#### 422.406.8 Investigations.

Reports of violations shall be forwarded to the HCA, who shall process such reports in accordance with FAR 22.406-8(d).

### Subpart 422.6—Walsh-Healey Public Contracts Act

#### 422.604 Exemptions.

#### 422.604-2 Regulatory exemptions.

The Assistant Secretary for Administration can request the Secretary of Labor to exempt contracts from the Walsh-Healey Public Contracts Act pursuant to FAR 22.604-2(b). A written finding justifying the request for exemption shall be prepared for the Assistant Secretary's signature and submitted by the HCA to the Senior Procurement Executive (SPE) for referral to the Assistant Secretary.

[61 FR 53646, Oct. 15, 1996, as amended at 70 FR 46, Jan. 3, 2005]

## Department of Agriculture

Pt. 423

**422.608 [Reserved]**

### Subpart 422.8—Equal Employment Opportunity

#### 422.803 Responsibilities.

The contracting office shall submit questions involving the applicability of Executive Order 11246 and FAR subpart 22.8 through the HCA to the SPE for resolution.

#### 422.804 Affirmative action programs.

##### 422.804-2 Construction.

The HCA shall ensure that each contracting office, awarding nonexempt construction contracts, maintains a current listing of covered geographical areas subject to affirmative action requirements specifying goals for minorities and women in covered construction trades.

#### 422.807 Exemptions.

(a) The Assistant Secretary for Administration is authorized to make the determination in FAR 22.807(a)(1) that a contract is essential to the national security.

(b) The contracting officer shall submit requests for exemptions under FAR 22.807(a)(1), (a)(2), and (b)(5) through the HCA to the SPE for determination by the Assistant Secretary of Administration or referral to the Deputy Assistant Secretary for Federal Contract Compliance Programs, Department of Labor, as appropriate.

[61 FR 53646, Oct. 15, 1996, as amended at 70 FR 46, Jan. 3, 2005]

### Subpart 422.13—Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans

SOURCE: 70 FR 46, Jan. 3, 2005, unless otherwise noted.

#### 422.1305 Waivers.

(a) The Assistant Secretary for Administration is authorized to make the waiver determination in FAR 22.1305(b) that a contract is essential to the national security.

(b) The contracting officer shall submit requests for exemptions under FAR

22.1305(a) and (b) through the HCA to the SPE for determination by the Assistant Secretary for Administration or referral to the Deputy Assistant Secretary for Federal Contract Compliance Programs, Department of Labor as appropriate.

#### 422.1308 Complaint procedures.

The contracting officer shall forward complaints received about the administration of the Vietnam Era Veterans Readjustment Assistance Act directly to the Department of Labor as prescribed in FAR 22.1308.

### Subpart 422.14—Employment of Workers With Disabilities

#### 422.1403 Waivers.

(a) The Assistant Secretary for Administration is authorized to make the waiver determinations under FAR 22.1403(a) and (b) with the concurrence of the Deputy Assistant Secretary for Federal Contract Compliance Programs, Department of Labor.

(b) The contracting officer shall submit requests for waivers through the HCA to the SPE for determination by the Assistant Secretary for Administration.

[61 FR 53646, Oct. 15, 1996, as amended at 70 FR 46, Jan. 3, 2005]

#### 422.1406 Complaint procedures.

The contracting officer shall forward complaints received about the administration of Section 503 of the Rehabilitation Act of 1973, as amended, directly to the OFCCP as prescribed in FAR 22.1406.

## PART 423—ENVIRONMENT, ENERGY AND WATER EFFICIENCY, RENEWABLE ENERGY TECHNOLOGIES, OCCUPATIONAL SAFETY, AND DRUG-FREE WORKPLACE

### Subpart 423.1 [Reserved]

#### Subpart 423.2—Energy and Water Efficiency and Renewable Energy

Sec.  
423.202 Policy.

**Subpart 423.4—Use of Recovered Materials**

- 423.400 Scope of subpart.  
 423.402 [Reserved]  
 423.403 Policy.  
 423.404 Agency affirmative procurement programs.  
 423.405 Procedures.

**Subpart 423.5—Drug-Free Workplace**

- 423.506 Suspension of payments, termination of contract, and debarment and suspension actions.

**Subpart 423.6—Notice of Radioactive Material**

- 423.601 Requirements.

**Subpart 423.7—Contracting for Environmentally Preferable Products and Services**

- 423.703 Policy.

AUTHORITY: 5 U.S.C. 301 and 40 U.S.C. 486(c).

SOURCE: 70 FR 47, Jan. 3, 2005, unless otherwise noted.

**Subpart 423.1 [Reserved]****Subpart 423.2—Energy and Water Efficiency and Renewable Energy****423.202 Policy.**

Information on Energy Star, energy efficient, water efficient, and low standby products covered by this policy is available via the Internet at <http://www.eere.energy.gov/femp/technologies/eeproducts.cfm>.

**Subpart 423.4—Use of Recovered Materials****423.400 Scope of subpart.**

This subpart implements and supplements FAR policies and procedures for acquiring products and services when preference is given to offers of products containing recovered materials. This subpart further supplements FAR subpart 23.4 by providing guidance for affirmative procurement programs in accordance with Executive Order 13101 and 42 U.S.C. 6962.

**423.402 [Reserved]****423.403 Policy.**

It is the policy of USDA to acquire and use Environmental Protection Agency (EPA) designated recycled content products.

**423.404 Agency affirmative procurement programs.**

The USDA affirmative procurement program (APP) policy applicable to all USDA agencies and staff offices is hereby established. The components of this APP include:

(a) *Recovered Materials Preference Program.* In accord with the requirements of Section 402(c) of Executive Order 13101, Greening the Government Through Recycling, Waste Prevention, and Federal Acquisition, USDA agencies will include, in all applicable solicitations and contracts, a preference for products and services which meet or exceed the EPA purchasing guidelines as contained in the EPA product Recovered Materials Advisory Notices (RMANs). Agencies may choose an evaluation factor preference, or other method of indicating preference in accord with their agency needs. Agencies will, as appropriate, eliminate virgin material requirements in contract specifications and replace them with a statement of preference for recycled materials.

(b) *Promotion program.* USDA agencies will actively promote a preference for recovered materials, environmentally preferable products, and biobased products in contacts with vendors, in written materials, and other appropriate opportunities.

(c) *Reasonable estimation of recovered materials used in the performance of contracts.* USDA agencies annually will provide in writing to the USDA Senior Procurement Executive, in response to a call for data for the Resource Conservation and Recovery report, reasonable estimates, certification, and verification of recovered material used in the performance of contracts.

(d) *Annual review and monitoring of effectiveness of the program.* USDA agencies will provide an annual assessment of the effectiveness of their affirmative

procurement program actions in increasing the purchase and use of EPA designated products.

(e) *Purchase of EPA designated products.* USDA agencies will require that 100% of purchases of EPA-designated products contain recovered material, unless the item cannot be acquired—

(1) Competitively within a reasonable time frame;

(2) Meeting appropriate performance standards; or

(3) At a reasonable price.

(f) The 100% purchase requirement of paragraph (e) of this section applies to all USDA agency purchases, including those at or below the micro-purchase threshold.

**423.405 Procedures.**

(a) The threshold of purchase for EPA designated items is \$10,000 per year at the USDA departmental, not individual agency, level. Therefore, the APP requirements above, including the 100% purchase requirement, apply at the individual agency and staff office level.

(b) Contracting officers should refer to EPA's list of designated products and products identified as recycled content when purchasing supplies or services. Information on EPA designated products is available at: [www.epa.gov/cpg/products.htm](http://www.epa.gov/cpg/products.htm).

(c) All agencies and USDA Contracting Officers must take necessary actions to carry out the provisions of the USDA APP policy described in this subpart.

**Subpart 423.5—Drug-Free Workplace**

**423.506 Suspension of payments, termination of contract, and debarment and suspension actions.**

(a) The contracting officer may recommend waiver of the determination to suspend payments, to terminate a contract, or to debar or to suspend a contractor.

(b) The recommendation shall be submitted through the HCA to the SPE and shall include a full description of the disruption of USDA operations should the determination not be waived.

(c) The SPE will submit the request for a waiver to the Secretary with a recommendation for action.

**Subpart 423.6—Notice of Radioactive Material**

**423.601 Requirements.**

The HCA shall establish a system of instructions to identify the installation/facility radiation protection officer.

**Subpart 423.7—Contracting for Environmentally Preferable Products and Services**

**423.703 Policy.**

(a) USDA's Affirmative Procurement Program promotes energy-efficiency, water conservation, and the acquisition of environmentally preferable products and services. In its acquisitions, USDA will support federal "green purchasing" principles in the acquisition of products and services that are environmentally preferable or that are biobased content products and services.

(b) USDA agencies will actively promote this preference for environmentally preferable products and biobased products in contacts with vendors, in written materials, and other appropriate opportunities.

**PART 424—PROTECTION OF PRIVACY AND FREEDOM OF INFORMATION**

**Subpart 424.1—Protection of Individual Privacy**

Sec.

424.103 Procedures.

424.104 Contract clauses.

**Subpart 424.2—Freedom of Information Act**

424.203 Policy.

AUTHORITY: 5 U.S.C. 301 and 40 U.S.C. 486(c).

SOURCE: 61 FR 53646, Oct. 15, 1996, unless otherwise noted.



**424.103**

**Subpart 424.1—Protection of Individual Privacy**

**424.103 Procedures.**

USDA regulations implementing the Privacy Act are found in 7 CFR, subtitle A, part 1, subpart G. Contracting officers shall follow these regulations when responding to requests for information or awarding contracts that will involve the design, development, or operation of a system of records on individuals to accomplish agency functions.

**424.104 Contract clauses.**

When applicable, the contracting officer shall insert the clause at 452.224-70, Confidentiality of Information, in contracts involving confidential information.

**Subpart 424.2—Freedom of Information Act**

**424.203 Policy.**

USDA regulations implementing the Freedom of Information Act are found in 7 CFR, Subtitle A, Part 1, Subpart A. Contracting officers shall follow these regulations when responding to requests for information.

[70 FR 48, Jan. 3, 2005]

**PART 425—FOREIGN ACQUISITION**

**Subpart 425.1—Buy American Act—Supplies**

Sec.

425.102 [Reserved]

425.103 Exceptions.

425.104 Nonavailable articles.

425.105 Determining reasonableness of cost.

425.108 [Reserved]

**Subpart 425.2—Buy American Act—Construction Materials**

425.202 Exceptions.

425.203-425.204 [Reserved]

**Subparts 425.3-425.4 [Reserved]**

**Subpart 425.6—Trade Sanctions**

425.602 Exceptions.

**Subpart 425.9 [Reserved]**

**48 CFR Ch. 4 (10-1-12 Edition)**

**Subpart 425.10—Additional Foreign Acquisition Regulations**

425.1001 Waiver of right to examination of records.

AUTHORITY: 5 U.S.C. 301 and 40 U.S.C. 486(c).

SOURCE: 61 FR 53646, Oct. 15, 1996, unless otherwise noted.

**Subpart 425.1—Buy American Act—Supplies**

SOURCE: 70 FR 48, Jan. 3, 2005, unless otherwise noted.

**425.102 [Reserved]**

**425.103 Exceptions.**

(a) The Senior Procurement Executive (SPE) shall make the determination prescribed in FAR 25.103(a).

(b) Copies of determinations of non-availability in accordance with FAR 25.103(b)(2) or 25.202(a)(2), for articles, material or supplies not listed in FAR 25.104, may be submitted to the SPE for submission to the Civilian Agency Acquisition Council (CAAC).

**425.104 Nonavailable articles.**

Information required by FAR 25.104(b) shall be submitted to the SPE for submission to the CAAC.

**425.105 Determining reasonableness of cost.**

The SPE may make the determination prescribed in FAR 25.105(a). Requests for a determination by the SPE shall be submitted by the HCA, in writing, and shall provide a detailed justification supporting why evaluation factors higher than those listed in FAR 25.102(b)(1) and (2) should be applied to determine whether the offered price of a domestic end product is unreasonable.

**425.108 [Reserved]**

**Subpart 425.2—Buy American Act—Construction Materials**

**425.202 Exceptions.**

(a) The SPE shall make the determination prescribed in FAR 25.202(a)(1).

(b) If a contracting officer proposes that the use of a particular domestic

**Department of Agriculture**

**Pt. 426**

construction material should be waived for a contract on the grounds that its use would be impracticable, the contracting officer shall submit a proposed determination with supporting information through the HCA to the SPE for approval or disapproval.

[63 FR 26995, May 15, 1998, as amended at 70 FR 48, Jan. 3, 2005]

**425.203–425.204 [Reserved]**

**Subparts 425.3–425.4 [Reserved]**

**Subpart 425.6—Trade Sanctions**

**425.602 Exceptions.**

The Secretary, without power of re-delegation, has the authority to make the necessary determination(s) and au-

thorize award(s) of contract(s) in accordance with FAR 25.602(b).

[70 FR 48, Jan. 3, 2005]

**Subpart 425.9 [Reserved]**

**Subpart 425.10—Additional Foreign Acquisition Regulations**

**425.1001 Waiver of right to examination of records.**

The SPE shall make the determination under FAR 25.1001(a)(2)(iii).

[70 FR 48, Jan. 3, 2005]

**PART 426—OTHER SOCIOECONOMIC PROGRAMS**

**Subpart 426.70 [Reserved]**

## SUBCHAPTER E—GENERAL CONTRACTING REQUIREMENTS

### PART 427—PATENTS, DATA, AND COPYRIGHTS

AUTHORITY: 5 U.S.C. 301 and 40 U.S.C. 486(c).

#### Subpart 427.1—General

##### 427.104 General guidance.

As used in FAR part 27, the agency head or agency head designee is the Senior Procurement Executive, except under FAR 27.306(a) and (b). Under FAR 27.306(a) and (b), the agency head is the Secretary without power of redelegation.

[61 FR 53646, Oct. 15, 1996]

### PART 428—BONDS AND INSURANCE

#### Subpart 428.1—Bonds and Other Financial Protections

Sec.

428.101 Bid guarantees.

428.101-1 Policy on use.

428.106 Administration.

428.106-6 Furnishing information.

#### Subpart 428.2—Sureties and Other Security for Bonds

428.203 Acceptability of individual sureties.

428.204 Alternatives in lieu of corporate or individual sureties.

428.204-2 Certified or cashier's checks, bank drafts, money orders, or currency.

#### Subpart 428.3—Insurance

428.307 Insurance under cost-reimbursement contracts.

428.307-1 Group insurance plans.

428.310 Contract clause for work on a Government installation.

428.370 Government-owned vehicles operated in foreign countries.

AUTHORITY: 5 U.S.C. 301 and 40 U.S.C. 486(c).

SOURCE: 61 FR 53646, Oct. 15, 1996, unless otherwise noted.

#### Subpart 428.1—Bonds and Other Financial Protections

##### 428.101 Bid guarantees.

##### 428.101-1 Policy on use.

The Senior Procurement Executive may authorize class waivers of the requirement to obtain bid guarantees.

##### 428.106 Administration.

##### 428.106-6 Furnishing information.

Heads of contracting activities (HCA's) or their designees may furnish certified copies of bonds and the contracts for which they were given as provided by FAR 28.106-6(c). Requesters may be required to pay costs of certification and copying established by the Departmental Fee Schedule for records requests (7 CFR part 1, subpart A, appendix A).

