



**Effective Date: October 1, 2021**

## **Vendor Qualification Requirements for Prospective Contractors Selling Commodities to USDA's Agricultural Marketing Service (AMS)**

### **I. Introduction**

The USDA's Agricultural Marketing Service (AMS), Commodity Procurement Program (CPP), procures U.S. origin agricultural commodities and products for use in domestic and international food distribution, nutrition assistance programs. Products procured are delivered to schools, food banks, Indian Reservations and other outlets under domestic programs, and are distributed internationally under various programs administered by U.S. Agency for International Development and USDA's Foreign Agricultural Service. In addition to providing nutrition assistance, these procurements support American agriculture by the exclusive purchase of domestically produced products, per law and regulation.

These qualification requirements, as authorized under the Federal Acquisition Regulation (FAR), Subpart 9.2, Qualifications Requirements, are necessary for AMS to carry out its mission. A prospective contractor must be determined to be qualified by the Contracting Officer prior to submitting offers for AMS solicitations.

An interested prospective contractor may submit a qualification package at any time. Small businesses that do not meet this qualification requirement, will be referred to the Small Business Administration (SBA) for possible issuance of a Certificate of Competency (COC), in accordance with FAR subpart 19.6.

Prospective contractors shall complete and provide all materials requested herein. The Contracting Officer will review the package, determine if a prospective contractor is qualified, including for which products, and add approved vendors to the Qualified Bidders List/Qualified Products List (QBL/QPL). A prospective contractor will be notified whether requirements have been satisfied and when the qualification package has been approved. Offers will not be accepted from a prospective contractor that has failed to comply with these requirements. Access to the Web-Based Supply Chain Management (WBSCM) system for submission of offers shall be granted only to Qualified Bidders after the qualification process has been completed and approved by the Contracting Officer.

Procurement information, including the AMS Master Solicitations for Commodity Procurements, commodity specifications, procurement schedules, information on WBSCM, current solicitations, and historical contract award information, is located on the AMS website at: <https://www.ams.usda.gov/commodity-procurement>.

### **II. Qualification Requirements**

The following are required of each prospective contractor to complete the qualification requirements process:

- A. Administrative Requirements
  - 1. System for Award Management (SAM).

In accordance with FAR Part 4.1102, prospective contractors shall be registered in the System for Award Management (SAM). The contractor is responsible for the accuracy and completeness of the data within the SAM database, and for any liability resulting from the Government's reliance on inaccurate or incomplete data. To remain active in SAM, after the initial registration, the contractor is required to review and update their company information on an annual basis, from the date of initial registration or subsequent updates. Annually, companies need to assure that all information in the SAM database is current, accurate and complete. The SAM website is located at: <https://www.sam.gov>. There is no fee to register in SAM.

2. Registrations and Licenses (if applicable).
    - (a) FDA Food Facility Registration Number. In accordance with the Food Safety Modernization Act of 2011 (FSMA), domestic facilities that manufacture, process, pack, or hold food for human or animal consumption in the United States are required to register with the FDA and renew such registrations. If applicable, provide your FDA food facility registration number. FDA guidance is available at: <http://www.fda.gov/Food/GuidanceRegulation/FoodFacilityRegistration/ucm2006831.htm>
    - (b) USDA Establishment Number. Contractors who supply meat, poultry and eggs are required to obtain a USDA Establishment Number. For additional information, please go to the following link: <https://www.fsis.usda.gov/inspection/establishments/meat-poultry-and-egg-product-inspection-directory>
    - (c) Perishable Agricultural Commodities Act (PACA) license. Contractors who supply fresh and frozen fruits and vegetables must have for a PACA license. For additional information, please go to the following link: <https://www.ams.usda.gov/rules-regulations/paca/licensing>
  3. SBA Certifications (if applicable).  
Submit a copy of the applicable SBA certificate if the firm is a certified 8(a), HUBZone, Women Owned Small Business (WOSB), etc.
  4. Veteran's Administration (VA) Certification (if applicable).  
If required by the contracting officer, submit a copy of the applicable certification as a Service-Disabled Veteran-Owned Small Business (SDVOSB).
  5. Web-Based Supply Chain Management (WBSCM) Registration Form.  
USDA-AMS commodity procurements are conducted electronically through WBSCM computer system. Prospective contractors must complete the WBSCM Vendor Registration Form available at: <https://www.ams.usda.gov/resources/wscm-vendor-registration-form>
- B. Capability Requirements (Responsible prospective contractor's documentation from FAR 9.104-1 and 9.104-3)
1. Prospective contractors shall provide a written capabilities statement on company letterhead with a signature, providing the firm's exact legal name, and include the following:
    - A description of historical business experiences including the number of years it has sold these or similar products in the commercial marketplace or to governmental entities.

