



Rural Development



Procurement Operating Procedures (POPs)

POP No. 1: Establishment of Rural Development POPs

Effective Date: April 17, 2000

- ◆ **PURPOSE:** This is the initial POP, the purpose of which is to establish a series of POPs which will depict specific procurement-related procedures as they are handled within Rural Development. The POPs are numbered sequentially but not in any particular order. In some cases, Rural Development will issue a POP solely for the purpose of clarifying an internal, procurement-related, agency procedure or to describe a procurement procedure that is unique to Rural Development. These POPs are devised to give the reader minimal procedural guidance only and to allow for significant user discretion. The reader is strongly advised not to rely entirely on these issuances and to view these POPs in conduction with prevailing Federal Acquisition Regulation (FAR) and Agriculture Acquisition Regulation (AGAR) coverage.
- ◆ **AUTHORITY:** FAR and AGAR coverages are referenced in each POP, where applicable -- normally under the AUTHORITY section. The POPs are intended to depict operational procedures only and are intended neither to supplement the FAR and AGAR in any way nor to promulgate any new policy.
- ◆ **QUESTIONS:** Questions may be referred to the Chief, Policy & Program Management Branch at the National Office at 202-692-0109 -- or via Internet: craig.goral@usda.gov. In some instances, a subject-matter specialist will be identified directly in the body of the POP.



Rural Development



Procurement Operating Procedures (POPs)

POP No. 2: USE OF PRIVATE SECTOR TEMPORARY SERVICES

Effective Date: April 19, 2000

◆PURPOSE: This Procurement Operating Procedure (POP) establishes procedures for entering into a contract or other procurement arrangements with private sector temporary firms for brief or intermittent periods in order to give the Agency the capability to fulfill its temporary needs.

◆AUTHORITIES: Chapter 5, Code of Federal Regulation (CFR), Part 300, Subpart E was established to ensure that agencies are not using temporary help services to displace Federal employees or circumvent regular civil service procedures for permanent appointments. Delegated authority is for “Nonpersonal Services” *only* in accordance with the Federal Acquisition Regulation’s (FAR) definition at FAR Part 37.103 (a), FAR Part 37.112, and Acting Deputy Under Secretary for Operations and Management letter dated January 12, 1995, Contracting For Temporary Help Services.