#### Subpart 428.2—Sureties and Other Security for Bonds

##### 428.203 Acceptability of individual sureties.

Evidence of possible criminal or fraudulent activities by an individual surety shall be reported to the Office of Inspector General in accordance with Departmental Regulations (1700 series).

##### 428.204 Alternatives in lieu of corporate or individual sureties.

HCA's shall establish procedures to ensure protection and conveyance of deposited securities of the types listed in FAR 28.204-1 through 28.204-3.

##### 428.204-2 Certified or cashier's checks, bank drafts, money orders, or currency.

The contracting officer shall insert the provision at 452.228-70, Alternative Forms of Security, in a solicitation if a bond is required.

**Subpart 428.3—Insurance**

**428.307 Insurance under cost-reimbursement contracts.**

**428.307-1 Group insurance plans.**

Under cost-reimbursement contracts, before buying insurance under a group insurance plan, the contractor shall submit the plan to the contracting officer for review. During review, the contracting officer shall use all sources of information available, such as audits, industry practice, or other sources of information, to determine whether acceptance of the plan submitted would be in the Government's best interest.

**428.310 Contract clause for work on a Government installation.**

The contracting officer shall insert the clause at 452.228-71, Insurance Coverage, in solicitations and contracts which include the clause at FAR 52.228-5, Insurance—Work on a Government Installation. If property liability insurance is required, the contracting officer shall use the clause with its Alternate I.

**428.370 Government-owned vehicles operated in foreign countries.**

USDA is authorized to obtain insurance to cover liability incurred by any of its employees while acting within the scope of their employment and operating a Government-owned vehicle in a foreign country. (7 U.S.C. 2262).

**PART 429 [RESERVED]**

**PART 430—COST ACCOUNTING STANDARDS ADMINISTRATION**

Sec.  
430.070 Definitions.

**Subpart 430.2—CAS Program Requirements**

- 430.201 Contract requirements.
- 430.201-5 Waiver.
- 430.202 Disclosure requirements.
- 430.202-2 Impracticality of submission.
- 430.202-8 Subcontractor Disclosure Statements.

AUTHORITY: 5 U.S.C. 301 and 40 U.S.C. 486(c).

SOURCE: 61 FR 53646, Oct. 15, 1996, unless otherwise noted.

**430.070 Definitions.**

*ACO*, as used in this part and in FAR part 30, means *administrative contracting officer* as described in FAR part 42.

**Subpart 430.2—CAS Program Requirements**

**430.201 Contract requirements.**

**430.201-5 Waiver.**

The Senior Procurement Executive (SPE), without the authority to further redelegate, is authorized to request the Cost Accounting Standards Board to waive the application of the Cost Accounting Standards (CAS). Contracting officers shall prepare waiver requests in accordance with 48 CFR chapter 99 (Appendix B, FAR loose-leaf edition), subsection 9903.201-5, and submit them to the SPE through the head of the contracting activity (HCA).

**430.202 Disclosure requirements.**

**430.202-2 Impracticality of submission.**

(a) The Secretary, without the power to delegate, is authorized to determine, in accordance with FAR part 99 (Appendix B), subsection 9903.202-2, that the Disclosure Statement is impractical to secure and to authorize award without obtaining the Disclosure Statement.

(b) The request for this determination is to be prepared in accordance with FAR part 99 (Appendix B), subsection 9903.202-2 and is to contain the proposed report to the CASB.

(c) Requests for a determination under paragraph (a) of this section shall be prepared by the contracting officer and submitted through the HCA to the SPE for concurrence and submittal to the Secretary.

**430.202-8 Subcontractor Disclosure Statements.**

(a) The Secretary, without the power to redelegate, is authorized to determine that the Disclosure Statement for a subcontractor is impractical to secure and to authorize award without obtaining the Disclosure Statement.

(b) Requests for this determination are to be prepared and forwarded as described in 430.202-2.

## PART 431—CONTRACT COST PRINCIPLES AND PROCEDURES

AUTHORITY: 5 U.S.C. 301 and 40 U.S.C. 486(c).

### Subpart 431.1—Applicability

#### 431.101 Objectives.

(a) The SPE is designated as the official authorized to give advance approval of an individual deviation concerning cost principles.

(b) The SPE is designated as the official authorized to give advance approval of a class deviation concerning cost principles after coordination with the Civilian Agency Acquisition Council.

(c) Requests for advance approval of class deviations concerning cost principles must be submitted to the SPE through the HCA.

[61 FR 53646, Oct. 15, 1996]

## PART 432—CONTRACT FINANCING

Sec.

432.001 Definitions.

432.003 Simplified acquisition procedures financing.

432.006 Reduction or suspension of contract payments upon finding of fraud.

432.006-2 Definitions.

432.006-3 Responsibilities.

432.006-4 Procedures.

432.006-5 Reporting.

432.007 Contract financing payments.

### Subpart 432.1—Non-Commercial Item Purchase Financing

432.102 Description of contract financing methods.

432.103 Progress payments under construction contracts.

432.111 Contract clauses for non-commercial purchases.

432.113 Customary contract financing.

432.114 Unusual contract financing.

### Subpart 432.2—Commercial Item Purchase Financing

432.202 General.

432.202-1 Policy.

432.202-4 Security for Government financing.

432.206 Solicitation provisions and contract clauses.

432.207 Administration and payment of commercial financing payments.

### Subpart 432.3—Loan Guarantees for Defense Production

432.301 Definitions.

### Subpart 432.4—Advance Payments for Non-Commercial Items

432.402 General.

432.406 Letters of credit.

432.407 Interest.

432.412 Contract clause.

### Subpart 432.6—Contract Debts

432.601 Definition.

432.616 Compromise actions.

### Subpart 432.7—Contract Funding

432.703 Contract funding requirements.

432.703-3 Contracts crossing fiscal years.

432.770 USDA specific funding limitations.

### Subpart 432.8—Assignment of Claims

432.802 Conditions.

432.803 Policies.

432.805 Procedure.

432.806 Contract clauses.

### Subpart 432.9—Prompt Payment

432.904 Determining payment due dates.

### Subpart 432.10—Performance-Based Payments

432.1007 Administration and payment of performance-based payments.

AUTHORITY: 40 U.S.C. 121, 41 U.S.C. 421.

SOURCE: 61 FR 53646, Oct. 15, 1996, unless otherwise noted.

#### 432.001 Definitions.

The *agency contract finance office* is the office, other than the office of the requisitioner, providing funding or performing funding record keeping for the contract action.

*Responsible fiscal authority* is that officer in the agency contract finance office with the responsibility to ensure that adequate funds are available and usable for the intended purpose.

#### 432.003 Simplified acquisition procedures financing.

(a) The chief of the contracting office may approve contract financing on a contract to be entered under the simplified acquisition procedures. Class approvals may not be made.

## Department of Agriculture

## 432.007

(b) The signed approval must contain the supporting rationale for the action and an estimate of the cost and/or risk to the government.

### **432.006 Reduction or suspension of contract payments upon finding of fraud.**

#### **432.006-2 Definitions.**

(a) The USDA *remedy coordination official* (RCO) is the Assistant Secretary for Administration.

(b) For the purposes of this part, *head of the agency* means, exclusively, the Secretary or the Deputy Secretary.

#### **432.006-3 Responsibilities.**

When a contracting officer suspects that a request for advance, partial, or progress payment is based on fraud, the request shall be referred directly to the Office of Inspector General (OIG) in accordance with their instructions. A copy of the referral shall be submitted through the head of the contracting activity (HCA) to the Senior Procurement Executive (SPE).

#### **432.006-4 Procedures.**

(a) Immediately upon submittal of the referral described in 432.006-3, the HCA and the contracting officer shall confer with the SPE and representatives of the OIG to discuss the potential for reduction or suspension of further payments based on the considerations listed in FAR 32.006-4(d) (1) through (5).

(b) The SPE will determine whether the contractor has contracts with other Departments or contracting activities and will involve them, as necessary, in the decision making process.

(c) The OIG will determine the need for and the extent of an investigation.

(d) Immediately upon completion of the OIG investigation (or, if deemed necessary by the OIG and the SPE, before completion of the investigation) the SPE, in coordination with the HCA, the contracting officer, and the OIG, shall make a report on the action to the RCO.

(e) Upon receipt of the report, the RCO will submit a recommendation to the Secretary.

(f) Upon receipt of the RCO's report the Secretary will:

(1) Notify the contractor in writing, allowing 30 calendar days after receipt of the notice, that the contractor may submit in writing information and arguments in opposition to the recommendation; and

(2) Consider the RCO's recommendation, the SPE's report, the response of the contractor, and any other relevant information in order to make an appropriate final determination.

(g) This determination will be provided to the contractor and to the SPE for distribution to the agencies involved and for appropriate action under the determination.

(h) The determination and the supporting documentation will be placed in the contract file(s) and a copy will be maintained by the SPE.

(i) The contracting officer will advise the SPE of the actual date of the reduction or suspension action.

(j) Not later than 150 calendar days after the actual date of the reduction or suspension action, the SPE will prepare for the RCO a review of the agency head's determination, and will propose a recommendation from the RCO to the agency head as to whether the reduction or suspension action should continue. The RCO will submit the recommendation (including a recommendation for the time period of a follow up review) to the agency head. This recommendation will be considered by the Secretary and handled as a final action described in paragraph (f) of this section.

(k) The contract may not be closed nor final payment made prior to a final determination by the Secretary.

#### **432.006-5 Reporting.**

The annual report required by FAR 32.006-5 is to be prepared by the SPE and to be submitted to the Secretary within 90 calendar days after the end of the fiscal year. When signed by the Secretary, the report is to be maintained by the SPE.

#### **432.007 Contract financing payments.**

The HCA may prescribe, on a case-by-case basis, a shorter period for financing payments.

[61 FR 53646, Oct. 15, 1996. Redesignated at 70 FR 48, Jan. 3, 2005]

### Subpart 432.1—Non-Commercial Item Purchase Financing

#### 432.102 Description of contract financing methods.

Progress payments based on a percentage or stage of completion are authorized for use as a payment method under USDA contracts or subcontracts for construction, alteration or repair, and shipbuilding and conversion. Such payments also are authorized for service contracts, if the contracting officer determines that progress payments based on costs are not practicable and adequate safeguards are provided to administer progress payments based on a percentage or stage of completion. For all other contracts, progress payment provisions shall be based on costs except that the HCA may authorize progress payments based on a percentage or stage of completion on a case-by-case basis. Each authorization by the HCA shall include a determination and finding that progress payments based on costs cannot be employed practically and that there are adequate safeguards provided for the administration of progress payments based on a percentage or stage of completion.

#### 432.103 Progress payments under construction contracts.

(a) When approving a progress payment under a construction contract, the contracting officer shall indicate the amount to be paid by the payment office and include in the contract file the rationale in support of the payment.

(b) When a retainage is made on a progress payment under a construction contract, the contracting officer shall place in the contract file a written determination stating the reason(s) for the retainage.

(c) When a progress payment under a construction contract has been approved, the amount to be paid, the amount of any retainage withheld, and the reason(s) for the retainage shall be provided to the contractor by the contracting officer in writing before the payment due date.

(d) When the contractor, under a fixed-price construction contract, furnishes evidence to the contracting officer that the surety has been paid in

full for bond premiums and requests reimbursement, the first subsequent progress payment shall include the total amount attributable to such bond premiums and the Government shall pay that amount in full. This amount paid for the bond premiums is not an amount in addition to the stated contract price.

#### 432.111 Contract clauses for non-commercial purchases.

The contracting officer shall insert the clause at 452.232-70, Reimbursement for Bond Premiums—Fixed Price Construction Contracts, whenever the clause at FAR 52.232-5, Payments under Fixed-Price Construction Contracts, is used in a contract.

[61 FR 53646, Oct. 15, 1996, as amended at 63 FR 26995, May 15, 1998]

#### 432.113 Customary contract financing.

The contracting officer may determine the necessity for customary contract financing. The determination and finding that customary contract financing is needed shall be placed in the contract file.

#### 432.114 Unusual contract financing.

The HCA is authorized to approve unusual contract financing. The signed determination and finding supporting this approval shall be included in the contract file.

### Subpart 432.2—Commercial Item Purchase Financing

#### 432.202 General.

##### 432.202-1 Policy.

In the case of unusual contract financing, the approval by the HCA shall be recorded in a determination and finding and maintained in the contract file.

##### 432.202-4 Security for Government financing.

Prior to determining that an offeror's financial condition is adequate security, the contracting officer must obtain the concurrence of the funding activity in the proposed determination.

## Department of Agriculture

432.770

### 432.206 Solicitation provisions and contract clauses.

The responsibility for administration of the liquidation provisions of a contract may not be transferred from the contracting officer.

### 432.207 Administration and payment of commercial financing payments.

The responsibility for receiving, reviewing, and approval of contract financing requests may not be transferred from the contracting officer.

## Subpart 432.3—Loan Guarantees for Defense Production

### 432.301 Definitions.

Within this subpart, the “agency” or “guaranteeing agency” is the “head of the contracting activity” (HCA) and may not be redelegated.

## Subpart 432.4—Advance Payments for Non-Commercial Items

### 432.402 General.

The HCA is designated as the individual responsible for making the findings and determination, and for approval of the contract terms concerning advance payments.

### 432.406 Letters of credit.

The HCA is designated as the individual responsible for coordination with the Department of Treasury concerning letters of credit.

### 432.407 Interest.

(a) The HCA is designated as the individual who may authorize, on a case by case basis, advance payments without interest for the contract types described in FAR 32.407(d)(1), (2), (3), and (4). The signed determination and findings supporting these authorizations shall be included in the contract files.

(b) The SPE is designated as the individual who may authorize advance payments without interest other than those described in paragraph (a) of this section.

### 432.412 Contract clause.

The decision to use Alternates I or III to clause 52.232-12 must be supported by a determination and finding.

## Subpart 432.6—Contract Debts

### 432.601 Definition.

*Responsible official* means the contracting officer.

### 432.616 Compromise actions.

Compromise of a debt within the proceedings under appeal to the Civilian Board of Contract Appeals is the responsibility of the contracting officer.

[72 FR 31438, June 7, 2007]

## Subpart 432.7—Contract Funding

### 432.703 Contract funding requirements.

### 432.703-3 Contracts crossing fiscal years.

Funds appropriated to USDA may be used for one-year contracts which are to be performed in two fiscal years so long as the total amount for such contracts is obligated in the year for which the funds are appropriated (7 U.S.C. 2209c).

### 432.770 USDA specific funding limitations.

(a) The USDA is authorized to subscribe for newspapers as may be necessary to carry out its authorized work: *Provided*, that such subscriptions shall not be made unless provision is made therefor in the applicable appropriation and the cost thereof is not in excess of limitations prescribed therein (7 U.S.C. 2258).

(b) The expenditure of any USDA appropriation for any consulting service through any contract, pursuant to section 3109 of Title 5 of the U.S. Code shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive Order issued pursuant to existing law (7 U.S.C. 2225a).



**432.802**

**48 CFR Ch. 4 (10-1-12 Edition)**

**Subpart 432.8—Assignment of Claims**

433.103 Protests to the agency.  
433.104 [Reserved]

**432.802 Conditions.**

**Subpart 433.2—Disputes and Appeals**

Written notices of assignment and a true copy of the assigned instrument are to be sent to the contracting officer rather than the agency head. Other copies are distributed as directed in FAR 32.802.

