

# Directive

9060.3

June 20, 2025

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## **APPLICATION AND AGREEMENT FOR CONTRACT SERVICE, FGIS 4**

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## **1. PURPOSE**

This directive provides:

- a. Applicants and official personnel of the Agricultural Marketing Service (AMS), Federal Grain Inspection Service (FGIS), with information concerning contracting for official inspection and/or official weighing services performed by FGIS, under the United States Grain Standards Act, as amended (USGSA); and
- b. Instructions for completing FGIS 4, Application and Agreement for Contract Service.

## **2. REPLACEMENT HIGHLIGHTS**

This directive supersedes FGIS Instruction 9060.3, Application and Agreement for Contract Service, Form FGIS 4, dated June 11, 2004. The directive is being updated to reflect revised fees and make changes to FGIS 4.

## **3. POLICY**

The Administrator of AMS is authorized by the USGSA to charge and collect reasonable fees for the inspection and weighing of grain and related services performed by employees of FGIS. The FGIS fee schedule (7 CFR, Sections 800.71-73) provides for hourly rates for contract and non-contract inspection and weighing service. The contract service permits FGIS to stabilize the workforce at a particular facility which reduces the cost of providing official services. These benefits are passed on to the applicant for service in the form of a lower hourly rate for contract service.

## **4. APPLICANT RESPONSIBILITY**

Applicants must determine whether a contract service agreement would be advantageous for their facility, the duration of the service agreement, and the number of official personnel wanted under the contract. However, FGIS will determine the total number of official personnel needed to perform the requested official service and advise the applicant of the number required. The number of official personnel under contract and the number needed to perform the service may be different. The additional non-contract personnel that may be needed will be charged at the non-contract hourly rate.

When an applicant desires to sign a contract with FGIS, the applicant must complete FGIS 4, Application and Agreement for Contract Service.

## **5. FGIS RESPONSIBILITY**

When an applicant desires to sign a contract, FGIS will assist the applicant in determining if a contract service agreement is beneficial. Contracts that are beneficial to FGIS cover the cost for all official personnel necessary to perform the expected service. It may be beneficial to the applicant to contract for partial personnel and pay the non-contract rate for additional personnel if they experience service request fluctuations.

FGIS will inform the applicant that official personnel under contract may be utilized for inspection and/or weighing service and may be interchanged to provide the most efficient use of personnel.

Each field office will maintain an accurate and up-to-date file of all contracts within its assigned area.

## 6. AMMENDMENT OF CONTRACT

An applicant may amend the contract as to the number of official personnel under contract if it is mutually agreeable between the parties of the contract. Some applicants may modernize their facility to increase efficiency and decrease the number of official personnel required. In most cases, a reduction in required official personnel due to facility modernization would be mutually agreeable and the contract may be amended. If an applicant reduces the number of contracted personnel to circumvent Section IV., B., 1., of the contract, the amendment to the contract will be denied.

## 7. IMPLEMENTATION OF CONTRACT SERVICE

The contracted service hours will be based on the facility's specified shifts (minimum 8 hours per shift) and must be contracted for a minimum of 5 consecutive days. Contract rates apply only to the hours and shifts specified in the contract (i.e., a 5-consecutive day, 8-hour contract would apply for 8-hours of work starting on the day specified in the contract and running for 5 consecutive days). All hours worked more than the contract will be at the non-contract rate. All services performed under a contract agreement between the hours of 6 a.m. and 6 p.m., local time, Monday through Friday (excluding holidays<sup>1</sup>) will be charged the regular hourly contract rate. All services performed under a contract agreement between the hours of 6 p.m. and 6 a.m., local time, Monday through Friday excluding holidays will be charged the regular hourly contract rate plus night differential. All services performed under a contract on Saturday and/or Sunday will be charged at the Saturday and Sunday hourly contract rate. All services performed under a contract on Federal holidays will be charged the holidays contract rate. Refer to [FGIS Directive 9180.74, "Service Fees and Billing Codes,"](#) for the applicable contract rates.

**TABLE 1 – CONTRACT SERVICE DAYS/HOURS AND FGIS RATES**

Contract Days/Hours (24-Hour Format)		FGIS Contract Rate (FGIS Directive 9180.74)
Monday through Friday	0600 hrs. – 1800 hrs.	One-Year Contract Monday-Friday (6 a.m. to 6 p.m.)
Monday through Friday	1800 hrs. – 0600 hrs.	One-Year Contract Monday-Friday (6 p.m. to 6 a.m.)
Saturday and/or Sunday	0000 hrs. – 2400 hrs.	One-Year Contract Saturday, Sunday
Federal Holidays	0000 hrs. – 2400 hrs.	One-Year Contract Holidays

Hourly rates include the cost of travel and transportation to perform the service requested, except as provided in the regulations, [Section 800.72](#) and [800.73](#).

