

U.S. Department of Agriculture  
Farm Service Agency  
Kansas City Commodity Office

**Supporting Statement  
OMB Number 0560-0177**

**Offer Forms**

This document is a request for changes to the information collection approved under OMB No. 0560-0177. It will expire on September 30, 2008. Farm Service Agency (FSA), Kansas City Commodity Office (KCCO), is requesting clearance for this information collection to procure, sell, and transport agricultural commodities, and to obtain discharge/delivery survey information. Ports/terminals which have been inspected and approved for use by FSA will be considered qualified to provide space for handling and storage of commodities in regard to port/trans-load facilities.

**Justification**

**1. Circumstances making collection of information necessary:**

The Agricultural Trade Development and Assistance Act of 1954, as amended, (for Title II, P.L. 480), Section 416(b) of the Agricultural Act of 1949, as amended--for Section 416(b), and Food for Progress Act of 1985, as amended--for Food for Progress, authorize the International Procurement Division to procure, sell, and transport agricultural commodities, and obtain discharge/delivery survey information. Contractors, vendors, and steamship companies submit competitive offers for agricultural commodities and services. This enables KCCO to evaluate offers impartially, purchase or sell commodities, and obtain services to meet domestic and export program needs. Vendors are required to submit shipping logs, so KCCO can expedite shipments to meet vessel sailing dates. Commodities are delivered to foreign countries under the Food for Peace Program (Title II and III); Food for Progress Program, Section 416, through voluntary agencies, World Food Program, and the U.S. Agency for International Development. Port authorities submit their port capacity information for a given invitation covering a specific shipping period, thus allowing for competitive purchase of commodities for export food assistance programs. Warehouse operators/terminals must be inspected and approved for use by FSA to be considered qualified to provide space for handling and storage of commodities in regard to port/transload facility. Without this information collection, CCC could not meet program requirements.

The Domestic Procurement Division issue invitations to purchase or process commodities for food donations programs. Most vendors respond by making electronic offers using various CCC commodity offer forms. Dairy processors are given the opportunity to participate under the price support program. Bid offers are received from dairy processors to remove surplus bulk butter, cheese or milk from the marketplace. Domestic Procurement Division use the following Sections of Public Law to meet program needs:

- 32/6E National School Lunch Program / Child & Adult Care Feeding Program
- 311 Nutrition Program / Agencies on Aging
- 4A Needy Indian Families / Needy Families Living in US Trust Territories
- 17 Commodity Supplemental Food Program / Women, Infants, & Children
- 104 Emergency Food Assistance Program
- 110 Soup Kitchens / Food Banks
- 416 Charitable Institutions / Non-Profit Summer Camp for Children
- 32C Food Banks in High Need Areas / Disaster Feeding

The following acts authorize Commodity Management Division and International Procurement Division to prepare and issue announcements for the purchase and sale of grain. The Procurement Form (KC-331) is authorized by the Ag. Trade Developmental and Acquisition Act 1954 as amended, Public Law 480, Food for Progress Act 1985, 416-416(b) Agriculture Acts as amended. The Sales Form (KC-332) is authorized by Public Law 104-127 and 7USC 7234. Vendors respond by making offers using the two offer forms. The Commodity Management Division and International Procurement Division also coordinate Ocean Freight bookings for bulk grain donation programs. Without this information collection, CCC could not meet program requirements.

2. **How, by whom, and for what purpose is information used:**

**7 CFR, Chapter 14, Part 1485-Subchapter C**

**Export Offer Forms and KC-333 (Annual Certification), Form KC-334 (Discharge/Delivery Survey Summary), Form KC-337 (Rate Schedule) and Public Viewing System (PVS)**

The Export Offer forms and KC-333 are received electronically through the Electronic Bid Entry System (EBES) via the Internet. The vendors submit offers (sealed bidding) for agricultural commodities, bags and twine, and survey services to KCCO to meet export program needs. A price, product, quantity, and delivery point the vendor is offering are submitted to KCCO via this form. The information will change in response to each invitation, and it is not available from another source. It is necessary to collect the information recorded on the offer forms to determine who the successful bidder is under invitations to purchase products and services for use in the following export programs: Public Law 480, Title II, and III; Food for Progress; and Section 416.

