

Procurement Advisory No. 98 D

USDA Mandatory Source for Small Package Delivery Services- Next Generation Delivery Services (NGDS)

1. SUMMARY

This Procurement Advisory provides guidance based on the Office of Management and Budget (OMB) Memorandum, M-17-29, **mandating** the use of the Next Generation Delivery Services (NGDS) contract. The OMB memorandum directs all Federal agencies to use the new government-wide contract to meet their global air and ground small package delivery services and to transition to the new contract immediately.

2. BACKGROUND

This government-wide contract solution leverages the federal government's buying power; reduces the number of contract vehicles; and strengthens demand management practices. The contract is a result of collaborative efforts of an interagency team of Department of Defense (DoD) and executive agency representatives, working together to design a government-wide solution based on the principles of OMB's Category Management initiative.

This advisory replaces Advisories 98, 98(a), 98(b) and 98(c).

Additional information may be found at: <https://hallways.cap.gsa.gov/app/#/gateway/transportation-logistics-services/4726/package-delivery-packaging-sub-hallway>

3. REFERENCES

[OMB Memo, M-17-29, Best-in-Class Mandatory Solution -Package Delivery Services NGDS Shipper's Guide](#)

4. ACTIONS

New NGDS Contractors are as follows:

- Federal Express Corporation – HTC711-17-D-C001 – Domestic and International
- United Parcel Service – HTC711-17-D-C003 – Domestic and International
- Polar Air Cargo (DHL subcontractor) – HTC711-17-D-C002 – International only

The NGDS contracts were awarded on April 26, 2017. The contract performance start date is **October 01, 2017**. Task orders may be placed now for performance to begin October 01, 2017 and anytime thereafter.

NOTE: DDS3 rates will expire on September 30, 2017. Agencies may use their current contracts and tenders until the NGDS performance start date. NGDS consolidates GSA's Domestic Delivery Services

(DDS3), DOD's Total Delivery Services (TDS) and Small Package Ground Tenders, and DLA's Surface Small Package (SSP).

NGDS Contract Documents

Copies of each contract and attachments (to include pricing sheets) are posted on the Acquisition Gateway. If currently not registered, Agency users may have to register for a [Max.gov](#) account to access the [Acquisition Gateway](#). Once logged into the Acquisition Gateway, scroll down and select Transportation and Logistics Services Hallway, then go to the Package Delivery and Packaging Sub-hallway to find helpful information on contracts and rates. To determine the applicable pricing rates for your agency, please note your pricing profile.

Prices, terms and conditions are negotiated up front with the contractor (vendor). No further price reductions, waiving of accessorial, or changes to terms and conditions can be negotiated at the shipper level.

Overhead fees are paid by the contractor on a transactional basis and embedded with their rate (~1.3% of shipment cost).

Account Setup

If a shipper already ships under DDS3, TDS, DLA's SSP, or a surface ground tender account(s), **previously established accounts will be carried over to the NGDS contract(s).**

5. BEST PRACTICES

Ordering contracting officer are responsible to know agency-specific policies for issuing orders on contract vehicles and to ensure fair opportunity in accordance with the Federal Acquisition Regulation (FAR) Subsection 8.405-3(c)(2).

- a. Gather and assess your agency's requirements for delivery services.
- b. Provide Fair Opportunity and select the proper ordering procedure based on the dollar value of the order. If the order is above the micro-purchase threshold, agencies must provide equal consideration for contractors.
- c. Evaluate quotes, evaluate information from each contractor, in light of your agency's needs, and make a best value award decision.
- d. Make the award and manage the task order.

Competition Requirements

No further competition is required with non-NGDS contractors. Aggregate shipping totals for the fiscal year that exceed the micro-purchase threshold require Fair Opportunity/competition among the three contractors that received the NGDS award only (i.e., Federal Express Corporation, United Parcel Service, and Polar Air Cargo (DHL subcontractor)).

6. WAIVERS

USDA agencies can submit a waiver to the Procurement Policy Division, Office of Procurement and Property Management (OPPM) at Procurement.Policy@dm.usda.policy for approval to obtain another delivery service provider where there is a significant cost savings for not using NGDS. The NGDS waivers must provide:

- a. Substantial evidence/determination of a cost benefit;
 - b. Pertinent background information (market research/justification); and
 - c. Copy of the waiver request signed by the Head of the Contracting Activity Designee (HCAD).
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7. CONTACTS

Procurement Advisories are issued by the Procurement Policy Division of the Office of Procurement and Property Management, Departmental Management, USDA and posted on at the following URL:
<https://www.dm.usda.gov/procurement/policy/advisories.htm>

For any questions regarding this advisory, please contact the Procurement Policy Division at procurement.policy@dm.usda.gov.

8. EXPIRATION DATE: Effective upon issue date until canceled.

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