- A list including the product category (e.g., fruit, grain, meat, etc.) and specific products that it is interested in providing identified by WBSCM material code, including the pack sizes and capacity (a copy of the WBSCM vendor registration form may be used). If the application is approved, the approval will only apply to the specific product(s) provided. In order to sell additional product to AMS, then vendor will have to seek a separate approval prior to submitting a bid.
  - Any additional pertinent information regarding a prospective contractor's capabilities, such as, but not limited to, news articles, company websites, brochures, etc., and evidence of a satisfactory record of integrity and business ethics, and verification that it is otherwise qualified and eligible to receive an award under applicable laws and regulations.
2. Three reference letters from customers that demonstrate the prospective contractor's past performance. These letters must be from the customer's company letterhead and signed by the customer's officers or authorized representative.
  3. For Non-manufacturers.  
To demonstrate its capability to supply the products it wishes to bid on, non-manufacturers must provide a copy of the written agreement in effect between itself and an approved supplier, and identify the product the subcontractor is to supply. The agreement must be on company letterhead and must be signed by both parties. If the non-manufacturer has to change its supplier, a new written agreement between itself and the new supplier must be submitted for approval. Non-manufacturers must also submit a complaint and dispute resolution proposal which details how the non-manufacturer will resolve any potential complaints or hindrances that may arise.

If a non-manufacturer represents itself as a small business concern, it must comply with 13 CFR 121.406(b):

- (a) **Non-manufacturers.** (1) *A firm may qualify as a small business concern for a requirement to provide manufactured products or other supply items as a non-manufacturer if it:*
- (i) *Does not exceed 500 employees;*
  - (ii) *Is primarily engaged in the retail or wholesale trade and normally sells the type of item being supplied;*
  - (iii) *Takes ownership or possession of the item(s) with its personnel, equipment or facilities in a manner consistent with industry practice;*  
*and*
  - (iv) *Will supply the end item of a small business manufacturer, processor or producer made in the United States, or obtains a waiver of such requirement pursuant to paragraph (b)(5) of this section.*

C. Financial Responsibility (FAR 9.104-1(a) and 9.104-3(a))

1. A prospective contractor shall demonstrate that it has adequate financial resources to perform the contract, or the ability to obtain them, including the availability of necessary working capital and satisfactory credit.
  - (a) Financial Statement. The prospective contractor must provide its most

current, complete comparative financial statement. The financial statement must be prepared in accordance with Generally Accepted Accounting Principles (GAAP) and be audited or reviewed by an independent certified public accountant in accordance with standards established by the American Institute of Certified Public Accountants. At a minimum, the statement should include a balance sheet, profit and loss statement, statement of cash flows, statement of retained earnings and any notes to the financial statement. For partnerships, the last fiscal year end or current financial statement of the partnership and the personal financial statement of each partner will be required. For individuals, financial statements that include all of his/her personal and business assets and liabilities will be required.

(b) Alternatives. The following alternatives to the financial statement described in paragraph (a) may be considered:

- (1) Performance Bond. Submit a performance bond from a certified surety on Standard Form (SF) 1418. The Treasury Department maintains a list of approved sureties that can be used: <https://www.fiscal.treasury.gov/surety-bonds/list-certified-companies.html>

The bond amount required by the Contracting Officer will depend on the anticipated value of a contract award for the solicitation that you intend to bid. It is preferable to receive the completed SF-1418 prior to the bid opening deadline. If the surety will not issue a bond until a contract is in place, a bond-ability letter from the certified surety is required. The bond-ability letter should state that the surety company has a set bonding capacity set up for the client, that they've underwritten the client's business and personal information and confirm that they are capable of completing contracts up to the capacity written on the letter.

