

MAY 16 2005



MAP 05-005
FMD 05-003

United States
Department of
Agriculture

TO: MAP Participants, FMD Cooperators

Farm and Foreign
Agricultural
Services

SUBJECT: Program Regulations and Policies Regarding Contracting and Conflict of Interest

Foreign
Agricultural
Service

MAP participants and FMD Cooperators (program participants) that enter into third-party contracts relating to FAS-administered program activities are reminded of the following regulations and policies that govern such contracts:

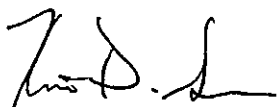
400 Independence
Ave, SW
Room 1042
Washington, DC
20250-1042

- Neither the Commodity Credit Corporation (CCC) nor any other agency of the United States Government or any official or employee of the CCC or the United States Government has any obligation or responsibility with respect to program participant contracts with third parties.

A program participant, and any third party working on behalf of a program participant, must:

- ensure that all expenditures for goods and services that are reimbursed by CCC in excess of \$25.00 are documented by a purchase order, invoice, or contract, and that such documentation demonstrates competition in acquiring the goods or services;
- ensure that all costs constitute an economical and effective use of program resources;
- ensure that no employee or official of the program participant, or any third party working on behalf of a program participant, participates in the selection or award of a contract in which such employee, official, or third party or the employee's, official's, or third party's family or partners has a financial interest;
- conduct all contracting in an openly competitive manner. Individuals who develop or draft specifications, requirements, statements of work, invitations for bids or requests for proposals for procurement of any goods or services must be excluded from competition for such procurement;
- base solicitations for professional or technical services on a clear and accurate description of the requirements for the goods or services to be procured; and,
- conduct an appropriate form of competition at least every three years on all contracts valued at \$25,000 or more per annum.

Program activities that do not adhere to these requirements are not eligible for reimbursement with program funds. If deficiencies are identified during compliance reviews or Office of Management and Budget Circular A-133 audits, repayment of funds paid by CCC will be required.


FRANKLIN D. LEE
Deputy Administrator
Commodity and Marketing Programs