



Agricultural Marketing Service
U.S. DEPARTMENT OF AGRICULTURE



COMMODITY PROCUREMENT PROGRAM



Long Term Contracting

Solicitation Method Two-Step Process





Why?

- **Decrease shortfalls**
- **Eliminate Cancellations**
- **Guaranteed Quantity**
- **Maximize Capacity**





The Result

The cancellation rate for CCC products was about 1.3% which is significantly lower than USDA's historical cancellation rate for TEFAP purchases that has averaged about 19% over the past 5 years.

metrics

*based on FNS



How It Works

Step 1

- **Solicitation issued with multiple materials grouped by material type (shelf-stable, chilled, frozen etc.)**
- **Offerors provide a single not to exceed contiguous U.S. price**
- **Offerors provide definitive capacities, in full truckload quantities, they are willing to supply (per material and delivery period)**



How It Works

Step 1 cont.

- **Offered capacity is sent to FNS to obtain orders from the States**
 - **The Government contract in step one will award definitive capacities by month to successful offers. No deviations in the awarded capacity per month**
- *The Government may take all or part of the capacity offered by a supplier
- *The Government reserves the right to select materials in any combination up to the maximum quantity by material category
- *The selection of which materials the Government will award will be based on capacities offered and needs of the program



How It Works

Step 2

- **Specific orders for each material will be solicited among successful contract holders**
- **The instrument resulting will be an IDDQ contract and resulting delivery order. The Government will not award any material or combination of materials in excess of the stated maximum by material type**

*Contract holders are required to offer a price on every solicited item and must offer full capacity originally awarded in step one.

*Prices offered in step two may not exceed contiguous, 'not to exceed' U.S. price awarded to the contractor in step one for the applicable material. Prices can be less than offered in step one





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Questions??