The Kansas City Commodity Office (KCCO) will collect the information electronically and/or by mail for the KC-334 form. This form is filled out by each survey company that KCCO has awarded to perform surveys on the food aid cargo. They complete this form at each cargo discharge and delivery location, by commodity, with the final forms sent as part of the survey report. (The preliminary data is sent usually by e-mail, after the shipment is completed.) The information on the form is a summary of the amount of cargo delivered versus manifested quantity, the amount and type of damage, etc. This information is used by KCCO/Contract Reconciliation Division, as a quick summary of losses for their claims filing purposes. The KC-337 is received by mail because a signature is required. The purpose of this form is to obtain rates that the survey companies charge to perform surveys, by country/region. The amount the survey companies charge, and other technical factors, are used by KCCO in determining which survey companies will be awarded the survey contracts. The information collected on these forms is not available from another source.

The Public Viewing System (PVS) is an informational webpage which was available on April 2006. It allows the general public to view details of a selected solicitation, such as, Solicitation Number, Amendment Number, Solicitation Description, Freight Offers Due (Freight Open Date, Freight Open Time), and Commodity Offers Due (Commodity Open Date, Commodity Open Time). The user will also be able to view all the bids that were used in the bid evaluation for a selected IPD solicitation. He will see the prices and quantities from the last on-time bid that was submitted by the vendor and all the changes that were made by USDA to correct obvious errors.

**7 CFR, Subtitle B, Chapter 14, Part 1496.6**

FSA collects information for the form KC-359 (Application for Port/Trans-Load Facility Approval) electronically or by mail. This form is completed by warehouse/terminal/trans-load/port operators as requested by FSA. The information is used to verify port/terminal suitability for consideration in handling and storage of U.S. Department of Agriculture (USDA) food aid commodities and help with arrangements for conducting port inspections. The requesting party and port official, if applicable, must sign the application.

**The Port Entry System (PES)**---Port authorities use this web application to electronically enter or modify the tonnage of freight a port is able to accept for a given solicitation covering a specific shipping period. Currently, about 17 ports receive a memo from IPD that they enter their port capacity quantities onto and fax back to IPD. IPD then transfers these port capacities onto the KC-144 form (Coast and Port Constraints), which is an internal form, and the information is entered into the Linear Program (LP) by IPD. \_

#### **7 CFR, Chapter 14, 1496, Subchapter B and C**

**Form KC-331 (Bulk Grain Procurement Offer Form)** - KCCO usually receives this collection of information by fax. Contractors submit competitive bids (sealed bidding) for agricultural bulk grain commodities. KCCO uses the information collected to record, check and assess bids, as well as, assist contractors in submitting bid information in a timely, accurate, and uniform manner. These bulk grain commodities are purchased by KCCO to meet export donation program requirements. It is necessary to collect this information in order to evaluate bids impartially. The price, product, quantity, and delivery point the vendor is offering are submitted to KCCO via this form. The information collected on this offer form is not available from another source.

#### **7 CFR, Chapter 14, Subchapter B - Commodity Purchases**

**Form KC-327** - Most of the Dairy and Domestic Bid invitations are received electronically through the Domestic Electronic Bid Entry System (DEBES). These offer forms are used by vendors to submit competitive bids (sealed bidding) for agricultural processed commodities that are purchased by KCCO to meet domestic program needs. Price, product, quantity, and delivery point the vendor offers are submitted to KCCO via this form. Vendors complete a bid form on-line in DEBES. Once the bids are received electronically, they are system date/time stamped, logged in, and secured within the system until bid opening time. It is necessary to collect the information in order to evaluate bids impartially. Some bids are manually completed by the vendors. These vendors submit their bids via certified or overnight mail, or hand-deliver their bids. The bids are signed for, date/time stamped, logged in, and secured in a timed lock box. It is necessary to collect the information in order to evaluate bids impartially.

#### **7 CFR, Chapter 14, Part 1430**

**KC-327-DELVSTAT (Delivery Status Report)** - This collection of information is received by fax or e-mail. This form is used by contractors to report their shipment status of products under contract. KCCO employees use the information collected, to notify state agencies of late shipments. It may also be used to consider the eligibility of contractors on future invitations to bid.

#### **7 CFR, Chapter 14, Part 1430**

**Dairy-6 Offer forms/Price Support Cancellation Request (KC-327 Dairy)** - Usually this information collection is received by fax. Dairy6 vendors are allowed to submit their offers via email. The offer form is used by dairy processors to submit or cancel offers under the price support program. It is necessary to collect the information to give dairy processors the opportunity to participate under the price support program. The information collected on this offer form is not available from another source.