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<sup>1</sup> Holidays mean the legal public holidays as specified by the U.S. Federal Government for the days they are observed. In other words, if FGIS personnel are unable to be present at the facility to perform the service, then charges shall not be assessed. Further, service charges shall not be assessed under other situations if official personnel are temporarily reassigned.

Service charges will not be assessed under contract service for recognized Federal holidays when, at the request of the applicant, service is not performed. The applicant is required to make this request not later than 2 p.m. on the preceding business day. Further, a charge will not be assessed when service is not performed due to strikes, natural disasters, fires, bomb threats, or other situations not under the control of the applicant.

## **8. GENERAL INFORMATION**

A contract assures the applicant that FGIS will have the number of official personnel available to provide service at the applicable contract hourly rate. The contract also assures FGIS a constant workforce and aids in determining the number of official personnel needed in a field office.

If all contracted official personnel are not needed to perform the service, FGIS reserves the right to reassign the personnel when possible. If personnel can be reassigned, the applicant will not be charged for the hours of these reassigned employees. If it is not possible to reassign personnel, the applicant is still responsible for paying the contract rate for the contracted official personnel.

In addition, for those facilities that have a scheduled annual shutdown period, the field office manager, with sufficient advanced notice, may be able to work out schedule whereby official personnel can be scheduled for annual leave, required formal training, or reassignment during an elevator's normal annual shutdown period. Utilization of personnel in such a manner is beneficial to the grain industry and FGIS.

Contracts will automatically renew every 365 days unless either party gives the other 60 days advance written notice of termination. If an applicant terminates the contract with FGIS, the applicant will be charged the applicable non-contract hourly rate, and the applicant cannot enter a new contract for 365 days from the termination date. If an applicant amends the contract that is not mutually agreed upon, the contract will be terminated.

Official services must be performed, to the extent practicable, in the order to which they are received. Precedence will be given to requests for services required for exporting grain.

## **9. DISTRIBUTION OF COMPLETED FGIS 4**

- a. The original will be retained in the authorizing field office.
- b. One copy will be forwarded to the applicant signing the agreement.
- c. One copy will be forwarded to the Office of the Director, Field Management Division.

## **10. STOCKS OF FGIS 4**

Download the [FGIS 4](#) from the AMS website or contact the Office of the Director, Support Staff, for copies (this form may be reproduced as needed).

## **11. QUESTIONS**

For questions related to establishing a contract service agreement or questions relating to an existing contract service agreement, please contact your local FGIS field office or [Charles.T.Parr@usda.gov](mailto:Charles.T.Parr@usda.gov).

Direct any other questions concerning this directive to the Policies, Procedures, and Market Analysis Branch. [FGISPoliciesProceduresMarketAnalysisBranch@usda.gov](mailto:FGISPoliciesProceduresMarketAnalysisBranch@usda.gov)

## FGIS 4 "APPLICATION AND AGREEMENT FOR CONTRACT SERVICE EXAMPLE"

<b>UNITED STATES DEPARTMENT OF AGRICULTURE</b> <b>AGRICULTURAL MARKETING SERVICE</b> <b>FEDERAL GRAIN INSPECTION SERVICE</b> <b>WASHINGTON, DC</b>		<b>OMB No. 0581-0309</b> No reduced hourly fee may be approved unless this application has been properly completed (7 CFR 800.115 (c)). <b>FORM APPROVED OMB NO. 0581-0309</b> According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0581-0309. The time required to complete this information collection is estimated to average 20 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.
<b>APPLICATION AND AGREEMENT FOR CONTRACT SERVICE</b>		
Name of Applicant <div style="text-align: center; border: 1px solid black; border-radius: 50%; width: 40px; margin: 0 auto;">1</div>	Location of Service <div style="text-align: center; border: 1px solid black; border-radius: 50%; width: 40px; margin: 0 auto;">2</div>	Date of Service to Commence <div style="text-align: center; border: 1px solid black; border-radius: 50%; width: 40px; margin: 0 auto;">3</div>
<p>The above named applicant hereby makes application for official inspection and/or official weighing(s) in accordance with applicable provisions and conditions stated below:</p> <p>I. The contract and the services shall be subject to the United States Grain Standards Act, as amended, (7 U.S.C. 71 et. seq.), hereinafter cited as the Act, and the regulations, standards, and instructions thereunder.</p> <p>II. The applicant agrees that with respect to: <div style="text-align: center; border: 1px solid black; border-radius: 50%; width: 40px; margin: 0 auto;">4</div></p> <p style="margin-left: 40px;">A. <b>MINIMUM 1 YEAR CONTRACT RATE</b> – To pay the current contract rate for 8 hours of service per day, per contracted personnel for a specified shift, __ consecutive days (5 days minimum) per week beginning on ____, for no less than 1 calendar year from the effective date of the contract. The fees are published in the regulations under the Act.</p> <p style="margin-left: 40px;"><div style="text-align: center; border: 1px solid black; border-radius: 50%; width: 40px; margin: 0 auto;">5</div></p> <p style="margin-left: 40px;">B. <b>NONCONTRACT RATE</b> – To pay the current noncontract rate for all noncontracted hours worked. The fees are published in the regulations under the Act.</p> <p style="margin-left: 40px;">C. <b>CONTRACTED PERSONNEL</b> – To pay the contract rate for:</p> <p style="margin-left: 80px;">1. ____ official personnel for the first shift for 8 hours per day.</p> <p style="margin-left: 80px;"><div style="text-align: center; border: 1px solid black; border-radius: 50%; width: 40px; margin: 0 auto;">6</div></p> <p style="margin-left: 80px;">2. ____ official personnel for the second shift for 8 hours per day.</p> <p style="margin-left: 80px;">3. ____ official personnel for the third shift for 8 hours per day.</p> <p>III. FGIS agrees that with respect to:</p> <p style="margin-left: 40px;">A. <b>SERVICES</b> – To furnish official personnel to perform service for the applicant at the specified location in accordance with the Act.</p> <p style="margin-left: 40px;">B. <b>CHARGES</b> – To bill the applicant at the current contract hourly rate for the contracted hours and noncontracted hourly rate for all other hours worked in accordance with the fees published in the regulations under the Act.</p> <p style="margin-left: 40px;">C. <b>UNCONTROLLABLE CIRCUMSTANCES</b> – Charges shall not be assessed when service is not performed due to strikes, natural disasters, fires, bomb threats, or other situations not under the control of applicant.</p>		
FGIS-4 (05/25) Previous editions are obsolete. Expires 05/28		