433.203 Applicability.  
433.203-70 Civilian Board of Contract Appeals.  
433.209 Suspected fraudulent claims.

**432.803 Policies.**

AUTHORITY: 40 U.S.C. 121, 41 U.S.C. 421.

The HCA may make a determination of need to include a no-setoff commitment in a contract.

SOURCE: 61 FR 53646, Oct. 15, 1996, unless otherwise noted.

**Subpart 433.1—Protests**

**432.805 Procedure.**

The information described in FAR 32.805 shall be filed with the contracting officer.

**433.102 General.**

**432.806 Contract clauses.**

The contracting officer may make the determination whether to include the clause at FAR 52.232-23 in any purchase order expected to exceed the micro-purchase threshold.

(a) The Senior Procurement Executive (SPE) is responsible for coordinating the handling of bid protests lodged with the Government Accountability Office (GAO).

(b) The head of the contracting activity (HCA), on a non-delegable basis, may resolve protests and authorize reimbursement of costs in accordance with FAR 33.102(b).

**Subpart 432.9—Prompt Payment**

[61 FR 53646, Oct. 15, 1996, as amended at 70 FR 48, Jan. 3, 2005]

**432.904 Determining payment due dates.**

The payment terms for supplies and services on the Procurement List and provided by a Javits-Wagner-O'Day Act participating nonprofit agency are governed by FAR 8.709.

[61 FR 53646, Oct. 15, 1996. Redesignated at 70 FR 48, Jan. 3, 2005]

**433.103 Protests to the agency.**

**Subpart 432.10—Performance-Based Payments**

**432.1007 Administration and payment of performance-based payments.**

The responsibility for receiving, reviewing, and approval of performance-based payment requests may not be transferred from the contracting officer.

(a) Actual or prospective bidders or offerors may file protests either with the HCA, as provided by 433.102(b), or with the contracting officer. Protesters who file protests with the HCA shall furnish a complete copy to the contracting officer no later than 1 day after the protest is filed with the HCA.

(b) When a protest is received, the adjudicating official shall take prompt action towards resolution and notify the protester in writing of the action taken. The written final decision shall include a paragraph substantially as follows:

This decision shall be final and conclusive unless a further written notice of protest is filed with the Government Accountability Office in accordance with 4 CFR part 21. Neither the filing of a protest with USDA nor the filing of a protest with the Government Accountability Office affects your right to file an action in a district court of the United States or the United States Court of Federal Claims.

**PART 433—PROTESTS, DISPUTES AND APPEALS**

**Subpart 433.1—Protests**

Sec.  
433.102 General.

[61 FR 53646, Oct. 15, 1996, as amended at 70 FR 48, Jan. 3, 2005]

**Department of Agriculture**

**433.209**

**433.104 [Reserved]**

**Subpart 433.2—Disputes and Appeals**

**433.203 Applicability.**

The Assistant Secretary for Administration is authorized to determine the applicability of the Contract Disputes Act to contracts with foreign governments pursuant to FAR 33.203.

**433.203-70 Civilian Board of Contract Appeals.**

The organization, jurisdiction, and functions of the Civilian Board of Con-

tract Appeals, together with its Rules of Procedure, are set out in 48 CFR part 6101.

[72 FR 31438, June 7, 2007]

**433.209 Suspected fraudulent claims.**

The contracting officer shall refer all matters related to suspected fraudulent claims by a contractor under the conditions in FAR 33.209 to the Office of Inspector General for additional action or investigation.

## SUBCHAPTER F—SPECIAL CATEGORIES OF CONTRACTING

### PART 434—MAJOR SYSTEM ACQUISITION

#### Subpart 434.0—General

- Sec.  
434.001 Definitions.  
434.002 Policy.  
434.003 Responsibilities.  
434.004 Acquisition strategy.  
434.005 General requirements.  
434.005-6 Full production.

AUTHORITY: 5 U.S.C. 301 and 40 U.S.C. 486(c).

SOURCE: 70 FR 49, Jan. 3, 2005, unless otherwise noted.

#### Subpart 434.0—General

##### 434.001 Definitions.

Pursuant to OMB Circular No. A-109 (A-109) and the definition at FAR 2.101, within USDA, a system shall be considered a major system if:

(a) The total acquisition costs (for information technology, life cycle costs) are estimated to be \$50 million or more, or

(b) The system, regardless of estimated acquisition or life cycle costs, has been specifically designated to be a major system by the USDA Acquisition Executive or by the Major Information Technology Systems Executive.

##### 434.002 Policy.

In addition to the policy guidance at FAR 34.002 and other parts of the FAR, the policies outlined in paragraph 6 of A-109 should serve as guidelines for all contracting activities in planning and developing systems, major or otherwise.

##### 434.003 Responsibilities.

(a) The Secretary of Agriculture or other designated USDA key executive is responsible for making four key decisions in each major system acquisition process. These are listed in paragraph 9 of A-109 and elaborated on in paragraphs 10 through 13. The key executives of USDA (Secretary, Deputy Secretary, Under Secretaries and Assistant Secretaries) individually or as a

group will participate in this decision making process.

(b) The Chief Information Officer (CIO) is the Major Information Technology Systems Executive. For acquisitions of information technology, the CIO will ensure that A-109 is implemented in USDA and that the management objectives of the Circular are realized. The CIO is responsible for designating the program manager for each major information technology system acquisition, designating an acquisition to be a major information technology system acquisition, and approving the written charter and project control system for each major information technology system acquisition.

(c) The Assistant Secretary for Administration (ASA) is the USDA Acquisition Executive for major system acquisitions other than acquisitions of information technology. The ASA will ensure that A-109 is implemented in USDA and that the management objectives of the Circular are realized. The ASA is responsible for designating the program manager for each major system acquisition, designating an acquisition to be a major system acquisition, and approving the written charter and project control system for each major system acquisition.

(d) Heads of contracting activities must:

(1) Ensure compliance with the requirements of A-109, FAR Part 34 and AGAR Part 434.

(2) Ensure that potential major system acquisitions are brought to the attention of the USDA Acquisition Executive or the Major Information Technology Systems Executive, as appropriate.

(3) Recommend qualified candidates for designation as program managers for each major system acquisition within their jurisdiction.

(4) Ensure that program managers fulfill their responsibilities and discharge their duties.

(5) Cooperate with the ASA and Major Information.

Technology Systems Executive in implementing the requirements of A-109.

(e) The program manager is responsible for planning and executing the major system acquisition, ensuring appropriate coordination with the USDA Acquisition Executive and Major Information Technology Systems Executive and other key USDA executives.

**434.004 Acquisition strategy.**

(a) The program manager will develop, in coordination with the Acquisition Executive or Major Information Technology Systems Executive, a written charter outlining the authority, responsibility, accountability, and budget for accomplishing the proposed objective.

(b) The program manager will develop, subject to the approval of the Acquisition Executive or Major Information Technology Systems Executive, a project control system to schedule, monitor, and regularly report on all aspects of the project. The control system shall establish reporting periods and milestones consistent with the key decisions listed in paragraph 9 of A-109.

(c) Upon initiation of the project, the program manager will report regularly to the Acquisition Executive or Major Information Technology Systems Executive.

(d) Specific procedures and requirements for information technology systems are included in the USDA Information Technology Capital Planning and Investment Control Guide which can be accessed on the USDA OCIO Web site at <http://www.ocio.usda.gov>.

**434.005 General requirements.**

**434.005-6 Full production.**

The Secretary or the USDA key executive designated by the Secretary for the specific program is the agency head for the purposes of FAR 34.005-6.

**PART 435—RESEARCH AND DEVELOPMENT CONTRACTING**

AUTHORITY: 5 U.S.C. 301 and 40 U.S.C. 486(c).

**435.010 Scientific and technical reports.**

Research and development contracts shall contain a provision requiring that

the contractor send copies of all scientific and technical reports to the National Technical Information Service at the address indicated in FAR 35.010(b). The release of research and development contract results to other government activities and to the private sector is subject to the provisions of FAR subpart 4.4.

[61 FR 53646, Oct. 15, 1996]

**PART 436—CONSTRUCTION AND ARCHITECT-ENGINEER CONTRACTS**

**Subpart 436.2—Special Aspects of Contracting for Construction**

- Sec.
- 436.201 Evaluation of contractor performance.
- 436.203 Government estimate of construction costs.
- 436.204 Disclosure of the magnitude of construction projects.
- 436.205 Statutory cost limitations.
- 436.209 Construction contracts with architect-engineer firms.
- 436.213 Special procedures for sealed bidding in construction contracting.
- 436.213-2 Presolicitation notices.

**Subpart 436.3 [Reserved]**

**Subpart 436.5—Contract Clauses**

- 436.500 Scope of subpart.
- 436.571 Prohibition against the use of lead-based paint.
- 436.572 Use of premises.
- 436.573 Archeological or historic sites.
- 436.574 Control of erosion, sedimentation, and pollution.
- 436.575 Maximum workweek-construction schedule.
- 436.576 Samples and certificates.
- 436.577 Emergency response.
- 436.578 [Reserved]
- 436.579 Opted timber sale road requirements.

**Subpart 436.6—Architect-Engineer Services**

- 436.601 Policy.
- 436.601-3 Applicable contracting procedures.
- 436.602 Selection of firms for architect-engineer contracts.
- 436.602-1 Selection criteria.
- 436.602-2 Evaluation boards.
- 436.602-3 Evaluation board functions.
- 436.602-4 Selection authority.
- 436.602-5 Short selection process for contracts not to exceed the simplified acquisition threshold.
- 436.603 Collecting data on and appraising firms' qualifications.

## 436.201

- 436.604 Performance evaluation.
- 436.605 Government cost estimate for architect-engineer work.
- 436.609 Contract clauses.
- 436.609-1 Design within funding limitations.
- 436.670 Firms ineligible for award—construction.

AUTHORITY: 5 U.S.C. 301 and 40 U.S.C. 486(c).

SOURCE: 61 FR 53646, Oct. 15, 1996, unless otherwise noted.

### Subpart 436.2—Special Aspects of Contracting for Construction

#### 436.201 Evaluation of contractor performance.

*Preparation of performance evaluation reports.* In addition to the requirements of FAR 36.201, performance evaluation reports shall be prepared for indefinite-delivery type contracts when either the contract maximum or the contracting activity's reasonable estimate of services to be ordered exceeds \$500,000.00. For these contracts, performance evaluation reports shall be prepared for each order at the time of final acceptance of the work under the order.

#### 436.203 Government estimate of construction costs.

For acquisitions using sealed bid procedures, the contracting officer may disclose the overall amount of the Government's estimate of construction costs following identification of the responsive bid most advantageous to the Government; verification of that bid's price reasonableness; and verification of the bidder's responsibility. For acquisitions using other than sealed bid procedures (e.g., negotiation), the contracting officer may disclose the overall amount of the estimate after contract award.

#### 436.204 Disclosure of the magnitude of construction projects.

In the case of indefinite-delivery type contracts, the reasonable estimate of work to be done or the maximum in the solicitation, both including all options, is to be used to select the price range. Contracting officers may elect to use both a price range for the base period of services and the total, inclusive of options, to best describe the magnitude of the solicitation.

## 48 CFR Ch. 4 (10-1-12 Edition)

#### 436.205 Statutory cost limitations.

(a) When it appears that funds available for a project may be insufficient for all the desired features of construction, the contracting officer may provide in the solicitation for a base bid item covering the work generally as specified and for one or more additive or deductive bid items which progressively add or omit specified features of the work in a stated order of priority. In this case, the contracting officer shall insert the provision at 452.236-70, Additive or Deductive Items, in solicitations for construction.

(b) In the alternative to the process in paragraph (a) of this section, the contracting officer may use the policies and procedures found in FAR 17.2.

#### 436.209 Construction contracts with architect-engineer firms.

The head of the contracting activity (HCA) is authorized to approve the award of a contract to construct a project, in whole or in part, to the firm (inclusive of its subsidiaries or affiliates) that designed the project.

#### 436.213 Special procedures for sealed bidding in construction contracting.

##### 436.213-2 Presolicitation notices.

The authority to waive a presolicitation notice is restricted to the HCA.

[63 FR 26995, May 15, 1998]

### Subpart 436.3 [Reserved]

### Subpart 436.5—Contract Clauses

#### 436.500 Scope of subpart.

This subpart prescribes clauses for insertion in USDA solicitations and contracts for construction and for dismantling, demolition, or removal of improvements or structures. The contracting officer shall use the clauses as prescribed, in contracts that exceed the simplified acquisition threshold. The contracting officer may use the clauses if the contract amount is expected to be within the simplified acquisition threshold.

## Department of Agriculture

436.602-2

### **436.571 Prohibition against the use of lead-based paint.**

The contracting officer shall insert the clause at 452.236-71, Prohibition Against the Use of Lead-Based Paint, in solicitations and contracts, if the work involves construction or rehabilitation (including dismantling, demolition, or removal) of residential structures. This clause may be used in contracts for other than residential structures.

### **436.572 Use of premises.**

The contracting officer shall insert the clause at 452.236-72, Use of Premises, if the contractor will be permitted to use land or premises administered by USDA.

### **436.573 Archeological or historic sites.**

The contracting officer shall insert the clause at 452.236-73, Archeological or Historic Sites, if the contractor will be working in an area where such sites may be found. Use of the clause is optional in service contracts for on-the-ground work, e.g., reforestation, silvicultural, land stabilization, or other agricultural-related projects.

### **436.574 Control of erosion, sedimentation, and pollution.**

The contracting officer shall insert the clause at 452.236-74, Control of Erosion, Sedimentation and Pollution, if there is a need for applying environmental controls in the performance of work. Use of the clause is optional in service contracts for on-the-ground e.g., reforestation, silvicultural, land stabilization, or other agricultural-related projects.

### **436.575 Maximum workweek-construction schedule.**

The contracting officer shall insert the clause at 452.236-75, Maximum Workweek-Construction Schedule, if the clause at FAR 52.236-15 is used and the contractor's work schedule is restricted by access to the facility or must be coordinated with the schedule of contract administration personnel.

[63 FR 26996, May 15, 1998]

### **436.576 Samples and certificates.**

The contracting officer shall insert the clause at 452.236-76, Samples and Certificates, in all contracts.

### **436.577 Emergency response.**

The contracting officer may insert the clause at 452.236-77, Emergency Response, in construction contracts awarded for the Forest Service.

### **436.578 [Reserved]**

### **436.579 Opted timber sale road requirements.**

The contracting officer shall insert the clause at 452.236-79, Opted Timber Sale Road Requirements, in road construction contracts resulting from a timber sale turnback.

## **Subpart 436.6—Architect-Engineer Service**

### **436.601 Policy.**

#### **436.601-3 Applicable contracting procedures.**

The technical official's listing of areas where recovered materials cannot be used shall be referred to the contracting activity's official designated in accordance with FAR 23.404. A copy of the listing and of any approval or disapproval by that official is to be retained in the solicitation file.

#### **436.602 Selection of firms for architect-engineer contracts.**

##### **436.602-1 Selection criteria.**

The HCA is authorized to approve the use of design competition under the conditions in FAR 36.602-1(b).

##### **436.602-2 Evaluation boards.**

HCA's shall establish written procedures for providing permanent or ad hoc architect-engineer evaluation boards as prescribed in FAR 36.602-2. The procedures may provide for the appointment of private practitioners of architecture, engineering, or related professions when such action is determined by the HCA to be essential to meet the Government's minimum needs.

