**23a. CONTRACTING PROCEDURES**

Updated 9/30/2017

**PURPOSE**

The purpose of the contract is to establish the rights and duties of the U.S. Soybean Export (USSEC) and USSEC contractor. USSEC has mandatory procedures in place to ensure that the contractor’s previously defined description of duties, the expected deliverables, the timeframe of the deliverables, and the payment structure are understood by both parties.

**GENERAL INFORMATION**

* All contracts must be written between U.S. Soybean Export Council and Contractor.
* Any legally binding document to be signed by an individual listed on the USSEC Delegation of Authority Matrix must be reviewed and approved by the USSEC Contracts Department prior to signing.
* USSEC will not issue payments to anyone other than the entity or the individual identified in the contract.
* Any services or products purchased under a contract must support an approved project.
* The project budget must have adequate funds at the category level.
  + For your reference and analysis, refer to the Budget/Commitments Report for your region which is located on the X Drive at [X:\Reports\USSEC Reports\Project & Budget Commitments](file:///X:\Reports\USSEC%20Reports\Project%20&%20Budget%20Commitments)
* Contract term dates must be within the duration of the project
* Contractor’s travel time is not eligible for reimbursement.
* A contract is not required for a speaker that will not receive a professional fee for speaking and will be limited to seeking reimbursement for eligible, reimbursable expenses. Please send an inquiry to the Contracts Department to inquire whether or not an executed contract is in effect for the contractor chosen before asking the contractor to begin work.
* When possible, a standard USSEC contract, without modification, should be used for agreements to ensure that USSEC’s interests are protected and that all necessary USSEC and Funding Source policies and regulations are followed.
* At times, it is not practical to use a standard USSEC contract when purchasing a service or product and an alternate form of agreement will be enforced. This is typically where the industry standards dictate that a third-party contract or agreement is used and involves routine business expenses or asset purchases. The procedures included herein and the CONTRACT MATRIX will dictate when the use of an alternate form of an agreement is allowed.
* Prior to any contract being signed, the Project Manager should perform a thorough review of the proposed contract.
* USSEC Sponsorships require a contract.
  + Must identify the specific recognition and benefits of the U.S. Soy Industry.
  + Must provide specific deliverables.
  + Assure that the total sponsorship does not account for more than 50% of the overall costs of the event.
* Amendments to the contracts must be submitted if the executed contract in place requires additions or changes.
  + Contractors will not receive payment for work that is not outlined in the executed contract.
    - On the rare occasion that a contractor is asked at the last minute to complete work not accounted for in the executed contract and there is not sufficient time to complete the amendment process, prior approval per the DOA Matrix is required. If the proper documentation is not on file, payment cannot be made to the contractor.
* Approval and Signature Authority
  + All contracts require the appropriate level of approval in accordance with the Delegation of Authority (DOA) MATRIX. An employee of USSEC is required to sign all contracts.
  + All policies regarding contracts included herein should be followed. In the event that circumstances require USSEC to vary from the policies, the justification for the exception should be well documented and the proper approval obtained in accordance with the DOA MATRIX.
* Contract Compliance Examiner will retain all contract documentation in accordance with the USSEC Record Retention Policy.
* Contract Compliance Examiner will consult the federal government’s General Services Administration “System for Awards Management” (SAM) to ensure that the contract awardee is not debarred or suspended from doing business with the federal government nor delinquent in a debt to the United States as defined in OMB Circular A 1-29.

**PROCESS**

Competitive Bids and/or Cost Analysis

* All contracts must include competitive bids or other type of cost analysis to ensure competitive pricing from our vendors and contractors and remain in compliance with all funding source regulations. This will assist in determining the reasonableness of the offered price and ensure that all costs constitute an economical and effective use of program resources.
  + One exception – In-country representative positions are not required to be rebid after the initial award. After the initial award of an in-country representative, an annual performance review/evaluation must be completed to ensure that the terms of the contract are being met in a satisfactory manner.
* Must conduct all contracting in an openly competitive manner.

Contract Labor Services less than $25,000

* + Some type of cost analysis/comparison must be included. Tools available for use are:
    - USB Contractor Handbook should be reviewed and used when analyzing costs.
    - Mercer
      * World’s largest human resources consulting firm. Mercer helps organizations determine compensation levels that align with strategic talent around the world.
    - Market comparison
  + If the value of labor services for multiple contracts for the same vendor and for the same type of service is $25,000 or more, the procedures for “contract labor services $25,000 or more” must be followed.

