

§ 1496.3

The program will be administered through the Office of the Deputy Administrator, Commodity Operations, FSA, Washington, DC and the Kansas City Commodity Office (KCCO), FSA, Kansas City, Missouri. Procurement will be in accordance with USDA-1, "General Terms and Conditions for the Procurement of Agricultural Commodities or Services", as amended or revised, applicable provisions of the Federal Acquisition Regulations (48 CFR), and applicable purchase announcements and bid invitations.

(b) Purchases are made to fulfill commodity requests received in KCCO from AID.

[44 FR 27407, May 10, 1979, as amended at 52 FR 5728, Feb. 25, 1987]

§ 1496.3 Definitions.

As used in the regulations in this subpart and in the forms and documents related thereto, the following terms shall have the meaning assigned to them in this section.

(a) *AID* means the Agency for International Development, an agency within the United States Department of State.

(b) *FSA* means the Farm Service Agency, an agency within the United States Department of Agriculture.

(c) *DACO* means the Deputy Administrator, Commodity Operations, FSA.

(d) *CCC* means Commodity Credit Corporation, a corporate agency within the United States Department of Agriculture.

(e) *Commodity Office* means the Kansas City Commodity Office, within FSA, which is responsible for assigned inventory management, acquisition, disposition and related program activities of CCC.

(f) *Lowest landed cost* means the lowest combined total cost of the commodity plus transportation charges to the port of discharge.

[44 FR 27407, May 10, 1979, as amended at 52 FR 5728, Feb. 25, 1987]

§ 1496.4 Issuance of invitations.

From time to time, CCC will issue invitations to purchase or process agricultural products for utilization in the Title II, Pub. L. 480 program. The invitations will specify the contract terms;

7 CFR Ch. XIV (1-1-02 Edition)

the closing date for acceptance of bids; the date contracts will be awarded; and other pertinent information. Invitations will be issued at least 10 days prior to the deadline for submission of bids. The bid submission deadlines and contract awards will be timed so not more than one market day elapses between bid opening (bid submission deadline) and contract awards.

§ 1496.5 Consideration of bids.

(a)(1) *Lowest landed cost*. The general principle of awarding contracts that will result in the lowest landed cost will prevail. Lowest landed cost will be calculated on the basis of U.S. flag rates and service for that portion of the commodities being purchased that CCC determines is necessary and practicable to meet cargo preference requirements and on an overall (foreign and U.S. flag) basis for the remaining portion of the commodities being purchased. However, the additional factors set forth in this section will be considered in awarding contracts.

(b)(1) *Availability of ocean service*. Prior to receipt of offers from commodity suppliers, CCC will review ocean freight information from available sources including, but not limited to, trade journal newspapers, port publications, and steamship publications to determine the availability of appropriate ocean service.

(2) Additional information will be gathered, if necessary by direct contact with the steamship company involved, regarding such factors as the minimum tonnage and/or revenue required to perform the service needed.

(3) Special emphasis will be placed on assuring that under normal conditions the vessels will be calling at U.S. ports to coordinate loading with cargo arrival from suppliers.

(4) Freight rates will be obtained from published ocean tariffs to make cost comparisons between various steamship companies and coastal ranges.

(5) Available service will be analyzed to ensure that the port or coastal range selected for exportation has available ocean transportation service that will provide maximum compliance with the stated policy of AID with regard to the utilization of U.S. and