### 436.602-3

#### 436.602-3 Evaluation board functions.

The selection report required in FAR 36.602-3(d) shall be prepared for the approval of the HCA. The HCA may authorize an acquisition official above the level of the contracting officer to execute the required approval.

#### 436.602-4 Selection authority.

(a) The HCA shall serve as the selection authority in accordance with FAR 36.602-4. The HCA may authorize an acquisition official above the level of the contracting officer to serve as the selection authority.

(b) A copy of the final selection, inclusive of the supporting documents, shall be provided to the contracting officer and maintained in the solicitation file.

#### 436.602-5 Short selection process for contracts not to exceed the simplified acquisition threshold.

The HCA may include either or both procedures in FAR 36.602-5 in the procedures for evaluation boards.

#### 436.603 Collecting data on and appraising firms' qualifications.

(a) HCA's which require architect-engineer services shall establish procedures to comply with the requirements of FAR 36.603.

(b) The procedures shall include a list of names, addresses, and phone numbers of offices or boards assigned to maintain architect-engineer qualification data files. The list shall be updated annually.

#### 436.604 Performance evaluation.

*Preparation of performance evaluation reports.* (a) In addition to the requirements of FAR 36.604, performance evaluation reports shall be prepared for indefinite-delivery type contracts when either the contract maximum or the contracting activities reasonable estimate of services to be ordered exceeds \$25,000.00. For these contracts, performance evaluation reports shall be prepared for each order at the time of final acceptance of the work under the order.

(b) The contracting officer may require a performance evaluation report on the work done by the architect-engineer after the completion of or dur-

### 48 CFR Ch. 4 (10-1-12 Edition)

ing the construction of the designed project.

#### 436.605 Government cost estimate for architect-engineer work.

The contracting officer may release the Government's total cost estimate in accordance with FAR 36.605(b).

#### 436.609 Contract clauses.

##### 436.609-1 Design within funding limitations.

(a) Should the head of the contracting activity appoint a designee to make the determination in FAR 36.609-1(c)(1), the appointment may be to one no lower than the official authorized to commit program funds for the work being acquired.

(b) The contracting officer, with the advice of appropriate technical representatives, may make the determination in FAR 36.609-1(c)(2) or (3).

(c) A copy of the determinations described in paragraph (b) and (c) of this section shall be maintained in the contract file.

#### 436.670 Firms ineligible for award—construction.

The contracting officer shall insert the clause at 452.236-80, Firms Ineligible For Award—Construction, in the contract for architect-engineering services except as provided in FAR 36.209 and AGAR 436.209.

## PART 437—SERVICE CONTRACTING

### Subpart 437.1—Service Contracts—General

Sec.

437.104 Personal services contracts.

437.110 Solicitation provisions and contract clauses.

### Subpart 437.2—Advisory and Assistance Services

437.203 Policy.

437.204 Guidelines for determining availability of personnel.

437.270 Solicitation provisions and contract clauses.

AUTHORITY: 5 U.S.C. 301 and 40 U.S.C. 486(c).

SOURCE: 61 FR 53646, Oct. 15, 1996, unless otherwise noted.

### Subpart 437.1—Service Contracts—General

#### 437.104 Personal services contracts.

USDA has the following specific statutory authorities to contract for personal services:

(a) Section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225) authorizes contracting with persons or organizations on a temporary basis, without regard to civil service compensation classification standards in 5 U.S.C., Chapter 51 and Subchapter III of Chapter 53, *Provided:*

(1) That no expenditures shall be made unless specifically provided for in the applicable appropriation, and

(2) Expenditures do not exceed any limitations prescribed in the appropriation.

(b) 7 U.S.C. 1627 authorizes the Secretary of Agriculture to contract with technically qualified persons, firms or organizations to perform research, inspection, classification, technical, or other special services, without regard to the civil-service laws, *Provided:* it is for a temporary basis and for a term not to exceed six months in any fiscal year.

#### 437.110 Solicitation provisions and contract clauses.

(a) The contracting officer shall insert a clause substantially the same as the clause at 452.237-70, Loss Damage, Destruction or Repair, in contracts for equipment rental, whether the equipment is furnished with or without operator.

(b) The contracting officer shall insert a provision substantially the same as the clause at 452.237-71, Pre-Bid/Pre-Proposal Conference, in all solicitations if a conference with prospective offerors will be held prior to the submittal of bids or proposals.

(c) The contracting officer shall insert the provision at 452.237-73, Equipment Inspection visit, in solicitations if work is to be done on Government equipment and an offeror's inspection is encouraged for an understanding of the work to be performed prior to submittal of bids or proposals.

(d) The contracting officer shall insert a clause substantially the same as the clause at 452.237-74, Key Personnel,

in contracts if contract performance requires identification of the contractor's key personnel.

(e) The contracting officer shall insert a clause substantially the same as the clause at 452.237-75, Restrictions Against Disclosure, in service contracts (including architect-engineer contracts) requiring restrictions on release of information developed or obtained in connection with performance of the contract.

### Subpart 437.2—Advisory and Assistance Services

#### 437.203 Policy.

Contracting for advisory and assistance services is subject to the policy and procedures in Departmental Regulations (5000 series).

#### 437.204 Guidelines for determining availability of personnel.

The head of the contracting activity (HCA) is authorized to approve the use of non-Government evaluators in proposal evaluation. Each such decision shall be supported by a written determination in accordance with FAR 37.204.

[64 FR 52675, Sept. 30, 1999]

#### 437.270 Solicitation and contract clauses.

(a) The contracting officer shall insert a clause substantially the same as the clause at 452.237-76, Progress Reporting, in all contracts for advisory and assistance services. It may also be used in other service contracts.

(b) The contracting officer shall insert a clause substantially the same as the clause at 452.237-78, Contracts with Consulting Firms for Services, in solicitations and contracts for consulting services which prohibit follow-on contracts with the contracting firm.

## PART 438 [RESERVED]

## PART 439—ACQUISITION OF INFORMATION TECHNOLOGY

### Subpart 439.1—General

Sec.  
439.101 Policy.



## **439.101**

AUTHORITY: 5 U.S.C. 301 and 40 U.S.C. 486(c).

### **Subpart 439.1—General**

#### **439.101 Policy.**

(a) In addition to policy and regulatory guidance contained in the FAR and AGAR:

(1) The USDA Information Technology Capital Planning and Investment Control Guide (CPIC) establishes requirements for the acquisition of information technology.

(2) Specific thresholds at which USDA Office of the Chief Information Officer Information Technology Acquisition Approval is required have been established.

(3) The procurement authority delegated to USDA Agencies is established in Departmental Regulations 5000 series.

(4) The CPIC Guide and USDA CIO policy and procedural guidance are available on the USDA OCIO Web site at <http://www.ocio.usda.gov>. Notices of changes in the Information Technology Acquisition Approval Thresholds are also promulgated by AGAR Advisory.

## **48 CFR Ch. 4 (10–1–12 Edition)**

(b) Acquisition of on-line courseware libraries and learning management system services requires specific approval of the ASA and CIO. Information regarding the specific approval requirements and processes is promulgated by AGAR Advisory.

[70 FR 49, Jan. 3, 2005]

### **PART 440 [RESERVED]**

### **PART 441—ACQUISITION OF UTILITY SERVICES**

AUTHORITY: 5 U.S.C. 301 and 40 U.S.C. 486(c).

#### **Subpart 441.2—Acquiring Utility Services**

##### **441.201 Policy.**

As used in FAR 41.201(d)(2)(i) and 41.201(d)(3) the Federal agency head designee is the head of the contracting activity.

[61 FR 53646, Oct. 15, 1996]

## SUBCHAPTER G—CONTRACT MANAGEMENT

### PART 442—CONTRACT ADMINISTRATION

#### Subpart 442.1—Interagency Contract Administration and Audit Services

Sec.  
442.102 Procedures.

#### Subpart 442.15—Contractor Performance Information

442.1502 Policy.

AUTHORITY: 5 U.S.C. 301 and 40 U.S.C. 486(c).

SOURCE: 61 FR 53646, Oct. 15, 1996, unless otherwise noted.

#### Subpart 442.1—Interagency Contract Administration and Audit Services

##### 442.102 Procedures.

(a) The Office of Inspector General (OIG), Audit Division, has established a cross-servicing arrangement with the Defense Contract Audit Agency (DCAA) to provide contract audit services required by the FAR.

(b) All contract audit services required by contracting officers, except those which can be accomplished in-house, shall be coordinated through the cognizant OIG Regional Inspector General—Auditing (RIG-A). Cognizance is determined on the basis of the contractor's location. There is no charge for DCAA audit services coordinated through OIG.

(c) In order to ensure compliance with this requirement and to evaluate the results of audits, contracting officers shall forward to the RIG-A copies of all price negotiation memoranda prepared for contracts and contract modifications in excess of \$500,000.

#### Subpart 442.15—Contractor Performance Information

##### 442.1502 Policy.

The Contractor Performance System (CPS), developed by the National Institutes of Health, is designated as the single USDA-wide system for maintain-

ing contractor performance/evaluation information. Use of the CPS is mandatory. As a minimum, the CPS shall be accessed for contractor past performance information as part of proposal evaluation in accordance with FAR subpart 15.3, and information resulting from the evaluation of contractor performance in accordance with FAR subpart 42.15 shall be entered into and maintained in this system. The CPS is a part of the USDA Acquisition Toolkit which can be accessed from the USDA Procurement Homepage at <http://www.usda.gov/procurement/>.

[66 FR 49867, Oct. 1, 2001]

### PARTS 443–444 [RESERVED]

### PART 445—GOVERNMENT PROPERTY

#### Subpart 445.3—Providing Government Property to Contractors

Sec.  
445.302 Providing facilities.  
445.302-1 Policy.

#### Subpart 445.4—Contractor Use and Rental of Government Property

445.403 Rental—Use and Charges clause.  
445.407 Non-Government use of plant equipment.

#### Subpart 445.6 [Reserved]

AUTHORITY: 5 U.S.C. 301 and 40 U.S.C. 486(c).

SOURCE: 61 FR 53646, Oct. 15, 1996, unless otherwise noted.

#### Subpart 445.3—Providing Government Property to Contractors

##### 445.302 Providing facilities.

##### 445.302-1 Policy.

Heads of contracting activities (HCA's) are authorized to make determinations for providing facilities to a contractor as prescribed in FAR 45.302-1(a)(4).

445.403

**Subpart 445.4—Contractor Use and Rental of Government Property**

**445.403 Rental—Use and Charges clause.**

HCA's are authorized to make determinations for charging rent on the basis of use under the Use and Charges clause in FAR 52.245-9 as prescribed in FAR 45.403(a).

**445.407 Non-Government use of plant equipment.**

Requests for non-Government use of plant equipment as prescribed in FAR 45.407 shall be submitted by the HCA to the Senior Procurement Executive (SPE) for approval.

**Subpart 445.6 [Reserved]**

**PART 446—QUALITY ASSURANCE**

AUTHORITY: 5 U.S.C. 30 and 40 U.S.C. 486(c).

**Subpart 446.3—Contract Clauses**

**446.370 Inspection and acceptance.**

The Contracting Officer shall insert the clause at 452.246-70, Inspection and Acceptance, in contracts where inspection and acceptance will be performed at the same location. The clause with its Alternate I is for use when inspection and acceptance will be performed at different locations.

[61 FR 53646, Oct. 15, 1996]

**PART 447—TRANSPORTATION**

**Subpart 447.3—Transportation in Supply Contracts**

Sec.

447.302 Place of delivery—F.O.B. point.

447.305 Solicitation provisions, contract clauses, and transportation factors.

447.305-10 Packing, marking, and consignment instructions.

AUTHORITY: 5 U.S.C. 30 and 40 U.S.C. 486(c).

SOURCE: 61 FR 53646, Oct. 15, 1996, unless otherwise noted.

48 CFR Ch. 4 (10-1-12 Edition)

**Subpart 447.3—Transportation in Supply Contracts**

**447.302 Place of delivery—F.O.B. point.**

The contracting officer shall insert a clause substantially the same as the clause at 452.247-70, Delivery Location, in supply contracts when it is necessary to specify delivery locations. If appropriate, the clause may reference an attachment which lists various delivery locations and other delivery details (e.g., quantities to be delivered to each location, etc.).

**447.305 Solicitation provisions, contract clauses, and transportation factors.**

**447.305-10 Packing, marking, and consignment instructions.**

(a) The contracting officer shall insert a clause substantially the same as the clause at 452.247-71, Marking Deliverables, in solicitations and contracts if special marking on deliverables (other than reports) are required.

(b) The contracting officer shall insert the clause at 452.247-72, Packing for Domestic Shipment, in contracts when item(s) will be delivered for immediate use to a destination in the continental United States; when the material specification or purchase description does not provide preservation, packaging, packing, and/or marking requirements; and/or when the requiring activity has not cited a specific specification for packaging.

(c) The contracting officer shall insert the clause at 452.247-73, Packing for Overseas Shipment, in contracts when item(s) will be delivered to an overseas destination for immediate use, the material specification does not specify packing levels, and the required activity has not specified such requirements.

**PART 448 [RESERVED]**

**Department of Agriculture**

**450.001**

**PART 449—TERMINATION OF CONTRACTS**

**Subpart 449.1—General Principles**

Sec.

449.106 Fraud or other criminal conduct.

449.111 Review of proposed settlements.

**Subpart 449.4—Termination for Default**

449.402 Termination of fixed-price contracts for default.

449.402-3 Procedure for default.

**Subpart 449.5—Contract Termination Clauses**

449.501 General.

AUTHORITY: 5 U.S.C. 301 and 40 U.S.C. 486(c).

SOURCE: 61 FR 53646, Oct. 15, 1996, unless otherwise noted.

**Subpart 449.1—General Principles**

**449.106 Fraud or other criminal conduct.**

(a) If the contracting officer suspects fraud or other criminal conduct a written report documenting the facts shall be submitted by the head of the contracting activity (HCA) to the Office of Inspector General. Copies of documents or other information connected with the suspected fraud or criminal conduct shall be provided with the report. Concurrently, a copy of the report shall also be submitted to the Senior Procurement Executive.

(b) Depending on the findings of the Office of Inspector General, the HCA may initiate suspension or debarment action as prescribed in FAR part 9.4 and part 409.4.

**449.111 Review of proposed settlements.**

Proposed settlement agreements shall be reviewed and approved in accordance with contracting activity procedures.

**Subpart 449.4—Termination for Default**

**449.402 Termination of fixed-price contracts for default.**

**449.402-3 Procedure for default.**

In addition to the requirements of FAR 49.402-3(g), the notice of termination shall contain instructions regarding the disposition of any Government property in the possession of the contractor (see FAR 45.508-1) and, in the case of construction contracts, such materials, appliances, and structures as may be on the site of the construction work. The notice shall also contain a statement concerning the liability of the contractor or its surety for any liquidated damages (see FAR 49.402-7).

**Subpart 449.5—Contract Termination Clauses**

**449.501 General.**

Use of special purpose termination clauses pursuant to the authority of FAR 49.501 shall be approved in advance by the HCA.

**PART 450—EXTRAORDINARY CONTRACTUAL ACTIONS**

Sec.