Contract Labor Services $25,000 or More

* + Required to conduct an appropriate form of competitive bidding every 3 years.
    - Project Manager must indicate procedures for developing and publicizing requests for proposals, invitation for bids, and similar documents that solicit third-party offers to provide goods or services. Solicitations for professional and technical services shall be based on clear and accurate descriptions of and requirements related to the services to be procured. Such procedures must include a conflict of interest provision that states that no employee, officer, board member, or agent of USSEC will participate in the review, selection, award or administration of the contract if a real or apparent conflict of interest would arise.
    - Must indicate the method for evaluating proposals received for all contract competitions.
    - Obtain at least 3 competitive bids (where possible) to assure adequate competition and document the following:
      * Project Title
      * Purpose of Contract
      * List of Companies/Individuals that responded to the RFP
      * Summarize the response
      * Reason for selection

Contract Initiation and Execution

* The completed Contract Request Form (CRF) must be submitted 30 days prior to the start date (effective date) of the contract (exceptions to this rule can be made at the discretion of the CFO, COO and/or CEO).
  + Be sure to complete the current version of the CRF located…
    - [X:\Resources\Templates & Forms\Contract Request Form](file:///X:\Resources\Templates%20&%20Forms\Contract%20Request%20Form)
      * Must complete the Checklist tab to ensure that all documentation is submitted.
  + New contractors require the submission of a completely executed signed and dated W-9, W-8BEN or W-8BEN-E (as applicable).
  + Must include documentation from RFP process and/or cost analysis
    - If RFP process was completed, CRF package must include…
      * Request for Proposal - **and**
      * Copies of proposals received- **and**
      * The fair market value assessment - **and**
      * Memo of justification - reason for selection
      * Cost comparison
    - If the RFP process was not completed, a memo of justification for not conducting the RFP process must be included (please note there is no guarantee that the contract will be executed if an RFP was not complete within the last three years.
* The Contract Department will review all CRFs for compliance, budgetary purposes, and accuracy.
  + The Project Manager and Project Director will be informed on the status of the CRF process.
* Once the CRF is approved, the contract will be written and then signed by USSEC per the DOA MATRIX and the contractor.

**CONTRACTOR RATES**

Contractor must be paid, per their skill set, according to the following options:

* Hourly
* Daily
* Monthly - (USB Only)
* Fixed Fee - (USB only)

USB rates and specific rules:

Refer to the USB Contractor Handbook to determine the value of each contractor’s time. The handbook is based on industry standards.

* + Hourly Rate: Allowable hourly rate is provided in the USB Contractor Handbook
  + Daily Rate: If a contractor is to be paid in days, divide the daily rate by 8 and compare this to the hourly rate provided.
  + Monthly Rate: If a contractor is to be paid in months, divide the monthly rate by the number of working days in the month (excluding holidays) and then divide by 8 hours per day to arrive at the hourly rate in order to ensure the hourly rate is within the allowable rate by USB for the contractor’s skillset.
    - Please note that if the contractor is being paid a monthly rate then the expectation is that the contractor is working a full 40 hours per week and no other work can be done under a separate contract. If the contractor is not going to be working a full 40 hours per week for the month, then the contractor is not eligible to be paid a monthly rate. A daily rate or hourly rate would apply.
  + Fixed Fee: If a contractor is to be paid a fixed fee, you must provide a breakdown of the contractor’s hourly rate and the amount of effort that is anticipated to do the work for this project. Both are needed to substantiate the cost.

FAS rates and specific rules:

* + Contracts may be written based on an hourly or daily rate for all contractors. An exception to the hourly/ daily rate can be granted to USSEC’s key, full-time contractors to include a monthly rate.
    - Contractor rates cannot exceed the GS-15 Step 10 general pay scale which is used to determine the salaries of most civilian government employees. This rate is comparable to the top-level position in government. The rate is established on an annual basis. This is the maximum allowed, not necessarily the amount of the contractor’s value.
  + U.S. based contractors that provide administrative services to the U.S. office cannot be paid with FAS funds to implement or assist with approved international marketing efforts.

Contracts Matrix