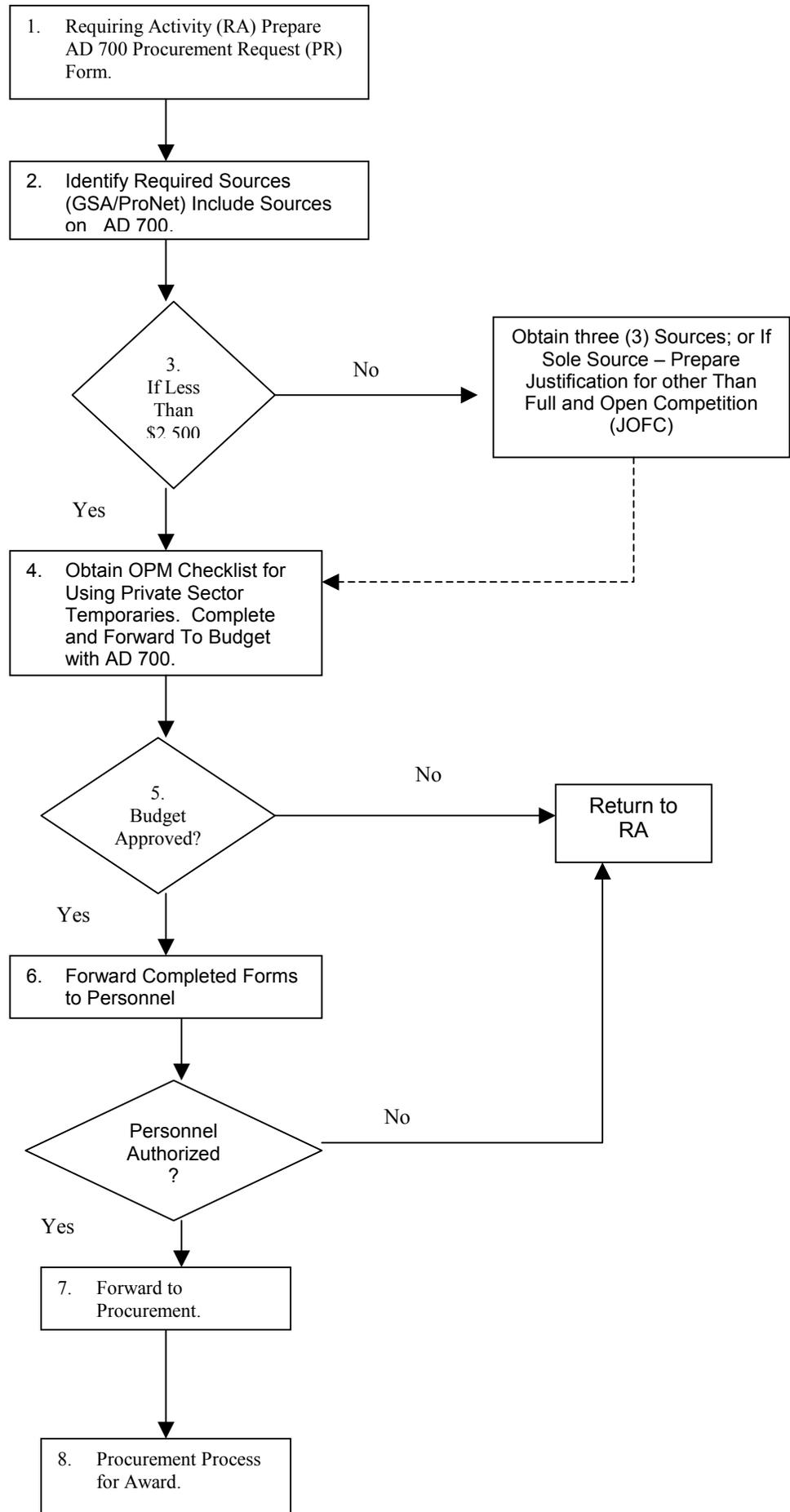
◆REQUISITIONER: See Flowchart Diagram (Attachment I)

1. The end user must complete a Procurement Request (PR) form. The PR must include a recommended source. Recommended sources can be obtained from the General Services Administration’s (GSA’s) website (www.gsa.gov) and the ProNet website (<http://pro-net.sba.gov>). Requirements valued over \$2,500, should include three (3) recommended sources, unless a Sole Source Justification is provided in accordance with Part 6 of the FAR.
2. The end user must complete the *Checklist Using Private Sector Temporaries and Annual Report on Use of Private Sector Temporaries*. To obtain a copy of the Checklist and Annual Report see the above referenced Deputy Under Secretary's letter. The completed Checklist and PR must be submitted to Budget for funding approval.
3. The PR and Checklist must be submitted to the local Personnel Office for authorization for the use of temporary services. In accordance with 5 CFR 300 Subpart-E Agencies are authorized to use private sector temporaries for 120 workdays, and can extend for up to an additional 120 workdays, for a maximum of 240 workdays in a 24 month period. The 24 months begins on the first day of *Requiring activity* assignment.
4. The approved package (PR and Checklist) must be forwarded by the requiring activity to Procurement for processing utilizing the Federal procurement laws and the Federal Acquisition Regulation (FAR), as applicable in procuring services, and Chapter 5 CAR Part 300, Subpart-E guidelines.

◆PROCUREMENT:

1. Procurement will ensure that requirements for competition have been met or else otherwise justified by the requisitioner.
2. Procurement will obtain Department of Labor (DOL) Wage Determinations, per FAR 22.10, for individual actions valued over \$2,500. (Note: Current DOL Wage Determinations can be obtained via internet located at (www.dol.gov) or via the USDA Toolkit at www.usda.gov/da/procure.html).