450.001 Definitions.

**Subpart 450.1 [Reserved]**

**Subpart 450.2—Delegation of and Limitations on Exercise of Authority**

450.201 Delegation of authority.

**Subpart 450.3—Contract Adjustments**

450.303 Contract adjustment.

450.303-1 Contractor requests.

AUTHORITY: 5 U.S.C. 301 and 40 U.S.C. 486(c).

SOURCE: 61 FR 53646, Oct. 15, 1996, unless otherwise noted.

**450.001 Definitions.**

*Approving authority*, as used in this part, means the Assistant Secretary for Administration.

*Secretarial level*, as used in this part means the Assistant Secretary for Administration.

**450.201**

**Subpart 450.1 [Reserved]**

**Subpart 450.2—Delegation of and  
Limitations on Exercise of Au-  
thority**

**450.201 Delegation of authority.**

The Assistant Secretary for Administration is authorized to approve all actions under FAR part 50 except indemnification actions listed in FAR 50.201(d) which must be approved by the

**48 CFR Ch. 4 (10–1–12 Edition)**

Secretary, without power of delegation.

**Subpart 450.3—Contract  
Adjustments**

**450.303 Contract adjustment.**

**450.303–1 Contractor requests.**

Contractor requests shall be submitted to the contracting officer.

**PART 451 [RESERVED]**

## SUBCHAPTER H—CLAUSES AND FORMS

### PART 452—SOLICITATION PROVISIONS AND CONTRACT CLAUSES

#### Subpart 452.2—Texts of Provisions and Clauses

Sec.  
452.204-70 Inquiries.  
452.211-70 Brand Name or Equal.  
452.211-71 Equal Products Offered.  
452.211-72 Statement of Work/Specifications.  
452.211-73 Attachments to Statement of Work/Specifications.  
452.211-74 Period of Performance.  
452.211-75 Effective Period of the Contract.  
452.214-70 Award by Lot.  
452.215-71 Instructions for the Preparation of Technical and Business Proposals.  
452.215-72 Amendments to Proposals.  
452.215-73 Post Award Conference.  
452.216-70 Award Fee.  
452.216-71 Base Fee and Award Fee Proposal.  
452.216-72 Evaluation Quantities—Indefinite-Delivery Contract.  
452.216-73 Minimum and Maximum Contract Amounts.  
452.216-74 Ceiling Price.  
452.216-75 Letter Contract.  
452.219-70 Size Standard and NAICS Code Information.  
452.224-70 Confidentiality of Information.  
452.226-70—452.226-72 [Reserved]  
452.228-70 Alternative Forms of Security.  
452.228-71 Insurance Coverage.  
452.232-70 Reimbursement for Bond Premiums—Fixed-Price Construction Contracts.  
452.236-70 Additive or Deductive Items.  
452.236-71 Prohibition Against the Use of Lead-Based Paint.  
452.236-72 Use of Premises.  
452.236-73 Archaeological or Historic Sites.  
452.236-74 Control of Erosion, Sedimentation, and Pollution.  
452.236-75 Maximum Workweek—Construction Schedule.  
452.236-76 Samples and Certificates.  
452.236-77 Emergency Response.  
452.236-78 [Reserved]  
452.236-79 Opted Timber Sale Road Requirements.  
452.236-80 Firms Ineligible for Award—Construction.  
452.237-70 Loss, Damage, Destruction or Repair.  
452.237-71 Pre-Bid/Pre-Proposal Conference.  
452.237-73 Equipment Inspection Visit.  
452.237-74 Key Personnel.  
452.237-75 Restrictions Against Disclosure.  
452.237-76 Progress Reporting.

452.237-78 Contracts with Consulting Firms for Services.  
452.246-70 Inspection and Acceptance.  
452.247-70 Delivery Location.  
452.247-71 Marking Deliverables.  
452.247-72 Packing for Domestic Shipment.  
452.247-73 Packing for Overseas Shipment.

AUTHORITY: 5 U.S.C. 301 and 40 U.S.C. 486(c).

SOURCE: 61 FR 53646, Oct. 15, 1996, unless otherwise noted.

#### Subpart 452.2—Texts of Provisions and Clauses

##### 452.204-70 Inquiries.

As prescribed in 404.7001, insert the following provision:

###### INQUIRIES (FEB 1988)

Inquiries and all correspondence concerning this solicitation should be submitted in writing to the Contracting Officer. Offerors should contact only the Contracting Officer issuing the solicitation about any aspect of this requirement prior to contract award.

(End of provision)

##### 452.211-70 Brand Name or Equal.

As prescribed in 411.171, insert the following provision:

###### BRAND NAME OR EQUAL (NOV 1996)

(As used in this provision, the term “brand name” includes identification of products by make and model.)

(a) If items called for by this solicitation have been identified by a “brand name or equal” description, such identification is intended to be descriptive, but not restrictive, and is to indicate the quality and characteristics of products that will be satisfactory. Offers of “equal” products (including products of the brand name manufacturer other than the one described by brand name) will be considered for award if such products are clearly identified in the offer (see clause 452.211-71) and are determined by the Contracting Officer to meet fully the salient characteristics requirements listed in the solicitation.

(b) Unless the offeror clearly indicates in its offer that it is offering an “equal” product, the offeror shall be considered as offering the brand name product(s) referenced in the solicitation.

(c)(1) If the offeror proposes to furnish an “equal” product or products, the brand

**452.211-71**

name(s), if any, and any other required information about the product(s) to be furnished shall be inserted in the space provided in the solicitation. The evaluation of offers and the determination as to the equality of the product(s) offered shall be the responsibility of the Government and will be based on information furnished by the offeror or identified in its offer as well as other information reasonably available to the contracting activity. Caution to offerors: The contracting activity is not responsible for locating or securing any information which is not identified in the offer and is not reasonably available to the contracting activity. Accordingly, to assure that sufficient information is available, the offeror must furnish as a part of its offer all descriptive material (such as cuts, illustrations, drawings, or other information) necessary for the contracting activity to (i) determine whether the product offered meets the salient characteristics requirement of the solicitation, and (ii) establish exactly what the offeror proposes to furnish and what the Government would be binding itself to purchase by making an award. The information furnished may include specific reference to information previously furnished or to information otherwise available to the contracting activity.

(2) If an offeror proposes to modify a product so as to make it conform to the requirements of the solicitation, the offer shall include (i) a clear description of such proposed modifications and (ii) clearly marked descriptive material to show the proposed modifications.

(End of provision)

[61 FR 53646, Oct. 15, 1996. Redesignated at 63 FR 26996, May 15, 1998, as amended at 70 FR 50, Jan. 3, 2005]

**452.211-71 Equal Products Offered.**

As prescribed in 411.171, insert the following or substantially the same clause in solicitations seeking offers on a "brand name or equal" basis to allow offerors the opportunity to clearly identify the "equal" item being offered, and to illustrate how that item meets the salient characteristics requirements of the Government.

**EQUAL PRODUCTS OFFERED (NOV 1996)**

(a) Offerors proposing to furnish an "equal" product, in accordance with the "Brand Name or Equal" provision of this solicitation, shall provide the following information for each offered "equal" product:  
Contract Line Item Number (if any): \_\_\_\_\_  
Brand Name or Equal Product identified by the Government in this solicitation: \_\_\_\_\_

**48 CFR Ch. 4 (10-1-12 Edition)**

Offered Product Name: \_\_\_\_\_  
Catalog Description or part number: \_\_\_\_\_

Manufacturer's Name: \_\_\_\_\_  
Manufacturer's Address: \_\_\_\_\_

(b) Offerors are responsible for submitting all additional information on the above product necessary for the Contracting Officer to determine whether the product offered meets the "brand name or equal" product's salient characteristics listed in the solicitation.

(End of clause)

[61 FR 53646, Oct. 15, 1996. Redesignated at 63 FR 26996, May 15, 1998.]

**452.211-72 Statement of Work/Specifications.**

As prescribed in 411.171, insert the following clause:

**STATEMENT OF WORK/SPECIFICATIONS (FEB 1988)**

The Contractor shall furnish the necessary personnel, material, equipment, services and facilities (except as otherwise specified), to perform the Statement of Work/Specifications referenced in Section J.

(End of clause)

[61 FR 53646, Oct. 15, 1996. Redesignated at 63 FR 26996, May 15, 1998.]

**452.211-73 Attachments to Statement of Work/Specifications.**

As prescribed in 411.171, insert the following clause:

**ATTACHMENTS TO STATEMENT OF WORK/SPECIFICATIONS (FEB 1988)**

The attachments to the Statement of Work/Specifications listed in Section J are hereby made part of this solicitation and any resultant contract.

(End of clause)

[61 FR 53646, Oct. 15, 1996. Redesignated at 63 FR 26996, May 15, 1998.]

**452.211-74 Period of Performance.**

As prescribed in 411.404(a), insert the following clause:

**PERIOD OF PERFORMANCE (FEB 1988)**

The period of performance of this contract is from \_\_\_\_\_ through \_\_\_\_\_.\*

## Department of Agriculture

452.215-71

(End of clause)

*\* Contracting Officer shall insert the appropriate dates.*

[61 FR 53646, Oct. 15, 1996. Redesignated at 63 FR 26996, May 15, 1998.]

### 452.211-75 Effective Period of the Contract.

As prescribed in 411.404(b), insert the following clause:

EFFECTIVE PERIOD OF THE CONTRACT (FEB 1988)

The effective period of this contract is from \_\_\_\_ through \_\_\_\_.\*

(End of clause)

*\* Contracting Officer shall insert the appropriate dates.*

[61 FR 53646, Oct. 15, 1996. Redesignated at 63 FR 26996, May 15, 1998.]

### 452.214-70 Award by Lot.

As prescribed in 414.201-6, insert a provision substantially as follows:

AWARD BY LOT (NOV 1996)

Subject to the Section L provision FAR 52.214-10, "Contract Award—Sealed Bidding," award will generally be made to a single bidder on each entire lot. However, the Government reserves the right to award by item within any lot when the contracting officer determines that it is advantageous to the Government.

(End of provision)

### 452.215-71 Instructions for the Preparation of Technical and Business Proposals.

As prescribed in 415.209(a), insert a provision substantially as follows:

INSTRUCTIONS FOR THE PREPARATION OF TECHNICAL AND BUSINESS PROPOSALS (SEP 1999)

(a) *General Instructions.* Proposals submitted in response to this solicitation shall be furnished in the following format with the numbers of copies as specified below.

(1) The proposal must include a technical proposal and business proposal. Each of the parts shall be separate and complete so that evaluation of one may be accomplished independently from evaluation of the other. The technical proposal must not contain reference to cost; however, resource information (such as data concerning labor hours and categories, materials, subcontracts, etc.) must be contained in the technical proposal

so that the contractor's understanding of the statement of work may be evaluated.

(2) Offerors may, at their discretion, submit alternate proposals or proposals which deviate from the requirement; provided, that an offeror also submit a proposal for performance of the work as specified in the statement of work. Any "alternate" proposal may be considered if overall performance would be improved or not compromised, and if it is in the best interest of the Government. Alternate proposals, or deviations from any requirement of this RFP, must be clearly identified.

(3) The Government will evaluate proposals in accordance with the evaluation criteria set forth in Section M of this RFP.

(4) Offerors shall submit their proposal(s) in the following format and the quantities specified:

(a) \_\_\_\_\* copies of the completed, signed offer (Sections A through K of the solicitation package)

(b) \_\_\_\_\* copies of the technical proposal

(c) \_\_\_\_\* copies of the business/cost proposal

(b) *Technical Proposal Instructions.* The technical proposal will be used to make an evaluation and arrive at a determination as to whether the proposal will meet the requirements of the Government. Therefore, the technical proposal must present sufficient information to reflect a thorough understanding of the requirements and a detailed, description of the techniques, procedures and program for achieving the objectives of the specifications/statement of work. Proposals which merely paraphrase the requirements of the Government's specifications/ statement of work, or use such phrases as "will comply" or "standard techniques will be employed" will be considered unacceptable and will not be considered further. As a minimum, the proposal must clearly provide the following:

(Contracting Officer shall identify in this section the minimum information required to evaluate each technical evaluation factor listed in Section M.)

(c) *Business Proposal Instructions.*

(1) Cost Proposal.

In addition to any other requirements for cost/pricing information required in clause FAR 52.215-20, Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data (OCT 1997), the following is required:

(Contracting Officer shall identify additional information required if appropriate.)

(2) Business Proposal.

(a) Furnish financial statements for the last two years, including an interim statement for the current year, unless previously provided to the office issuing the RFP, in which case a statement as to when and where this information was provided may be furnished instead.



**452.215-72**

(b) Specify the financial capacity, working capital and other resources available to perform the contract without assistance from any outside source.

(c) Provide the name, location, and inter-company pricing policy for other divisions, subsidiaries, parent company, or affiliated companies that will perform work or furnish materials under this contract.

(End of provision)

*\*Contracting officer shall insert number of copies required.*

[61 FR 53646, Oct. 15, 1996, as amended at 64 FR 52675, Sept. 30, 1999; 70 FR 50, Jan. 3, 2005]

**452.215-72 Amendments to Proposals.**

As prescribed in 415.209(b), insert the following provision:

AMENDMENTS TO PROPOSALS (FEB 1988)

Any changes to a proposal made by the offeror after its initial submittal shall be accomplished by replacement pages. Changes from the original page shall be indicated on the outside margin by vertical lines adjacent to the change. The offeror shall include the date of the amendment on the lower right corner of the changed pages.

(End of provision)

[61 FR 53646, Oct. 15, 1996, as amended at 64 FR 52675, Sept. 30, 1999]

**452.215-73 Post Award Conference.**

As prescribed in 415.570, insert a clause substantially as follows:

POST AWARD CONFERENCE (NOV 1996)

A post award conference with the successful offeror is required. It will be scheduled within \_\_\_\_\* days after the date of contract award. The conference will be held at: \_\_\_\_\*.

(End of clause)

*\*Contracting officer to insert number of days and location.*

[61 FR 53646, Oct. 15, 1996, as amended at 64 FR 52675, Sept. 30, 1999]

**452.216-70 Award Fee.**

As prescribed in 416.405, insert a clause substantially as follows:

AWARD FEE (FEB 1988)

The amount of award fee the Contractor earns, if any, is based on a subjective evaluation by the Government of the quality of the Contractor's performance in accordance with

**48 CFR Ch. 4 (10-1-12 Edition)**

the award fee plan. The Government will determine the amount of award fee every \_\_\_\_\* months beginning with \_\_\_\_\*. The Fee Determination Official (FDO) will unilaterally determine the amount of award fee. The FDO's determination will be in writing to the Contractor and is not subject to the "Disputes" clause. The Government may unilaterally change the award fee plan at any time and will provide such changes in writing to the Contractor prior to the beginning of the applicable evaluation period. The Contractor may submit a voucher for the earned award fee. Available award fee not earned during one period does not carry over to subsequent periods.

(End of clause)

*\*Contracting Officer shall insert appropriate number of months.*

*\*\*Contracting Officer shall insert appropriate date.*

**452.216-71 Base Fee and Award Fee Proposal.**

As prescribed in 416.470, insert the following provision:

BASE FEE AND AWARD PROPOSAL (FEB 1988)

For the purpose of this solicitation, offerors shall propose a base fee of \_\_\_\_\* percent of the total estimated cost proposed. The award fee shall not exceed \_\_\_\_\* percent of the total estimated cost.