If USDA subsequently awards a contract based on a bond-ability letter, the fully executed bond on the SF-1418 will be required to be delivered to the Contracting Officers within two days. If the bond is not received at the time set forth, the contract will be terminated for cause/default and re-procurement costs will be assessed for your account.

- (2) Irrevocable Letter of Credit. Submit an Irrevocable Letter of Credit (ILC), a written commitment by a federally insured financial institution to pay all or part of a stated amount of money, until the expiration date of the letter, upon presentation by the Government (the beneficiary) of a written demand therefor. Neither the financial institution nor the offeror/Contractor can revoke or condition the letter of credit. The letter of credit shall be irrevocable, shall require presentation of no document other than a written demand and the ILC (including confirming letter, if any), shall be issued/confirmed by an acceptable federally insured financial institution. If the offeror intends to use an ILC in lieu of a bid bond, or to secure other types of bonds such as performance and payment bonds, the letter of credit and letter of confirmation formats in paragraphs (e) and (f) of FAR Clause 52.228-14 Irrevocable Letter of Credit (which could be found here: <https://www.acquisition.gov/far/52.228-14>) shall be used.

## 2. Annual review of Financial Responsibility:

Approved vendors added to AMS' Qualified Bidders List(s) that wish to remain

on that list, and otherwise continue to meet qualification requirements, will be requested to submit an updated financial statement to AMS-CPP within 120 days of its fiscal year close to demonstrate current financial responsibility.

Failure to submit the required financial information may result in a non-responsibility determination and/or removal from the QBL.

#### D. Quality Assurance

1. Food Defense Audit. All qualified contractors, and for nonmanufacturers their subcontractors, must have a documented and operational food defense plan that provides for the security of a plant's production processes and includes the storage and transportation of pre-production raw materials, other ingredients and post-production finished products. The food defense plan must be included in the application package, and it will be audited by an AMS representative. Any nonconformance identified must be addressed in writing to both the Contracting Officer and Auditor. The plan shall address the following areas, where applicable: (1) food defense plan management; (2) outside and inside security of the production and storage facilities; (3) slaughter and processing, including all raw material sources; (4) controlled access to production and storage areas; (5) storage; (6) water and ice supply; (7) mail handling; (8) personnel security; and (9) transportation, shipping, and receiving (includes the sealing of any transport conveyance for truck lot and less-than-truck lot quantities of finished product).

The frequency of any follow-up food defense audits will be determined by the Contracting Officer. Approved food defense audit is valid for twelve (12) months from the date of approval.

Commodity Procurement Program will contact the survey/audit personnel that conduct plant surveys/systems audit to initiate these surveys/audits for potential contractors that have met all other qualification requirements.

2. Plant Survey or Plant Systems Audit (PSA). All qualified contractors, and for nonmanufacturers their subcontractors, are required to undergo and pass an annual plant survey or PSA. The primary purpose of a plant survey or PSA is to ensure the vendor has the capability and capacity to perform on USDA contracts, and that products are produced in a clean, sanitary environment. Records will be reviewed by AMS audit personnel to ensure various Federal requirements are met including, but not limited to, that prospective contractors:
  - Maintain sufficiently detailed documentation of process operations,
  - Have documented loading procedures,
  - Have an adequate domestic origin segregation plan, or adequate documentation of domestic commodity on hand for commingled commodities, as applicable, and
  - Have documented traceability of the product from farm/raw material source through the supply chain.

The frequency of any follow-up plant survey audit/PSA will be determined by the Contracting Officer. Approved plant survey audit/PSA is valid for twelve (12) months from the date of approval.

Commodity Procurement Program will contact the survey/audit personnel that conduct plant surveys/systems audit to initiate these surveys/audits for potential contractors that have met all other qualification requirements.

Note: Contractors who have a Specialty Crops Inspection Division (SCID) in-plant contract service agreement will be considered as having met the plant survey/PSA requirement, since a plant survey/PSA is a prerequisite to a contract service agreement. Similarly, Contractors who have completed a SCID plant survey/PSA for any other purpose within one year of award will also be deemed to have satisfied this requirement. Offerors who submit a bid with a processing plant and/or shipping point that are not in compliance with this requirement will be deemed non-responsive for that processing plant and/or shipping point.