PROCESS FLOW CHART FOR ACQUIRING TEMPORARY





Procurement Operating Procedures (POPs)

POP No. 3: Ratifications of Unauthorized Commitments

Effective Date: April 18, 2000

- ◆ **PURPOSE:** The purpose of this POP is to establish procedures for the review process of unauthorized commitments using the ratification authority. This procedure does not encourage such commitments being made by Government officials but, rather, outlines a process to approve such actions after-the-fact, if there is appropriate rationale to do so and if the Government has directly benefitted. The Federal Acquisition Regulation (FAR) and Agriculture Acquisition Regulation (AGAR) establishes that the Head of the Contracting Activity may ratify an unauthorized commitment.
- ◆ **AUTHORITIES:** Regulations covering this matter are found in FAR 1.602 and AGAR 401.602, Ratification of Unauthorized Commitments.
- ◆ **APPROVAL PROCESS:** Whenever contracting personnel learn that an unauthorized commitment has resulted from the actions of a government official, the following actions shall be taken:
 1. Immediately have the individual who made the unauthorized commitment complete the Unauthorized Commitment Questionnaire (Attachment A). Send the completed Unauthorized Commitment questionnaire with supporting data to the cognizant contracting officer.
 2. The Contracting Officer must complete the Contracting Officer Ratification Determination (Attachment B). Send a copy of the Contracting Officer Ratification Determination and the Unauthorized Commitment Questionnaire to the address listed below:

USDA, Rural Development
Procurement Management Division, Mail Stop 0741
1400 Independence Avenue, S.W.
Washington, D.C. 20250-0741
Fax: (202) 692-0117
 3. The Procurement Management Division (PMD) will ensure the accuracy and appropriateness of the justification and, if proper, may recommend the action for ratification to the Head of the Contracting Activity, Designee (HCAD).
 4. If the HCAD ratifies the action, PMD will send a copy to the cognizant contracting officer so that obligation order may be placed. Actions not ratified will be returned to the cognizant contracting officer for further action.

SUBJECT: Unauthorized Commitment Questionnaire

TO: Name of Contracting Officer

This action is an unauthorized commitment as defined in the FAR 1.602 and AGAR 401.602. So that you may review the circumstances that led to the unauthorized commitment and prepare the action for the ratification process, brief statements for the item below are listed.

1. A description and the amount of the service/supply received.
2. Why the Government needed the service/supply.
3. The benefit the Government acquired from receiving the service/supply.
4. Why a procurement request was not prepared and why the Contracting Officer was not allowed to place an order for the service/supply.
5. The circumstances that led to the unauthorized commitment.
6. List the name of vendor that provided the item; attach the vendor's invoice; explain how the vendor was selected to provide the item; explain how the vendor's price was determined fair and reasonable; and list other vendors and prices considered.
7. Date the service/supply was requested and received by the Government official.
8. Documentation that shows funds were available at the time of the unauthorized commitment.
9. Documentation that shows funds are still available at the time of ratification. (Prior fiscal year funds must contain a restoration of funds approval).
10. What actions will be taken to prevent future unauthorized commitments.
11. Explain why the unauthorized commitment should be ratified rather than requiring the individual who made the unauthorized commitment to settle the action directly with the vendor.

Name/Title of Person Responsible for Unauthorized Action

Date



Procurement Operating Procedures (POPs)