(End of provision)

*\*Contracting Officer shall insert appropriate percentages.*

**452.216-72 Evaluation Quantities—Indefinite-Delivery Contract.**

As prescribed in 416.506(a), insert a provision substantially as follows:

EVALUATION QUANTITIES—INDEFINITE-DELIVERY CONTRACT (FEB 1988)

To evaluate offers for award purposes, the Government will apply the offeror's proposed fixed-prices/rates to the estimated quantities included in the solicitation, and will add other direct costs if applicable.

(End of provision)

**452.216-73 Minimum and Maximum Contract Amounts.**

As prescribed in 416.506(b), insert the following clause:

## Department of Agriculture

452.224-70

### MINIMUM AND MAXIMUM CONTRACT AMOUNTS (FEB 1988)

During the period specified in FAR clause 52.216-18, ORDERING, the Government shall place orders totaling a minimum of \_\_\_\_\*, but not in excess of \_\_\_\_\*.

(End of clause)

*\*Contracting Officer shall insert appropriate quantity or dollar amounts.*

### 452.216-74 Ceiling Price.

As prescribed in 416.670, insert the following clause:

#### CEILING PRICE (FEB 1988)

The ceiling price of this contract is \$ \_\_\_\_\*. The Contractor shall not make expenditures or incur obligations in the performance of this contract which exceed the ceiling price specified herein, except at the Contractor's own risk.

(End of clause)

*\*Contracting Officer shall insert appropriate dollar amount.*

### 452.216-75 Letter Contract.

As prescribed in 416.603-4, insert the following clause:

#### LETTER CONTRACT (FEB 1988)

This contract replaces letter contract No. \_\_\_\_\* dated \_\_\_\_\* and all amendments thereto.

(End of clause)

*\*Contracting Officer shall insert number and date.*

### 452.219-70 Size Standard and NAICS Code Information.

As prescribed in 419.508, insert the following provision:

#### SIZE STANDARD AND NAICS CODE INFORMATION (SEP 2001)

The North American Industrial Classification System Code(s) and business size standard(s) describing the products and/or services to be acquired under this solicitation are listed below:

Contract line item(s): \_\_\_\_\* NAICS Code \_\_\_\_\* Size Standard \_\_\_\_\*

(End of provision)

*\*Contracting Officer shall insert the appropriate data for each contract line item in the solicitation. The data entry line*

*may be duplicated as required to describe all of the contract line items or sub-items.*

[61 FR 53646, Oct. 15, 1996, as amended at 66 FR 49317, Sept. 27, 2001]

### 452.224-70 Confidentiality of Information.

As prescribed in 424.104, insert a clause substantially as follows:

#### CONFIDENTIALITY OF INFORMATION (FEB 1988)

(a) Confidential information, as used in this clause, means—

(1) information or data of a personal nature, proprietary about an individual, or (2) information or data submitted by or pertaining to an organization.

(b) In addition to the types of confidential information described in (a)(1) and (2) above, information which might require special consideration with regard to the timing of its disclosure may derive from studies or research, during which public disclosure of primarily invalidated findings could create an erroneous conclusion which might threaten public health or safety if acted upon.

(c) The Contracting Officer and the Contractor may, by mutual consent, identify elsewhere in this contract specific information and/or categories of information which the Government will furnish to the Contractor or that the Contractor is expected to generate which is confidential. Similarly, the Contracting Officer and the Contractor may, by mutual consent, identify such confidential information from time to time during the performance of the contract. Failure to agree will be settled pursuant to the "Disputes" clause.

(d) If it is established that information to be utilized under this contract is subject to the Privacy Act, the Contractor will follow the rules and procedures of disclosure set forth in the Privacy Act of 1974, 5 U.S.C. 552a, and implementing regulations and policies, with respect to systems of records determined to be subject to the Privacy Act.

(e) Confidential information, as defined in (a)(1) and (2) above, shall not be disclosed without the prior written consent of the individual, institution or organization.

(f) Written advance notice of at least 45 days will be provided to the Contracting Officer of the Contractor's intent to release findings of studies or research, which have the possibility of adverse effects on the public or the Federal agency, as described in (b) above. If the Contracting Officer does not pose any objections in writing within the 45 day period, the Contractor may proceed with disclosure. Disagreements not resolved by the Contractor and Contracting Officer will be settled pursuant to the "Disputes" clause.

(g) Whenever the Contractor is uncertain with regard to the proper handling of material under the contract, or if the material in question is subject to the Privacy Act or is confidential information subject to the provisions of this clause, the Contractor shall obtain a written determination from the Contracting Officer prior to any release, disclosure, dissemination, or publication.

(h) The provisions of paragraph (e) of this clause shall not apply when the information is subject to conflicting or overlapping provisions in other Federal, State or local laws.

(End of clause)

**452.226-70—452.226-72 [Reserved]**

**452.228-70 Alternative Forms of Security.**

As prescribed in 428.204-2, insert the following provision:

ALTERNATIVE FORMS OF SECURITY (NOV 1996)

If furnished as security, money orders, drafts, cashiers checks, or certified checks shall be drawn payable to: \_\_\_\_\*.

(End of provision)

*\*Contracting Officer shall insert the name of the USDA contracting activity.*

**452.228-71 Insurance Coverage.**

As prescribed in 428.310, insert the following clause:

INSURANCE COVERAGE (NOV 1996)

Pursuant to FAR clause 52.228-5, Insurance-Work on a Government Installation, the Contractor will be required to present evidence to show, as a minimum, the amounts of insurance coverage indicated below:

(a) Workers Compensation and Employer's Liability. The Contractor is required to comply with applicable Federal and State workers' compensation and occupational disease statutes. If occupational diseases are not compensable under those statutes, they shall be covered under the employer's liability section of the insurance policy, except when contract operations are so commingled with a Contractor's commercial operations that it would not be practical to require this coverage. Employer's liability coverage of at least \$100,000 shall be required, except in States with exclusive or monopolistic funds that do not permit worker's compensation to be written by private carriers.

(b) General Liability. The Contractor shall have bodily injury liability insurance coverage written on a comprehensive form of policy of at least \$500,000 per occurrence.

(c) Automobile Liability. The Contractor shall have automobile liability insurance written on a comprehensive form of policy. The policy shall provide for bodily injury and property damage liability covering the operation of all automobiles used in connection with performing the contract. Policies covering automobiles operated in the United States shall provide coverage of at least \$200,000 per person and \$500,000 per occurrence for bodily injury and \$20,000 per occurrence for property damage or loss.

(d) Aircraft Public and Passenger Liability. When aircraft are used in connection with performing the contract, the Contractor shall have aircraft public and passenger liability insurance. Coverage shall be at least \$200,000 per person and \$500,000 per occurrence for bodily injury, other than passenger injury. Coverage for passenger injury shall be at least \$200,000 multiplied by the number of seats or passengers, whichever is greater.

(End of clause)

*Alternate I (NOV 1996).* As prescribed in 428.310, substitute the following paragraph (b), when additionally the contractor must have property damage liability coverage:

(b) General Liability. (1) The Contractor shall have bodily injury liability coverage written on a comprehensive form of policy of at least \$500,000 per occurrence.

(2) The Contractor shall have property damage liability insurance shall be required in the amount of \_\_\_\_\* per occurrence.

*\*Contracting Officer shall insert amount required.*

**452.232-70 Reimbursement for Bond Premiums—Fixed-Price Construction Contracts.**

As prescribed in 432.111, insert the following clause:

REIMBURSEMENT FOR BOND PREMIUMS—FIXED-PRICE CONSTRUCTION CONTRACTS (NOV 1996)

The Contract Price includes the total amount for premiums that the Contractor attributes to the furnishing of performance and payment bonds required by the contract. Reimbursement for bond premiums under the clause at FAR 52.232-5, Payments Under Fixed-Price Construction, shall not cover any amount therefor not included in the contract price.

(End of clause)

[61 FR 53646, Oct. 15, 1996. Redesignated at 63 FR 26996, May 15, 1998, as amended at 70 FR 50, Jan. 3, 2005]

**Department of Agriculture**

**452.236-74**

**452.236-70 Additive or Deductive Items.**

(End of clause)

As prescribed in 436.205, insert the following provision:

ADDITIVE OR DEDUCTIVE ITEMS (FEB 1988)

The low bidder for purposes of award shall be the conforming responsible bidder offering the low aggregate amount for the first or base bid item, plus or minus (in the order of priority listed in the schedule) those additive or deductive bid items providing the most features of the work within the funds determined by the government to be available before bids are opened. If addition of another bid item in the listed order of priority would make the award exceed such funds for all bidders, it shall be skipped and the next subsequent additive bid item in a lower amount shall be added if award therein can be made within such funds. For example, when the amount available is \$100,000 and a bidder's base bid and four successive additives are \$85,000, \$10,000, \$8,000, \$6,000, and \$4,000, the aggregate amount of the bid for purposes of award would be \$99,000 for the base bid plus the first and fourth additives, the second and third additives being skipped because of each of them would cause the aggregate bid to exceed \$100,000. In any case all bids shall be evaluated on the basis of the same additive or deductive bid items, determined as above provided. The listed order of priority need be followed only for determining the low bidder. After determination of the low bidder as stated, award in the best interests of the Government may be made on the selected first or base bid item and any combination of additive or deductive items for which funds are determined to be available at the time of the award, provided that award on such combination of bid items does not exceed the amount offered by any other conforming responsible bidder for the same combination of bid items.

(End of clause)

**452.236-71 Prohibition Against the Use of Lead-Based Paint.**

As prescribed in 436.571, insert the following clause:

PROHIBITION AGAINST THE USE OF LEAD-BASED PAINT (NOV 1996)

Neither the Contractor nor any subcontractor performing under this contract shall use paints containing more than 0.06 of 1 percent lead by weight (calculated as lead metal) in the total nonvolatile content of the paint, or the equivalent measure of lead in the dried film of paint already applied, or both.

**452.236-72 Use of Premises.**

As prescribed in 436.572, insert the following clause:

USE OF PREMISES (NOV 1996)

(a) Before any camp, quarry, borrow pit, storage, detour, or bypass site, other than shown on the drawings, is opened or operated on USDA land or lands administered by the USDA, the Contractor shall obtain written permission from the Contracting Officer. A camp is interpreted to include a campsite or trailer parking area of any employee working on the project for the Contractor.

(b) Unless excepted elsewhere in the contract, the Contractor shall (i) provide and maintain sanitation facilities for the work force at the site and (ii) dispose of solid waste in accordance with applicable Federal, State and local regulations.

(End of clause)

**452.236-73 Archaeological or Historic Sites.**

As prescribed in 436.573, insert the following clause:

ARCHAEOLOGICAL OR HISTORIC SITES (FEB 1988)

If a previously unidentified archaeological or historic site(s) is encountered, the Contractor shall discontinue work in the general area of the site(s) and notify the Contracting Officer immediately.

(End of clause)

**452.236-74 Control of Erosion, Sedimentation, and Pollution.**

As prescribed in 436.574, insert the following clause:

CONTROL OF EROSION, SEDIMENTATION, AND POLLUTION (NOV 1996)

(a) Operations shall be scheduled and conducted to minimize erosion of soils and to prevent silting and muddying of streams, rivers, irrigation systems, and impoundments (lakes, reservoirs, etc.).

(b) Pollutants such as fuels, lubricants, bitumens, raw sewage, and other harmful materials shall not be discharged on the ground; into or nearby rivers, streams, or impoundments; or into natural or man-made channels. Wash water or waste from concrete or aggregate operations shall not be allowed to enter live streams prior to treatment by filtration, settling, or other means sufficient to reduce the sediment content to not more than that of the stream into which it is discharged.

**452.236-75**

(c) Mechanized equipment shall not be operated in flowing streams without written approval by the Contracting Officer.

(End of clause)

**452.236-75 Maximum Workweek—Construction Schedule.**

As prescribed in 436.575, insert the following clause:

MAXIMUM WORKWEEK—CONSTRUCTION SCHEDULE (NOV 1996)

Within \_\_\_ calendar days after receipt of a written request from the Contracting Officer, the Contractor must submit the following in writing for approval:

(a) A schedule as required by FAR clause 52.236-15, Schedules for Construction Contracts, and

(b) The hours (including the daily starting and stopping times) and days of the week the Contractor proposes to carry out the work.

The maximum workweek that will be approved is \_\_\_\*.

(End of clause)

\*Contracting Officer shall insert appropriate number of days and hours and/or days.

**452.236-76 Samples and Certificates.**

As prescribed in 436.576, insert the following clause:

SAMPLES AND CERTIFICATES (FEB 1988)

When required by the specifications or the Contracting Officer, samples, certificates, and test data shall be submitted after award of the contract, prepaid, in time for proper action by the Contracting Officer or his/her designated representative. Certificates and test data shall be submitted in triplicate to show compliance with materials and construction specified in the contract performance requirements.

Samples shall be submitted in duplicate by the Contractor, except as otherwise specified, to show compliance with the contract requirements. Materials or equipment for which samples, certifications or test data are required shall not be used in the work until approved in writing by the Contracting Officer.

(End of clause)

**452.236-77 Emergency Response.**

As prescribed in 436.577, the following clause may be used in Forest Service construction contracts:

**48 CFR Ch. 4 (10-1-12 Edition)**

EMERGENCY RESPONSE (NOV 1996)

(a) *Contractor's Responsibility for Fire Fighting.* (1) The Contractor, under the provisions of FAR clause 52.236-9, Protection of Existing Vegetation, Structures, Equipment, Utilities, and Improvements, shall immediately extinguish all fires on the work site other than those fires in use as a part of the work.

(2) The Contractor may be held liable for all damages and for all costs incurred by the Government for labor, subsistence, equipment, supplies, and transportation deemed necessary to control or suppress a fire set or caused by the Contractor or the Contractor's agents or employees.

(b) *Contractor's Responsibility for Notification in Case of Fire.* The Contractor shall immediately notify the Government of any fires sighted on or in the vicinity of the work site.

(c) *Contractor's Responsibility for Responding to Emergencies.* When directed by the Contracting Officer, the Contractor shall allow the Government to temporarily use employees and equipment from the work site for emergency work (anticipated to be restricted to fire fighting). An equitable adjustment for the temporary use of employees and equipment will be made under the Changes clause, FAR 52.243-4.

(End of clause)

**452.236-78 [Reserved]**

**452.236-79 Opted Timber Sale Road Requirements.**

As prescribed in 436.579, insert the following clause:

OPTED TIMBER SALE ROAD REQUIREMENTS (NOV 1996)

This contract is for the construction of timber sale road(s) which a timber purchaser has opted to have the Government construct. The Government is obligated to make these roads available to the timber purchaser by \_\_\_\*. Failure to make these roads available by this date could result in Government liability for delay to the timber purchaser for which the Contractor might become liable should the Contractor fail to complete this contract within the specified and allowed contract time.

(End of clause)

\*Contracting Officer shall insert appropriate date.

**452.236-80 Firms Ineligible for Award—Construction.**

As prescribed in 436.670, insert the following clause:

**Department of Agriculture**

**452.237-73**

FIRMS INELIGIBLE FOR AWARD—CONSTRUCTION  
(NOV 1996)

PRE-BID/PRE-PROPOSAL CONFERENCE (FEB  
1988)

The firm(s) and its subsidiaries or affiliates signatory to this contract shall be ineligible for award of any construction contract resulting from the design work performed under this contract.