IV. It is mutually agreed that with respect to:

A. **OFFICIAL PERSONNEL –**

1. FGIS reserves the right to determine the total number of official personnel needed to perform the service.
2. FGIS reserves the right to reassign official personnel when, in the opinion of FGIS, the personnel are not needed to perform service for the applicant or when the applicant and FGIS agree services are not needed. In these circumstances, the applicant will not be charged for the hours of employees that are reassigned.

B. **TERMINATION OF CONTRACT –** The official services shall be provided at the specified location and shall be continued for a specified contract period unless the contract is terminated prior to this time by:

1. Either party giving the other 60 days advance written notice of termination, unless it is mutually agreeable to both parties to terminate it at an earlier date. If the applicant terminates the contract, then the applicant forfeits the privilege of signing a new contract for the specified contract period.
2. The applicant notifying FGIS of termination 10 days prior to the effective date of revised inspection and/or weighing contract hourly fees.

C. **RENEWAL OF CONTRACT –** The contract will automatically renew every 365 days unless the applicant gives notice of termination per Section IV., B of the contract.

D. **AMENDMENT OF CONTRACT –** By mutual agreement, a contract may be amended as to the number of official personnel under the contract. If the applicant amends the contract that is not mutually agreed upon, the contract will be terminated.

V. This application when approved shall constitute a contract between the undersigned applicant and FGIS, in accordance with the terms and conditions provided herein, and shall supersede any previous executed contract(s) for official inspection and/or official weighing service(s) covering the same location and applicant.

**APPLICANT**

Name of Firm

7

Signature

8

Title

9

Date

10

**APPROVED**

U.S. Department of Agriculture, Agricultural Marketing Service,  
Federal Grain Inspection Service

11

Field Office (City and State)

Signature of Director/Senior Official

12

Title

13

Date

14

INSTRUCTIONS FOR COMPLETING FGIS 4.  
"APPLICATION AND AGREEMENT FOR CONTRACT SERVICE."

Prepare the form with an original and three copies.

- (1) Show name of applicant.
- (2) Show the address where the service will be performed.
- (3) Show the date that the agreement is to become effective (on or after the date of signature).
- (4) Select the contract duration rate desired. Show the minimum number of consecutive days a week agreed upon (5, 6, or 7). The contract must be for at least 5 days.
- (5) Designate the first day of the consecutive days per week (i.e., Sunday, Monday, etc.).
- (6) Show the number of official personnel under contract per shift. (If none are required for a shift, show 0.)
- (7) Show the name of the firm making application.
- (8) Show the signature of the person making application.
- (9) Show the title of the person making an application.
- (10) Show the date of the applicant's signature.
- (11) Show the city and state of the authorizing field office.
- (12) Show the signature of the director/senior official.
- (13) Show the title of the director/senior official.
- (14) Show the date of the director/senior official's signature.

Amendments to the contract will be typed on plain paper. The amended item will be stated (i.e., item II, C, 2 is amended to read: "4 official personnel for the second shift for 8 hours per day"), effective (Date), and both parties will sign and attach the amendment to the contract.