



2007 ESRA POLICY REGARDING VENDORS – Updated 12/2006

BACKGROUND.

The U.S. Department of Agriculture Employee Services & Recreation Association (ESRA) is a nonprofit (501.c.4) organization that exists to provide programs and services that improve the morale of USDA employees. In existence since 1923, the Association primarily serves 15,000 USDA employees in the D.C. metro area, plus limited services to an additional 100,000 employees nationwide.

The Association is governed by a Board of Directors composed of a representative of each USDA agency. Full-time staff of the Association is headed by a General Manager. The Association receives no government funds and is entirely self-supporting.

Most of the Association's facilities/services are located in the Ag Promenade Mall, located in the South Building of the main USDA headquarters, 14th & Independence Ave. SW, Washington, D.C.. Facilities operated by the Association include the Ag Connection, a modern, fully-stocked, 2,000 sq.ft. employee store; Barber Shop/Hair Salon; Deli; Dry Cleaning shop; Fitness Center, and a Conference Room for seminars/educational programs. The Association also provides a broad range of recreational and educational programs for USDA employees. Other operations include Fitness Centers at the Department's facilities in Beltsville, MD, Riverdale MD, and Kansas City MO; an award winning website (<http://www.usdaesra.org>) which brings ESRA services, including online ordering, to USDA employees worldwide; a nationwide insurance program that provides USDA employees with a variety of insurance products; and numerous recreational and educational programs for the benefit of USDA employees.

USE OF VENDORS.

The Association utilizes vendors for the provision of many products/services offered to USDA employees, and welcomes inquiries of vendors who feel their product/service would be a good addition to our menu.

ON-SITE VENDORS.

On-site vendors are businesses who carry merchandise or provide services that are not normally carried by the Association. Vendors are selected for the quality and uniqueness of their merchandise. Vendors must undergo an interview and an inspection of their product before they are selected. If approved, they are allowed to schedule dates in the store, or in the case of a service, in our conference room. If a product or service is actually being sold to the consumer, ESRA receives a percentage of sales.

RULES/REGULATIONS REGARDING ON-SITE AND OFF-SITE VENDORS.

Because of some bad experiences with vendors in the past, the Association has established the following rules, regulations, and procedures in dealing primarily with on-site and off-site vendors.

While the Association wants to make it as easy as possible for vendors, these regulations and procedures are meant to protect both the Association and the vendor from fraud, misrepresentation, and misunderstanding.

1. All prospective vendors must ***provide at least two references***, preferably from associations similar to ESRA, who can be contacted and can attest to the viability of the vendor.
2. The Association may conduct background checks with appropriate sources regarding the financial viability of the vendor, and past business practices.
3. A ***letter of intent*** shall be presented by the vendor to ESRA that spells out the product/service being provided, the dates or length of time for which the product/service shall be available, the means for advertising the product, the return policy of the vendor (in the case of merchandise), and any other information that would assist the Association in the approval process.
4. If the product/service is being sold to USDA employees, the vendor and ESRA will negotiate a commission based on gross sales. Currently, the commission for on-site vendors of merchandise is 20% of gross sales.

5. For off-site vendors, the vendor must describe in detail and in writing their plan for recording sales to USDA employees so that the Association can receive the proper commission. (Note: This has been by far the greatest problem faced by ESRA in dealing with off-site vendors. While there must be an element of trust, the Association has experienced severe problems with some vendors who fail to track USDA employees who purchase their product and for which ESRA is to receive a commission.)

6. Advertising shall be done by both the vendor and ESRA as follows:

a. Should the vendor desire to advertise the product/service throughout the metro area via departmental chain mail, the vendor shall provide the Association with a minimum of 5,500 copies of the flyer, brochure, etc. to be distributed. THE MATERIAL MUST BE APPROVED BY ESRA BEFORE DISTRIBUTING and MUST HAVE THE ESRA LOGO AFFIXED TO THE MATERIAL. ESRA shall distribute the material, and will provide the vendor with camera-ready art of the ESRA logo. Fee for distribution of flyers is \$150.

b. Should the vendor desire to use posters, or related bulletin board material, the vendor shall provide at least 12 copies of same to ESRA who will approve the material and be responsible for posting.

c. ESRA will publicize the product/service in its monthly newsletter, ESRA Presents; through the Department's E-Mail system and video network; on bulletin boards throughout the complex; and any other means available.

d. Under no circumstances is the vendor to post or distribute material on USDA property unless authority is granted by ESRA.