(End of clause)

**452.237-70 Loss, Damage, Destruction or Repair.**

(a) As prescribed in 437.110(a), insert a clause substantially as follows:

LOSS, DAMAGE, DESTRUCTION OR REPAIR (FEB  
1988)

(a) For equipment furnished under this contract without operator, the Government will assume liability for any loss, damage or destruction of such equipment, not to exceed a total of \$ \_\_\_\_\* except that no reimbursement will be made for loss, damage or destruction due to (1) ordinary wear or tear, (2) mechanical failure, or (3) the fault or negligence of the Contractor or the Contractor's agents or employees.

(b) For equipment furnished under this contract with operator, the Government shall not be liable for any loss, damage or destruction of such equipment, except for loss, damage or destruction resulting from the negligent or wrongful act(s) of Government employee(s) while acting within the scope of their employment.

(c) All repairs to equipment furnished under this contract shall be made by the Contractor and reimbursement, if any, shall be determined in accordance with (a) or (b) above. Repairs shall be made promptly and equipment returned to use within \_\_\_\_\*\* hours. In lieu of repairing equipment, the Contractor may furnish similar replacement equipment within the time specified. The Contractor may authorize the Government to make repairs upon the request of the Contracting Officer. In such case, the Contractor will be billed for labor and parts costs.

(End of clause)

*\*Contracting Officer shall insert amount available in current funds to cover potential liability.*

*\*\*Contracting Officer shall insert appropriate number of hours.*

**452.237-71 Pre-Bid/Pre-Proposal Conference.**

As prescribed in 437.110(b), insert a provision substantially as follows:

(a) The Government is planning a pre-bid/pre-proposal conference, during which potential offerors may obtain a better understanding of the work required.

(b) Offerors are encouraged to submit all questions in writing at least five (5) days prior to the conference. Questions will be considered at any time prior to or during the conference; however, offerors will be asked to confirm verbal questions in writing. Subsequent to the conference, an amendment to the solicitation containing an abstract of the questions and answers, and a list of attendees, will be disseminated.

(c) In order to facilitate conference preparations, it is requested that the person named on the Standard Form 33 of this solicitation be contacted and advised of the number of persons who will attend.

(d) The Government assumes no responsibility for any expense incurred by an offeror prior to contract award.

(e) Offerors are cautioned that, notwithstanding any remarks or clarifications given at the conference, all terms and conditions of the solicitation remain unchanged unless they are changed by amendment to the solicitation. If the answers to conference questions, or any solicitation amendment, create ambiguities, it is the responsibility of the offeror to seek clarification prior to submitting an offer.

(f) The conference will be held:

Date: \_\_\_\_\_  
Time: \_\_\_\_\_  
Location: \_\_\_\_\_

(End of clause)

**452.237-73 Equipment Inspection Visit.**

As prescribed in 437.110(c), insert the following provision:

EQUIPMENT INSPECTION VISIT (FEB 1988)

Offerors are urged and expected to inspect the equipment on which maintenance or repairs are to be performed and to satisfy themselves regarding all conditions that may affect the cost of contract performance, to the extent that the information is reasonably obtainable. In no event shall failure to inspect the equipment constitute grounds for a claim after contract award.

Offerors are invited to inspect the \_\_\_\_\* at \_\_\_\_\* by telephoning \_\_\_\_\* on \_\_\_\_\* for an appointment.

(End of clause)

*\*Contracting Officer shall insert appropriate data.*

**452.237-74**

**452.237-74 Key Personnel.**

As prescribed in 437.110(d), insert a clause substantially as follows:

KEY PERSONNEL (FEB 1988)

(a) The Contractor shall assign to this contract the following key personnel: \_\_\_\_\_

(b) During the first ninety (90) days of performance, the Contractor shall make no substitutions of key personnel unless the substitution is necessitated by illness, death, or termination of employment. The Contractor shall notify the Contracting Officer within 15 calendar days after the occurrence of any of these events and provide the information required by paragraph (c) below. After the initial 90-day period, the Contractor shall submit the information required by paragraph (c) to the Contracting Officer at least 15 days prior to making any permanent substitutions.

(c) The Contractor shall provide a detailed explanation of the circumstances necessitating the proposed substitutions, complete resumes for the proposed substitutes, and any additional information requested by the Contracting Officer. Proposed substitutes should have comparable qualifications to those of the persons being replaced. The Contracting Officer will notify the Contractor within 15 calendar days after receipt of all required information of the decision on substitutions. The contract will be modified to reflect any approved changes of key personnel.

(End of clause)

**452.237-75 Restrictions Against Disclosure.**

As prescribed in 437.110(e), insert a clause substantially as follows:

RESTRICTIONS AGAINST DISCLOSURE (FEB 1988)

(a) The Contractor agrees, in the performance of this contract, to keep all information contained in source documents or other media furnished by the Government in the strictest confidence. The Contractor also agrees not to publish or otherwise divulge such information in whole or in part in any manner or form, or to authorize or permit others to do so, taking such reasonable measures as are necessary to restrict access to such information while in the Contractor's possession, to those employees needing such information to perform the work provided herein, *i.e.*, on a "need to know" basis. The Contractor agrees to immediately notify in writing, the Contracting Officer, named herein, in the event that the Contractor determines or has reason to suspect a breach of this requirement.

**48 CFR Ch. 4 (10-1-12 Edition)**

(b) The Contractor agrees not to disclose any information concerning the work under this contract to any persons or individual unless prior written approval is obtained from the Contracting Officer. The Contractor agrees to insert the substance of this clause in any consultant agreement or subcontract hereunder.

(End of clause)

**452.237-76 Progress Reporting.**

As prescribed in 437.270(a), insert a clause substantially as follows:

PROGRESS REPORTING (FEB 1988)

The Contractor shall submit a progress report \_\_\_\_\_\*, covering work accomplished during that period of the contract performance. The progress report shall be brief and factual and shall be prepared in accordance with the following format:

(a) A cover page containing:

- (1) Contract number and title;
- (2) Type of report, sequence number of report, and period of performance being reported;
- (3) Contractor's name and address;
- (4) Author(s); and
- (5) Date of report.

(b) Section I—An introduction covering the purpose and scope of the contract effort. This shall be limited to one paragraph in all but the first and final month's narrative.

(c) Section II—A description of overall progress plus a separate description of each task or other logical segment of work on which effort was expended during the report period. The description shall include pertinent data and/or graphs in sufficient detail to explain any significant results achieved.

(d) Section III—A description of current technical or substantive performance, and any problem(s) which may impede performance along with proposed corrective action.

(e) Section IV—A planning schedule shall be included with the first progress report for all assigned tasks required under the contract, along with the estimated starting and completion dates for each task. The planning schedule shall be updated and submitted with each subsequent technical progress report, including an explanation of any difference between actual progress and planned progress, why the differences have occurred, and—if behind planned progress—what corrective steps are planned.

(f) Section V—If applicable, financial information shall be submitted for each major task or line item cost.

Data shall include:

- (1) The total estimated cost budgeted (fee excluded).
- (2) The estimated cost expended during the current reporting period.

**Department of Agriculture**

**Pt. 453**

(3) Identification of direct labor hours of prime contractor and subcontractor(s) and/or consultant(s), if applicable.

- (4) Total project to-date expenditures.
- (5) Total remaining funds.

(End of clause)

*\*Contracting Officer shall insert frequency of reporting requirement.*

**452.237-78 Contracts with Consulting Firms for Services.**

As prescribed in 437.270(b), insert a clause substantially as follows:

CONTRACTS WITH CONSULTING FIRMS FOR SERVICES (FEB 1988)

Offerors are specifically cautioned that any firm(s) receiving a contract award to provide the services described herein will be prohibited from competing for or receiving a follow-on contract to perform \_\_\_\_.\*

(End of clause)

*\*Contracting Officer shall insert the appropriate information.*

**452.246-70 Inspection and Acceptance.**

As prescribed in 446.370, insert the following clause:

INSPECTION AND ACCEPTANCE (FEB 1988)

(a) The Contracting Officer or the Contracting Officer's duly authorized representative will inspect and accept the supplies and/or services to be provided under this contract.

(b) Inspection and acceptance will be performed at: \_\_\_\_.\*

(End of clause)

*\*Contracting Officer shall insert appropriate identifying data.*

*Alternate I (FEB 1988).* As prescribed in 446.370, substitute a paragraph (b) and add a paragraph (c):

(b) Inspection will be performed at: \_\_\_\_.\*

(c) Acceptance will be performed at: \_\_\_\_.\*

(End of clause)

**452.247-70 Delivery Location.**

As prescribed in 447.302, insert a clause substantially as follows:

DELIVERY LOCATION (FEB 1988)

Shipment of deliverable items, other than reports, shall be to: \_\_\_\_.\*

(End of clause)

*\*Contracting Officer shall insert appropriate identifying data.*

**452.247-71 Marking Deliverables.**

As prescribed in 447.305-10(a), insert a clause substantially as follows:

MARKING DELIVERABLES (FEB 1988)

(a) The contract number shall be placed on or adjacent to all exterior mailing or shipping labels of deliverable items called for by the contract.

(b) Mark deliverables, except reports, for: \_\_\_\_.\*

(End of clause)

*\*Contracting Officer shall insert the appropriate information.*

**452.247-72 Packing for Domestic Shipment.**

As prescribed in 447.305-10(b), insert the following clause:

PACKING FOR DOMESTIC SHIPMENT (FEB 1988)

Material shall be packed for shipment in such a manner that will insure acceptance by common carriers and safe delivery at destination. Containers and closures shall comply with the Interstate Commerce Commission regulations, Uniform Freight Classification Rules, or regulations of other carriers as applicable to the mode of transportation.

(End of clause)

**452.247-73 Packing for Overseas Shipment.**

As prescribed in 447.305-10(c), insert the following clause:

PACKING FOR OVERSEAS SHIPMENT (FEB 1988)

Supplies shall be packed for overseas shipment in accordance with the best commercial export practice suitable for water movement to arrive undamaged at ultimate destination.

(End of clause)

**PART 453—FORMS**

Sec. 453.000 Scope of part.

**Subpart 453.1—General**

453.103 Exceptions.

453.108 Recommendations concerning forms.



**453.000**

**Subpart 453.2—Prescription of Forms**

- 453.200 Scope of subpart.
- 453.213 Simplified Acquisition and other simplified purchase procedures (AD-838).
- 453.270 Request for contract action (AD-700).

**Subpart 453.3—Illustrations of Forms**

- 453.300 Scope of subpart.
- 453.303 Agency forms.
- 453.303-700 Procurement Request (AD-700).
- 453.303-838 Purchase Order (AD-838).

AUTHORITY: 5 U.S.C. 301 and 40 U.S.C. 486(c).

SOURCE: 61 FR 53646, Oct. 15, 1996, unless otherwise noted.

**453.000 Scope of part.**

This part:

- (a) Prescribes USDA (AD) forms for use in acquisition.
- (b) Contains requirements and information generally applicable to AD forms and forms prescribed by FAR part 53, and
- (c) Illustrates AD forms.

**Subpart 453.1—General**

**453.103 Exceptions.**

(a) The contracting officer shall submit a request for exceptions to forms prescribed in FAR part 53 through the head of the contracting activity (HCA) to the Senior Procurement Executive (SPE) for referral to the GSA.

(b) Requests for exceptions to AD forms prescribed in part 453 shall be handled as individual or class deviations, as appropriate (see subpart 401.4).

**453.108 Recommendations concerning forms.**

Contracting officers shall submit recommendations for new forms or to revise, eliminate, or consolidate forms prescribed by FAR part 53 and part 453 through the HCA to the SPE.

**48 CFR Ch. 4 (10-1-12 Edition)**

**Subpart 453.2—Prescription of Forms**

**453.200 Scope of subpart.**

This subpart prescribes USDA (AD) forms for use in acquisition. Consistent with the approach used in FAR subpart 53.2, this subpart is arranged by subject matter, in the same order as, and keyed to, the parts of the AGAR in which the form usage requirements are addressed.

**453.213 Simplified Acquisition and other simplified purchase procedures (AD-838).**

Form AD-838, *Purchase Order*, is prescribed for use as a Simplified Acquisition Procedure/delivery order/task order document in lieu of OF 347 and OF 348, except that use of the OF 347 and OF 348 is authorized when utilizing the USDA Integrated Acquisition System (See 413.307).

[70 FR 50, Jan. 3, 2005]

**453.270 Request for contract action (AD-700).**

Form AD-700, *Procurement Request*, may be used as a contract requisition document by contracting activities in USDA.

**Subpart 453.3—Illustrations of Forms**

**453.300 Scope of subpart.**

This subpart contains illustrations of USDA (AD) forms for use in acquisitions. Forms are not illustrated in the FEDERAL REGISTER or Code of Federal Regulations. Individual copies may be obtained from any USDA contracting activity or the office of the SPE.

**453.303 Agency forms.**

**453.303-700 Procurement Request (AD-700).**

**453.303-838 Purchase Order (AD-838).**

## SUBCHAPTER I—FOOD ASSISTANCE PROGRAMS

### PART 470—COMMODITY ACQUISITIONS

- Sec.  
470.000 Scope of part.  
470.101 Definitions.  
470.102 Policy.  
470.103 United States origin of agricultural products.  
470.200 [Reserved]  
470.201 Acquisition of commodities and freight shipment for Foreign Agricultural Service programs.  
470.202 Acquisition of commodities for United States Agency for International Development (USAID) programs.  
470.203 Cargo preference.

AUTHORITY: 5 U.S.C. 301; 7 U.S.C. 1691 through 1726b; 1731 through 1736g-3; 1736o; 1736o-1; 40 U.S.C. 121(c); 46 U.S.C. 53305, 55314 and 55316.

SOURCE: 74 FR 13079, Mar. 26, 2009, unless otherwise noted.

#### 470.000 Scope of part.

This part sets forth the policies, procedures and requirements governing the procurement of agricultural commodities by the Department of Agriculture for use:

(a) Under any domestic feeding and assistance program administered by the Food and Nutrition Service; and

(b) Under Title II of the Food for Peace Act (7 U.S.C. 1721 *et seq.*); the Food for Progress Act of 1985; the McGovern-Dole International Food for Education and Child Nutrition Program; and any other international food assistance program.

#### 470.101 Definitions.

The following definitions are applicable to this part:

*Commingled product* means grains, oilseeds, rice, pulses, other similar commodities and the products of such commodities, when such commodity or product is normally stored on a commingled basis in such a manner that the commodity or product produced in the United States cannot be readily distinguished from a commodity or product not produced in the United States.

*Department* means the Department of Agriculture.

*Food and Nutrition Service* means such agency located within the Department of Agriculture.

*Foreign Agriculture Service* means such agency located within the Department of Agriculture.

*Free alongside ship (f.a.s.) (\* \* \* named port of shipment)* means a term of sale which means the seller fulfills its obligation to deliver when the goods have been placed alongside the vessel on the quay or in lighters at the named port of shipment. The buyer bears all costs and risks of loss of or damage to the goods from that moment.

*Free carrier (FCA) (\* \* \* named place)* means a term of sale which means the seller fulfills its obligation when the seller has handed over the goods, cleared for export, into the charge of the carrier named by the buyer at the named place or point. If no precise point is indicated by the buyer, the seller may choose, within the place or range stipulated, where the carrier should take the goods into their charge.