3. Good Manufacturing Practices. All dairy, grains, oilseeds, dry beans, peas and lentils, and specialty crops must be produced in accordance with the Food and Drug Administration's Current Good Manufacturing Practices (21 C.F.R., Part 110 and/or Part 117), whichever is applicable at the time of manufacture.
4. Commodity Specific Requirements. Certain products have additional requirements, as outlined in the [commodity specifications & requirements](#) documents and/or as indicated in the solicitation. Generally, these include for:
  - a. Livestock
    - i. Technical Proposal/Production Plan/Quality Control Program Approval
    - ii. Animal Welfare (see <https://www.ams.usda.gov/resources/ahw>)
  - b. Fresh Cut Produce
    - i. Hazard Analysis Critical Control Point (HACCP) Plan
  - c. Fresh Fruit and Vegetables
    - i. USDA Good Handling Practices (GHP)/Good Agricultural Practices (GAP)
    - ii. When indicated in the solicitation: USDA GAP or Desk Audit of GFSI Certified Audits
  - d. Fluid Milk Suppliers
    - i. Must be on inter-state milk shippers domestic list.
  - e. Bulk grain shipments with f.o.b. vessel delivery bases (for international food assistance programs only)
    - i. Place of performance shall be—
      - i. A federally or state licensed warehouse and be on CCC's List of Authorized Warehouses, or have a put through agreement or other means to assure timely delivery through 1) an export elevator on CCC's List of Approved Warehouses with a spout physically attached to the storage location which can load vessels, or 2) a dockside facility or a floating mid-stream facility for exporting milled rice or soybean meal.
    - ii. Place of performance shall have—
      - i. The ability to issue or obtain export weight and grade certificates—acceptable to the Federal Grain Inspection Service (FGIS), or for soybean meal, sampled and tested by a NOPA authorized inspection company—covering the exportation of the product at the location of the elevator.
      - ii. Approved loadout rates for tankers and tween-deckers.

#### E. Submitting a Vendor Qualification Package

A prospective contractor is encouraged to submit the qualification package as soon as possible to allow ample time for the processes and approval, and subsequent WBSCM registration prior to the closing date of the targeted solicitation. A checklist of the vendor qualification requirements is available on the [AMS website](#) to assist applicants with submission of a complete package.

Submit the qualification packages to—

For domestic program products: Dairy, grain, oilseed, livestock, poultry, and fish  
For international program packaged commodities:

Ms. Andrea Lang  
Small Business/New Vendor Coordinator  
Email address: [NewVendor@usda.gov](mailto:NewVendor@usda.gov)  
Telephone No.: 202-720-4237

For domestic program products: Fruits, vegetables, and tree nuts  
For international bulk commodities:

Ms. Diana Dau David  
Small Business/New Vendor Coordinator  
Email address: [NewVendor@usda.gov](mailto:NewVendor@usda.gov)  
Telephone No.: 202-378-1075

F. Applying to Supply Additional Products

Vendors will be approved and added to a QBL for specific products. For a previously approved vendor listed on a QBL that wishes to supply additional products, contact the Small Business/New Vendor Coordinator at [NewVendor@usda.gov](mailto:NewVendor@usda.gov). Offers submitted in response to a solicitation for products a vendor has not been approved for will not be considered.

**NOTICE**

Except as provided in FAR Part 24.2 (the "Freedom of Information Act"), qualification information, including the pre-award survey reports, accumulated for purposes of determining the responsibility of a prospective contractor, shall not be released or disclosed outside the government. All information provided will be kept confidential to the extent permitted by law.

Under penalty of perjury, each qualification package must be submitted and signed by an individual who has the legal authority to contractually bind a prospective contractor on whose behalf that information package is submitted. If any information provided by a prospective contractor becomes inaccurate, a prospective contractor must immediately notify the Contracting Officer and provide updated and accurate information in writing. AMS reserves the right to waive minor irregularities and omissions in the information obtained in the qualification package submitted.