#### **How to Submit Offers**

(1) Offers, modifications, withdrawals, and cancellations shall be submitted by one of the following methods:

- (a) Email with an electronic signature. Place in the subject line “Offer under ANNOUNCEMENT DAIRY 6 (Name of product stated as Butter, Cheese, or NDM);” By e-mail: mpsp@kcc.usda.gov.
- (b) Facsimile (FAX) to (816) 926-6381. Place in the subject line “Offer under ANNOUNCEMENT DAIRY 6 (Name of product stated as Butter, Cheese, or NDM);”

(c) Express or regular mail, and/or hand delivered. Place the notation "Offer under ANNOUNCEMENT DAIRY 6 (Name of product stated as Butter, Cheese, or NDM)," in the lower-left corner of the envelope.

**Form KC-366** - Vendors usually fax this Shipment Information Log to KCCO. The information collected is used by KCCO to determine what rail cars have been loaded in accordance with the vendors shipping schedules. Information received on this form is contract no., commodity, invitation no., contractor, millpoint, Notice to Deliver (N/D) no., quantity, U.S. port, rail car/container no., date shipped, complete route, units shipped, net/gross weight (lbs.), remarks, total units shipped and vendor signature. The information collected on the KC-366, informs KCCO of rail car shipment status from plant locations, to ensure that vendors are shipping their commodities in accordance with contract terms. The information collected on the KC-366 is not available from another source.

### **7 CFR, Chapter 14, Subparts 1423.1 and 1496.2**

**Form KC-269** - This collection of information is usually received by fax, but at times, it is mailed. This is a computer generated form. The last page titled 'Vendor or Processor Invoice' is an optional page. The consignee can use this page or his own worksheet, to report whenever an overage, shortage, and/or damage occur in delivery to that particular destination. Information collection activities for the form is necessary to properly purchase products for the execution of programs such as schools, WIC, etc. for domestic use.

### **3. Use of information technology:**

Electronic processes are used for the bid offer forms. The Export Offer forms and KC-333 are prepared and received electronically through the Electronic Bid Entry System (EBES) via the Internet. EBES captures commodity vendor bid data for regular monthly purchases of agricultural commodities for food donation programs for export distribution in a more reliable and efficient way than the previous system. The PES web application will automate the port capacity portion of the commodity procurement process. It captures port capacity information for various load ports used by commodity vendors. The public will electronically access the PVS webpage to view invitations and FOIA information.

Most of the Dairy and Domestic Bid invitations are available on the FSA Internet, the Electronic Bulletin Board. Vendors can complete and submit the bid form on-line through the Domestic Electronic Bid Entry System (DEBES). The bids are received electronically; system date/time stamped, logged in, and secured within the system until bid opening time. Vendors can access DEBES on-line to see the date/time the system shows for receipt of bid, bid modification, or bid cancellation.

The KC-334, and KC-337 forms are in an electronic format, and can be accessed from the USDA web site. KC-359 is submitted in hard copy or facsimile to KCCO. Customers who have established electronic access credentials with USDA may electronically submit this form to KCCO.

### **4. Efforts to identify duplication:**

To the best of our knowledge, similar information is not collected by any other government office. These collections are necessary to support the procurement, handling and storage of agricultural commodities for CCCs domestic and export food donation and assistance programs. The information required is available only from participants, and is not accessible by KCCO unless provided by participants from their private records.

### **5. Methods to minimize burden on small business or entities:**

Since the information requested is readily available from participants' records, these collections do

not impose a special burden on small businesses or entities. The vendor's self-certification of delivery date and quantity, on the KC-269, eases the burden on the small businesses cash flow, as the self-certification allows payment to the vendor more quickly.

**6. Consequences if information collection were less frequent:**

Information collection is required to procure, sell, handle, store, and transport agricultural commodities and services. Without this information, KCCO could not meet program requirements. Information collection is required to accept or cancel offers received from dairy processors at anytime to remove surplus bulk butter, cheese or milk from the marketplace. Contractors' failure to notify KCCO about late shipments, may cause more disruption to the state distribution feed programs. For the KC-269, information cannot be collected less frequently. Accounting would be difficult and inaccurate, as well as, payments slowed, without this proof of delivery date and quantity.