*Grantee organization* means an organization which will receive commodities from the United States Agency for International Development under Title II of the Food for Peace Act (7 U.S.C. 1721 *et seq.*) or from the Foreign Agricultural Service under the Food for Progress Act of 1985; the McGovern-Dole International Food for Education and Child Nutrition Program; and any other international food assistance program.

*Ingredient* means spices, vitamins, micronutrients, desiccants, and preservatives when added to an agricultural commodity product.

*Last contract lay day* means the last day specified in an ocean freight contract by which the carriage of goods must start for contract performance.

*Lowest landed cost* means, as authorized by 46 U.S.C. 55314(c), with respect to an agricultural product acquired under this part the lowest aggregate cost for the acquisition of such product and the shipment of such product to a foreign destination.

*Multi-port voyage charter* means the charter of an ocean carrier in which

the carrier will stop at two or more ports to discharge cargo.

**470.102 Policy.**

(a) *Policy.* It is the policy of the Department to follow the policies and procedures set forth in the Federal Acquisition Regulation (FAR) as supplemented by the Agriculture Acquisition Regulation, including this part, in the procurement of agricultural commodities and products of agricultural commodities that are used in domestic feeding and international feeding and development programs.

(b) *Electronic submission.* To the maximum extent possible, the use of electronic submission of solicitation-related documents shall be used with respect to the acquisition of agricultural commodities and related freight; however, to the extent that a solicitation allows for the submission of written information in addition to information in an electronic format and there is a discrepancy in such submissions, the information submitted in a written format shall prevail unless the electronic submission states that a specific existing written term is superseded by the electronic submission.

(c) *Freight.* With respect to the acquisition of freight for the shipment of agricultural commodities and products of agricultural commodities, the provisions of the FAR, including part 47, shall be utilized and various types of services to be obtained may include multi-trip voyage charters.

**470.103 United States origin of agricultural products.**

(a) *Products of United States origin.* As provided by 7 U.S.C. 1732(2) and 1736o-1(a) commodities and the products of agricultural commodities acquired for use in international feeding and development programs shall be products of United States origin. A product shall not be considered to be a product of the United States if it contains any ingredient that is not produced in the United States if that ingredient is:

(1) Produced in the United States; and

(2) Commercially available in the United States at fair and reasonable prices from domestic sources.

(b) *Use by the Food and Nutrition Service.* Commodities and the products of agricultural commodities acquired for use by the Food and Nutrition Service 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 ingredients. Ingredients from non-domestic sources will be allowed to be utilized as a United States product if such ingredients are not otherwise:

(1) Produced in the United States; and

(2) Commercially available in the United States at fair and reasonable prices from domestic sources.

(c) *Commingled product.* (1) Except as provided in paragraph (c)(2) of this section, a commingled product shall be considered to be a product of the United States if the offeror can establish that the offeror has in inventory at the time the contract for the commodity or product is awarded to the offeror, or obtains during the contract performance period specified in the solicitation, or a combination thereof, a sufficient quantity of the commodity or product that was produced in the United States to fulfill the contract being awarded, and all unfulfilled contracts that the offeror entered into to provide such commingled product to the United States.

(2) To the extent the Department has determined a commodity is one that is generally commingled, but is also one which can be readily stored on an identity preserved basis with respect to its country of origin, the Department may require that the commodity procured by the Department shall be of 100 percent United States origin.

(d) *Product derived from animals.* With respect to the procurement of products derived from animals, the solicitation will set forth any specific requirement that is applicable to the country in which the animal was bred, raised, slaughtered or further processed.

**470.200 [Reserved]****470.201 Acquisition of commodities and freight shipment for Foreign Agricultural Service programs.**

(a) *Lowest landed cost and delivery considerations.* (1) Except as provided in paragraphs (a)(3) and (4) of this section, in contracts for the Foreign Agricultural Service for commodities and related freight shipment for delivery to foreign destinations, the contracting officer shall consider the lowest landed cost of delivering the commodity to the intended destination. This lowest landed cost determination will be calculated on the basis of rates and service for that portion of the commodities being purchased that is determined is necessary and practicable to meet 46 U.S.C. 55314(c)(3) and cargo preference requirements and on an overall (foreign and U.S. flag) basis for the remaining portion of the commodities being procured and the additional factors set forth in this section. Accordingly, the solicitations issued with respect to a commodity procurement or a related freight procurement will specify that in the event an offer submitted by a party is the lowest offered price, the contracting officer reserves the right to reject such offer if the acceptance of another offer for the commodity or related freight, when combined with other offers for commodities or related freight, results in a lower landed cost to the Department.

(2) The Department may contact any port prior to award to determine the port's cargo handling capabilities, including the adequacy of the port to receive, accumulate, handle, store, and protect the cargo. Factors considered in this determination may include, but not be limited to, the adequacy of building structures, proper ventilation, freedom from insects and rodents, cleanliness, and overall good house-keeping and warehousing practices. The Department may consider the use of another coastal range or port if a situation exists at a port that may adversely affect the ability of the Department to have the commodity delivered in a safe and timely manner. Such situations include:

- (i) A port is congested;
- (ii) Port facilities are overloaded;

(iii) A vessel would not be able to dock and load cargo without delay;

(iv) Labor disputes or lack of labor may prohibit the loading of the cargo onboard a vessel in a timely manner; or

(v) Other similar situation that may adversely affect the ability of the Department to have the commodity delivered in a timely manner.

(3) *Use of other than lowest landed cost.* In order to ensure that commodities are delivered in a timely fashion to foreign destinations and without damage, the contracting officer may award an acquisition without regard to the lowest land cost process set forth in paragraph (a)(1) of this section if:

(i) The solicitation specifies that the lowest land cost process will not be followed in the completion of the contract; or

(ii) After issuance of the solicitation, it is determined that:

(A) Internal strife at the foreign destination or urgent humanitarian conditions threatens the lives of persons at the foreign destination;

(B) A specific port's cargo handling capabilities (including the adequacy of the port to receive, accumulate, handle, store, and protect commodities) and other similar factors may adversely affect the delivery of such commodities through damage or untimely delivery. Such similar factors include, but are not limited to: port congestion; overloaded facilities at the port; vessels not being able to dock and load cargo without delay due to conditions at the port; labor disputes or lack of labor may prohibit the loading of the cargo onboard a vessel in a timely manner; and the existence of inadequate or unsanitary warehouse and other supporting facilities;

(C) The total transit time of a carrier, as it relates to a final delivery date at the foreign destination may impair the timely delivery of the commodity;

(D) Other similar situations arise that materially affect the administration of the program for which the commodity or freight is being procured; or

(E) The contracting officer determines that extenuating circumstances preclude awards on the basis of lowest-landed cost, or that efficiency and cost-savings justify use of types of ocean

service that would not involve an analysis of freight. However, in all such cases, commodities would be transported in compliance with cargo preference requirements. Examples of extenuating circumstances are events such as internal strife at the foreign destination or urgent humanitarian conditions threatening the lives of persons at the foreign destination. Other types of services may include, but are not limited to, multi-trip voyage charters, indefinite delivery/indefinite quantity (IDIQ), delivery cost and freight (C & F), delivery cost insurance and freight (CIF), and indexed ocean freight costs.

(4) If a contracting officer determines that action may be appropriate under paragraph (a)(3) of this section, prior to the acceptance of any applicable offer, the contracting officer will provide to the Head of Contracting Activity Designee a written request to obtain commodities and freight in a manner other than on a lowest landed cost basis consistent with Title 48 Code of Federal Regulations. This request shall include a statement of the reasons for not using lowest landed cost basis. The Head of the Contracting Activity Designee, or the designee one level above the contracting officer, may either accept or reject this request and shall document this determination.

(b) *Multiple offers or delivery points.* If more than one offer for the sale of commodities is received or more than one delivery point has been designated in such offers, in order to achieve a combination of a freight rate and commodity award that produces the lowest landed cost for the delivery of the commodity to the foreign destination, the contracting officer shall evaluate offers submitted on a delivery point by delivery point basis; however, consideration shall be given to prioritized ocean transport service in determining lowest landed cost.

(c) *Freight shipping and rates.* (1) In determining the lowest-landed cost, the Department shall use the freight rates offered in response to solicitations issued by the Department or, if applicable, the grantee organization.

(2) Freight rates offered must be submitted as specified in the solicitation issued by the Department or, if appli-

cable, the grantee organization. Any such solicitation issued by a grantee organization must contain the following elements:

(i) If directed by the Department, include a closing time for the receipt of written freight offers and state that late written freight offers will not be considered;

(ii) Provide that freight offers are required to have a canceling date no later than the last contract lay day specified in the solicitation;

(iii) Provide the same deadline for receipt of written freight offers from both U.S. flag vessel and non-U.S. flag vessels; and

(iv) Be received and opened prior to any related offer for acquisition of commodities to be shipped.

(3) The Department may require organizations that will receive commodities from the Department to submit information relating to the capacity of a U.S. port, or, if applicable, a terminal, prior to the acquisition of such commodities or freight.

(d) *Freight rate notification.* If the Department is not the party procuring freight with respect to a shipment of an agricultural commodity for delivery to a foreign destination, the organization that will receive commodities from the Department, or its shipping agent, shall be notified by the Department of the vessel freight rate used in determining the commodity contract award and the organization will be responsible for finalizing the charter or booking contract with the vessel representing the freight rate.

**470.202 Acquisition of commodities for United States Agency for International Development (USAID) programs.**

(a) *Lowest landed cost and delivery considerations.* (1) Except as provided in paragraphs (a)(3) and (e)(2) of this section, with respect to the acquisition of agricultural commodities for delivery to foreign destinations and related freight to transport such commodities under Title II of Public Law 480, contracts will be entered into in a manner that will result in the lowest landed cost of such commodity delivery to the

intended destination. This lowest landed cost determination shall be calculated on the basis of rates and service for that portion of the commodities being purchased that is determined is necessary and practicable to meet 46 U.S.C. 55314(c)(3) and cargo preference requirements and on an overall (foreign and U.S. flag) basis for the remaining portion of the commodities being procured and the additional factors set forth in this section. Accordingly, the solicitations issued with respect to a commodity procurement or a freight procurement will specify that in the event an offer submitted by a party is the lowest offered price, the contracting officer reserves the right to reject such offer if the acceptance of another offer for the commodity or freight, when combined with other offers for commodities or freight, results in a lower landed cost to USAID.

(2) The Department may contact any port prior to award to determine the port's cargo handling capabilities, including the adequacy of the port to receive, accumulate, handle, store, and protect the cargo. Factors which will be considered in this determination will include, but not be limited to, the adequacy of building structures, proper ventilation, freedom from insects and rodents, cleanliness, and overall good housekeeping and warehousing practices. The Department may consider the use of another coastal range or port if a situation exists at a port that may adversely affect the ability of the Department to have the commodity delivered in a safe and/or timely manner. Such situations include:

- (i) A port is congested;
- (ii) Port facilities are overloaded;
- (iii) A vessel would not be able to dock and load cargo without delay;
- (iv) Labor disputes or lack of labor may prohibit the loading of the cargo onboard a vessel in a timely manner; or
- (v) Other similar situation that may adversely affect the ability of the Department to have the commodity delivered in a timely manner.

(3) *Use of other than lowest landed cost.* In order to ensure that commodities are delivered in a timely fashion to foreign destinations and without damage, the Department may complete an acquisition without regard to the lowest

land cost process set forth in paragraph (a)(1) of this section, if:

(i) The solicitation specifies that the lowest land cost process will not be followed in the completion of the contract; or

(ii) After issuance of the solicitation, it is determined that:

(A) Internal strife at the foreign destination or urgent humanitarian conditions threatens the lives of persons at the foreign destination;

(B) A specific port's cargo handling capabilities (including the adequacy of the port to receive, accumulate, handle, store, and protect commodities) and other similar factors will adversely affect the delivery of such commodities without damage or in a timely manner. Such similar factors include, but are not limited to: port congestion; overloaded facilities at the port; vessels would not be able to dock and load cargo without delay; labor disputes or lack of labor may prohibit the loading of the cargo onboard a vessel in a timely manner; and the existence of inadequate or unsanitary warehouse and other supporting facilities;

(C) The total transit time of a carrier, as it relates to a final delivery date at the foreign destination may impair the ability of the Department to achieve timely delivery of the commodity; or

(D) Other similar situations arise that materially affect the administration of the program for which the commodity or freight is being procured.

(4) If the contracting officer determines that action may be appropriate under paragraph (a)(3) of this section, prior to the acceptance of any applicable offer, the contracting officer shall provide to the head of contracting activity designee and to USAID, a written request to obtain commodities and freight in a manner other than on a lowest landed cost basis. This request shall include a statement of the reasons for not using lowest landed cost basis. The head of contracting authority designee, or one level above the contracting officer, with the concurrence of USAID, shall, on an expedited basis, either accept or reject this request and shall document this determination in writing and provide a copy to USAID.

(b) *Freight shipping and rates.* (1) In determining lowest-landed cost as specified in paragraph (a) of this section, the Department shall use vessel rates offered in response to solicitations issued by USAID or grantee organizations receiving commodities under 7 U.S.C. 1731 *et seq.*

(2) USAID may require, or direct a grantee organization to require, an ocean carrier to submit offers electronically through a Web-based system maintained by the Department. If electronic submissions are required, the Department may, at its discretion, accept corrections to such submissions that are submitted in a written form other than by use of such Web-based system.

(c) *Delivery date.* The contracting officer shall consider total transit time, as it relates to a final delivery date, in order to satisfy Public Law 480 Title II program requirements.

(d) *Delivery points.* (1) Commodities offered for delivery free alongside ship Great Lakes port range or intermodal bridge-point Great Lakes port range that represent the overall (foreign and U.S. flag) lowest landed cost will be awarded on a lowest landed cost basis. Tonnage allocated on this basis will not be reevaluated on a lowest landed cost U.S.-flag basis unless the contracting officer determines that 25 percent of the total annual tonnage of bagged, processed, or fortified commodities furnished under 7 U.S.C. 1731 *et seq.* has been, or will be, transported from the Great Lakes port range during that fiscal year.

(2) The contracting officer shall consider commodity offers as offers for delivery “intermodal bridge-point Great Lakes port range” only if:

(i) The offer specifies delivery at a marine cargo-handling facility that is capable of loading ocean going vessels

at a Great Lakes port, as well as loading ocean going conveyances such as barges and container vans, and

(ii) The commodities will be moved from one transportation conveyance to another at such a facility.

(e) *Multiple awards or delivery points.* (1) If more than one offer for the sale of commodities is received or more than one delivery point has been designated in such offers, in order to achieve a combination of a freight rate and commodity award that produces the lowest landed cost for the delivery of the commodity to the foreign destination, the contracting officer shall evaluate offers submitted on a delivery point by delivery point basis; however, consideration shall be given to prioritized ocean transport service in determining lowest landed cost.

(2) The contracting officer may determine that extenuating circumstances preclude awards on the basis of lowest landed cost. However, in all such cases, commodities may be transported in compliance with cargo preference requirements as determined by USAID.

(3) The contracting officer shall notify USAID or, if applicable, the grantee organization, that its shipping agent will be notified of the vessel freight rate used in determining the commodity contract award. The grantee organization or USAID will be responsible for finalizing the charter or booking contract with the vessel representing the freight rate so used.

#### **470.203 Cargo preference.**

An agency having responsibility under this subpart shall administer its programs, with respect to this subpart, in accordance with regulations prescribed by the Secretary of Transportation.