POP No. 4: Advisory and Assistance Services

Effective Date: April 21, 2000

- ◆ **PURPOSE:** The purpose of this POP is to outline the procedures involved in obtaining the management clearance for Advisory and Assistance (A&A) Services actions prior to award of the contract. Regardless of the dollar amount of the action, virtually all support services are applicable. Refer to the authorities below for cited exceptions. Procurement's role is to: (1) assist customers in the management clearance process; and (2) to ensure the appropriate approvals are obtained prior to award.
- ◆ **AUTHORITIES:** Regulations covering this matter are found in FAR 37.2, AGAR 437.2, DR 5037-1, Deputy Administrator letter dated December 19, 1996, "Change to Advisory and Assistance Approval Process," and Acting Deputy Assistant Secretary for Administration letter dated June 23, 1998, "Revised Procedures for Review of Contracts for Advisory and Assistance Services."
- ◆ **ACTIONS \$25,000 OR LESS:** The contracting personnel must ensure Under Secretary's approval is obtained by the requisitioner before awarding a contract for advisory and assistance services.
 1. The proposed action should have been reported on the "Summary of Planned Acquisitions for Contracts \$25,000 or less" report to the Under Secretary and approved. If the action was not planned, the requestioner must complete (a) Summary of Planned Acquisition for Contracts \$25,000 or less, (b) Appendix D, Proposed Contracts for Advisory and Assistance Services \$25,000 or less questionnaire, and (c) Statement of Work (SOW). (Reference the applicable authorities above for a copy of the Summary of Planned Acquisition for Contracts \$25,000 or less and Appendix D, Proposed Contracts for Advisory and Assistance Services \$25,000 or less questionnaire).
 2. Forward the Summary of Planned Acquisition for Contracts \$25,000 or less, Appendix D, and SOW to the cognizant approval offices. The cognizant approval offices are found in the Deputy Administrator's letter dated December 19, 1996, "Change to Advisory and Assistance Approval Process"
- ◆ **ACTIONS OVER \$25,000:** The contracting personnel must ensure Assistant Secretary for Administration's (ASA) approval is obtained by the requisitioner before awarding a contract for advisory and assistance services.
 1. The proposed action should have been reported on the "Summary of Planned Acquisitions for Contracts over \$25,000" report to the ASA and approved. If the action was not planned, the requisitioner must complete the (a) Summary of Planned Acquisition for Contracts over \$25,000, (b) Appendix B, Proposed Contracts for Advisory and Assistance Services over \$25,000 questionnaire, and (c) Statement of Work (SOW). (Reference the applicable authorities above for a copy of the Summary of Planned Acquisition for Contracts over \$25,000 and Appendix B, Proposed Contracts for Advisory and Assistance Services over \$25,000 questionnaire).

2. Forward the Summary of Planned Acquisitions for Contracts over \$25,000, Appendix B and SOW supporting to the cognizant approval offices. The cognizant approval offices are found in the Deputy Administrator's letter dated December 19, 1996, "Change to Advisory and Assistance Approval Process"



Procurement Operating Procedures (POPs)

POP No. 5: Termination of Contracts

Effective Date: May 1, 2000

- ◆ **PURPOSE:** The purpose of this POP is to ensure proper termination procedures are followed and that the contract file contains accurate and sufficient data to support the decision to terminate a contract for convenience or default. The Federal Acquisition Regulation (FAR) and Agriculture Acquisition Regulation (AGAR) prescribes policies relating to complete or partial termination of contracts for the convenience of the government or for default.
- ◆ **AUTHORITIES:** Regulations covering this matter are found in FAR 49 and AGAR 449, Termination of Contracts.
- ◆ **PROCEDURE:**

The Cognizant Contracting Officer:

1. Gathers the data, prepares written analysis and termination notice in support of the termination for the convenience of the Government or for the default of the contractor.
2. Forward the data, written analysis and termination notice to the Procurement Management Division.

USDA, Rural Development
Procurement Management Division
1400 Independence Avenue S.W.
Washington, D.C. 20250
Fax: (202) 692-0117

The Procurement Management Division:

Reviews the termination data and provides recommendations to support the termination to the cognizant contracting officer.



Procurement Operating Procedures (POPs)