**7. Special circumstances:**

1. requiring respondents to report information to the agency more often than quarterly;
  - **The Export Bids and KC-333 are submitted monthly, but are submitted more frequently in an emergency.**
  - **KC-327 bids/forms are submitted bi-monthly, quarterly, or annually, but are submitted more frequently in emergencies or to make up a deficiency from a regular purchase.**
  - **Dairy6 offer forms are submitted by dairy processors as needed to remove bulk surplus products from the marketplace.**
  - **KC-331 and KC-332 are submitted as needed to meet program requirements and emergencies.**
  - **KC-366 is submitted semiweekly. If a vendor is shipping late, it is submitted daily.**
  - **KC-334 and KC-337 are submitted annually, except for emergencies, which require a 45-day response.**
  - **The Delivery Status Report is submitted as needed to meet program needs.**
  - **Port Entry System capacities are submitted twice monthly.**
  - **The Public Viewing System webpage can be accessed as frequently as the general public wishes to view invitations and commodity bids.**
2. requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it; **KCCO issues an invitation for bids, requiring competitive offers usually within 7-13 days, depending on program needs. Price support milk is bought Monday through Thursday.**
3. requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years; **No**
4. in connection with a statistical survey that is not designated to produce valid and reliable results that can be generalized to the universe of study; **No**
5. requiring the use of statistical data classification that has not been reviewed and approved by OMB; **Bid price analysis requires statistical data classification.**
6. includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; **No**
7. requiring respondents to submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law; **No**

**8. Federal Register Notice, summarization of comments and consultation with persons outside the agency:**

The collection of comments is consistent with guidelines contained in 5 CFR 1320.8(d). A *Federal Register Notice*, with a 60-day comment period regarding this information collection was published on April 2, 2008, Vol. 73, Number 64, page 17948. No comments were received.

Consultation outside the agency on the agreements covered under this clearance package include:

- Cargill, Jon Kamka, PO Box 5602, Minneapolis, MN,
- ConAgra Food Ingredients, Jason Hines, Eleven ConAgra Drive, 221 South Fairmont, Omaha, NE,
- Robert Prescott, Port of Savannah, PO Box 2406, Savannah, GA

**9. Decision to provide any payment or gift to respondents:**

There are no plans to provide any payment or gifts to respondents.

**10. Confidentiality provided to respondents:**

Confidential business-related information is collected. Some vendors provide us with their home phone number, which is used when business related problems arise after normal business hours. All data collected is handled according to KCCO procedures in accordance with the Privacy Act and the Freedom of Information Act.

**11. Questions of a sensitive nature:**

No sensitive information is collected.

**12. Estimates of Burden:**

See the attached FSA-85-1.

**Reporting Burden:** 949 respondents will submit 21,921 reports annually that average approximately 15-30 minutes per response. The total reporting burden is 3,405 hours.

The estimated cost to the public is \$ 79,711.05. This figure represents 3405 burden hours x \$23.41.

**13. Total annual cost burden to respondents or record keepers:**

There are no capital/start-up costs associated with this information collection.

**14. Estimates of annualized cost to the Federal government:**

The estimated annual cost to the Federal government is \$13,112. Cost for producing and distribution is estimated at \$ 2543.91. Employee wages for producing the forms/applications is estimated at \$10,567.07.

**15. Reasons for changes in burden:**

The program change has decreased 2983 hours. The burden hours previously approved were 6388, and the current burden hours are 3405. The reasons for this change in burden hours are due to obsolete of the forms KC-324, KC-156 and KC-332 in this information collection.

**16. Tabulation, analysis and publication plans:**

Purchase and sale contractor award information is available on the Internet, bulletin board, and in the statistical overview pamphlet.

**17. Reason display of expiration date of OMB approval is inappropriate:**

The agency is seeking approval to not display the OMB expiration date on the forms associated with

this information collection. Forms management practices issued by FSA, and followed by Administrative Services Division, require form stocks to be controlled by the version or edition date on the form. This date determines whether the form is current or obsolete for the purposes of the program requirement it is fulfilling. Offices are notified on the status of program forms and are instructed to use forms based on the version or edition date.

**18. Exceptions to 83-1 certification statement:**

There are no exceptions to OMB-83-1 certification statement.

**19. How is this information collection related to the Customer Service Center? Will this information be part of their one stop shopping?**

This information collection is not related to the USDA Customer Service Center. Our customers are contractors, vendors, steamship companies, warehouse operators, and voluntary agencies. Our customers have direct contact with KCCO.