7. Many vendors provide a service in the form of an educational seminar (e.g., financial planning). In such cases, the vendor is not allowed to "sell their product" during the seminar. It is meant to only be educational in nature. However, the vendor can distribute flyers, business cards, etc. at the conclusion of the seminar. The purpose of this policy is to prevent situations whereby there is the appearance that the Association is endorsing the product or the service. Where possible, all USDA employees who participate in the seminar/program are to register for the event, and will be presented a disclaimer from ESRA regarding endorsement. In cases where there is no registration, each participant shall be given a copy of the disclaimer at the start of the session. Fee for lunchtime seminars is \$65.

8. Under no circumstances will Franchise Vendors be allowed to vend in this Federal Building. This includes: Mary Kay, Pampered Chef, AVON etc...

SPECIFIC POLICIES FOR ON-SITE VENDORS.

In addition to some of the rules and regulations discussed previously, on-site vendors are subject to the following ESRA policies:

1. All prospective on-site vendors shall be subject to an interview by ESRA staff prior to acceptance and scheduling of selling dates. Such factors as quality and uniqueness of merchandise, price points, return policy of vendor, etc. will be discussed during the interview.

2. If the Association accepts the vendor, they will be contacted to establish selling dates. When reserving dates for the next calendar year, ESRA begins scheduling new dates in September of the current calendar year. For example, it is 2006 - you want to book for 2007- reservations will be accepted September 2006.

3. ESRA will receive a commission of 20% of gross sales, less applicable sales tax, (minimum of \$45 per day/per show) to be paid at the end of the vendor's selling period.

4. Vendors are responsible for supplying their own receipt books. Each customer must receive a receipt, and a duplicate copy shall be retained for use by ESRA in calculating gross sales.

5. Most on-site vendors will be situated in the Ag Promenade Mall located in the sub-basement of 3rd-Wing, South Bldg. unless prior arrangements are made by the Association. There are only certain spaces available in the Mall to set-up vendor space. It is on a first-come, first-served basis. ESRA staff will indicate the spaces that will be available for the day. **UNDER NO CIRCUMSTANCES WILL TABLES BE ALLOWED TO BE SET-UP DIRECTLY ACROSS FROM EACH OTHER IN THE MALL.** They must be staggered. The diagram of the mall that is attached indicates spaces where vendors may set up.

6. ESRA reserves the right to refuse any vendor regardless of circumstances.

8. Space in the store is limited. ESRA staff will indicate to the vendor the space availability during the interview process. Vendors are responsible for **supplying their own tables, or they may rent them from ESRA for \$4.00 per table per day. THERE IS NO EXCEPTION TO THIS RULE- ESRA STAFF UNLOAD/LOAD TIME IS VALUABLE.**

9. ESRA operates in a business environment. Therefore, vendors are expected to act in a professional manner, including appropriate attire, attractive and clean table coverings, etc.

10. Please feel free to accept any form of payment (Visa, MC, Amex, Discovery, cash, check, or layaway). However, please review the attached warning on accepting checks and remember that all monies are due ESRA at the end of your stay, including layaway orders.

CANCELLATION POLICY: If for some reason you should have to cancel your dates, you must notify Roger Lancaster (202-720-4870) at least 48 hours in advance of your show. There will be a \$50 cancellation fee added on your next vending date if you do not call in advance. If you fail to show for 2 dates without calling, you will forfeit your dates for the remainder of the year.

CONTACTS:

Vendors should contact the appropriate staff member below if they have questions, require further information, or if they want to schedule a sales period, seminar, etc.

1. On-site/Off-Site Vendors: Roger Lancaster, General Manager (202) 720-4870

2. Seminars & Educational Programs:

Fitness related programs:
Ann Hala
Director, Fitness Center
(202)720-8995

All other programs:
Roger Lancaster (202) 720-4870

The address of ESRA is: USDA/ESRA
Rm. SM-10 South Bldg.
14th & Independence Ave SW
Washington, D.C. 20250-9902
FAX (202)690-2737

I agree to abide by the conditions stated in this policy.

Signature

Date

Print Name

Name of Company

Address

Phone _____

E-mail address: _____ (You are required to have an email address. Failure to have one will result in not being accepted for the vendor program.)

References:

1. _____ 2. _____

Date of Show: _____ Product Line: _____