POP No. 6: Processing Justifications for Other than Full and Open Competition

Effective Date: May 2, 2000

- ◆ **PURPOSE:** The purpose of this POP is to ensure the accuracy and appropriateness of the contents of the justification for contracts to be awarded without providing for full and open competition. The Federal Acquisition Regulation (FAR) and Agriculture Acquisition Regulation (AGAR) prescribes policies and procedures and identifies statutory authorities for contracting using Other Than Full and Open Competition.
- ◆ **AUTHORITIES:** Regulations covering this matter are found in FAR 6.3 and AGAR 406.3, Other Than Full and Open Competition. Exceptions for applicability are prescribed in FAR 6.001
- ◆ **PROCEDURES:** When contracting personnel learn that a requisitioner is requesting that a contract be placed with a specific contractor without providing for full and open competition, the following actions should be taken:
 1. The requisitioner completes the Justification for Other Than Full and Open Competition (JOFOC) (Attachment 1), and then sends the completed JOFOC to the cognizant Contracting Officer.
 2. The cognizant contracting officer completes the Contracting Officer's Statement for Other Than Full and Open Competition (Attachment 2).
 3. In accordance with FAR 6.304, Approval of the Justification, the cognizant contracting officer forwards the Justification for Other Than Full and Open Competition, Contracting Officer's Statement for Other Than Full and Open Competition, Purchase Request and Statement of Work to the appropriate higher approving levels for review, if applicable.

JUSTIFICATION FOR
OTHER THAN FULL AND OPEN COMPETITION

Please provide the following information for consideration to contract without providing for full and open competition for the procurement action.

1. Name, office address and telephone number of the person to contact about the justification.
2. Description of the service or supply to be purchased.
3. The estimated total cost of the service or supply (including cost of any options/option years).
4. The proposed contractor's company name, business address, name and telephone number of the contact person, and fax number.
5. Provide a full explanation for one of the following. The proposed contractor's unique qualifications as the only source to provide the services or supply; unusual and compelling urgency, including the nature and extent of harm to the Government if the action is not handled as an urgent purchase; International agreement between the United States and foreign organization; Authorized or required by statute when the statute requires that the purchase be made through an agency or specified source; national security when disclosure of need would compromise national security; public interest when agency head determines the action is not in the public interest; or industrial mobilization engineering development or research capability.
6. Explanation of the market research conducted to assist in identifying any potential contractors. (See www.arnet.gov, Federal Acquisition Regulation, Part 10.002, Market Research for various types of market research techniques).
7. Explanation as to why specifications, engineering descriptions, statement of work, purchase description have not been developed or are not available from other sources.
8. If this is a follow-on contract for continued development or production of a major system or specialized equipment, provide the estimate of the cost to the Government that would be duplicated if an award was made to any other source.
9. Explain how the estimated cost was derived.
10. Provide a statement of actions that the agency may take to overcome any barriers to competition before any subsequent purchases of the service or supplies.

I certify that the information provided is accurate and complete to support the recommendation for a purchase using other than full and open competition

Requisitioner's signature

Date

CONTRACTING OFFICER'S STATEMENT
FOR OTHER THAN FULL AND OPEN COMPETITION

Please provide the following information for consideration to contract without providing for full and open competition for the procurement action.

1. Description of the efforts made to verify extent of competition obtained (i.e., sole source), including whether a CBD notice was publicized, in accordance with FAR 5.2, if applicable.
2. Explanation of the procedure to be used to determine that the proposed cost to the Government will be fair and reasonable.
3. List of sources that expressed, in writing, an interest in providing the service or supply; Statement as to disposition.
4. List of the attached approvals (as required by FAR 6.304). Reference to statutory authority (i.e., 10 U.S.C. 2304 (c)(1), 10 U.S.C. 2304 (c)(2), etc.

To the best of my knowledge and belief, the information provided in this justification is accurate and complete.

Contracting Officer

Date



Procurement Operating Procedures (POPs)

POP No. 7: Single Family Housing (SFH) Credit Reports

Effective Date: May 1, 2000

◆ **PURPOSE:** The purpose of this POP is to provide guidance regarding the procurement of infile and residential mortgage credit reports. All reports must be accessible and retrievable using UniFi Software, via telecommunications using either asynchronous modem (800 access number) or TCP/IP network connectivity. GSA Schedule contract holders, Trans Union Corporation, CBC, and Equifax are the credit report vendors selected by Rural Development under its National Agreement. In accordance with the implementation plan, all infile and residential mortgage credit reports (RMCRs) for Single Family Housing applicants are being acquired from these vendors.

◆ **AUTHORITIES:** National Agreement dated May 1, 2000, is attached. There is a National Agreement for each of the three suppliers.

◆ **PROCEDURES FOR PREPARING BPAs OR PURCHASE ORDERS FOR STATE OFFICE:**

1. The budget for infile and mortgage credit reports is the responsibility of the State Office.
2. Each State Office processes obligations and disbursements from their Program Loan Cost Expense (PLCE) allocations.
3. Each program area is responsible for assuring that sufficient funds are available to cover their order.
4. Each State Office prepares and executes a Blanket Purchase Agreement (BPA) for the period of performance or place Purchase Orders (AD-838) for the needed reports. Either instrument will include as a minimum (1) Names and titles of the Point of Contact (POC) and Contracting Officer (CO) and telephone numbers, (2) BPA and order number (3) SIN number(s) of the items being ordered, and (4) specific invoice and billing instructions.
5. The Contracting Officer in each State Office works directly with the Contractor.

◆ **PROCEDURE FOR CONTRACTORS SUBMITTING INVOICES**

Each Contractor will send a monthly invoice to each field office and a summary invoice to the State Office (billing office) cited on each BPA for orders placed under the Agreement (infile reports and residential mortgage credit reports will be identified separately).

◆ **PROCEDURES FOR STATE OFFICE PROCESSING INVOICES**

1. Each State Office program official verifies the invoice is correct for quantity and price.
2. Each State Office prepares RD Form 838-B to process the payment. Blocks 13 and 14 of RD 838-B should be completed with zeros (i.e., block 13 "000" and block 14 "0000000000") and the billing office Fedstrip number should be inserted in Block 21.

◆ **PROCEDURE FOR FIELD OFFICE**

Each Field Office forwards a copy of the UniFi, “History of Credit Bureau Reports Requests Received Last Billing Cycle” report to the State Office for reconciliation of invoices by the program area.

◆ **PROCEDURE FOR ACCESSING REPORT**

From the Unifi Reporting Menu, under Rural Development Applications Group, click on the down arrow and select “Credit Report Request Information” and “History of Credit Bureau Reports Received Last Billing Cycle.”

◆ **PROCEDURE S FOR REPORTING UNSATISFACTORY PERFORMANCE**

1. Each State CPMs are requested to submit unsatisfactory performance to Doris Greiner, Single Family Housing Direct Loan Division, Mail Stop 0783, on a monthly basis.
2. Include the following information: specific dates, applicant’s name, name of Contractor Representative contacted, nature of the problem, etc. and forward to the appropriate Contracting Officer in the State Office.

IMPLEMENTATION PLAN

May 1, 2000

Trans Union to continue service in all locations.
Release of Hillsboro, Ohio field office to CBC
Release of Monroe, Georgia field office to Equifax

May 15, 2000

Trans Union to continue service in all locations.
Release of all remaining sites in Ohio to CBC.
Release of all remaining sites in Georgia to Equifax.1.

July 1, 2000

Trans Union to continue service in all locations.
Release of California and Indiana to CBC
Release of Wisconsin and Virginia to Equifax

September 1, 2000

Trans Union to continue service in all locations.
Release of Florida, Virgin Islands, Missouri, Illinois and North Carolina to CBC
Release of Vermont, New Hampshire, New Mexico, Minnesota and South Dakota to Equifax

October 1, 2000

Trans Union to continue service in all locations.
Release of Michigan, Massachusetts, Connecticut, Rhode Island, New York and Tennessee to CBC
Release of Arizona, Iowa, Idaho, Kansas, Maine, Montana, North Dakota, Nebraska, New Jersey,
Nevada, Oklahoma, Oregon, Utah, Washington, West Virginia and Wyoming to Equifax

November 1, 2000

Trans Union to discontinue services in states released above and CONTINUE services in: Alaska, Alabama, Arkansas, Colorado, Delaware, Maryland, Hawaii, Western Pacific Territories, Kentucky, Louisiana, Mississippi, Pennsylvania, Puerto Rico, South Carolina and Texas.

No changes (i.e., delivery time, pricing, etc.) or agreements are authorized to be made directly with the vendor by anyone other than the Contracting Officer executing the BPA.