

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT

1. CONTRACT ID CODE _____ PAGE OF PAGES
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2. AMENDMENT/MODIFICATION NO. P00006
3. EFFECTIVE DATE 12/20/12
4. REQUISITION/PURCHASE REQ. NO. N/A
5. PROJECT NO. (If applicable) _____
6. ISSUED BY _____ CODE _____
7. ADMINISTERED BY (If other than Item 6) _____ CODE _____

DLA TROOP SUPPORT -DIRECTORATE OF SUBSISTENCE
700 ROBBINS AVENUE
PHILADELPHIA, PA 19111-5092
MARK PHILLIP/215-737-8051/FTAB

8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code)
SYSCO SEATTLE
22820 54TH AVENUE SOUTH
KENT, WA, 98032

(X) 9A. AMENDMENT OF SOLICITATION NO. _____
9B. DATED (SEE ITEM 11) _____
10A. MODIFICATION OF CONTRACT/ORDER NO. ✓
SPM300-12-D-3534
10B. DATED (SEE ITEM 13)
02/26/2012

CODE 0GMX0 FACILITY CODE _____

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers is extended, is not extended. Offer must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods:
(a) By completing Items 8 and 15, and returning _____ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. Accounting and Appropriation Data (If required) _____

13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

(X) A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).
✓ C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: FAR 52.212-4 (c) - Contract Terms and Conditions - Commercial Items (Changes)
D. OTHER (Specify type of modification and authority) _____

E. IMPORTANT: Contractor is not, is required to sign this document and return 1 copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)
REQUIREMENTS FOR: ALASKA AREA
Effective immediately, contract SPM300-12-D-3534 is modified as follows:
SBE PAGES 2-7.
All other terms and conditions remain unchanged.

Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER (Type or print)
SUSAN B. MORGAN, CFO
16A. NAME AND TITLE OF SIGNER (Type or print)
MICHAEL D'ELIA, CONTRACTING OFFICER
15B. CONTRACTOR/OFFEROR
SUSAN B. MORGAN, CFO
15C. DATE SIGNED
12/20/12
16B. UNITED STATES OF AMERICA
BY [Signature]
16C. DATE SIGNED
12/20/12

Affected Product Detail - Issuer - DLA Troop Support			
Description	LSN	Pack/size	Commitment Amount To Contractor (lbs)
BEEF,GRD,BULK,FZN,90% LEAN,4/10 LB PG,N#136	890501E299493 (GENERIC)	4/10 lb	30,440
			Total Amount (lbs) - 477,040

Affected Product Detail - Contractor - Sysco Seattle / Alaska				
Description	SUPC	Pack/size	Storage Location	Warehouse Price (per lb)
BEEF GROUND BULK 90/10 GOVTBID (PACKER)	1748831	4/10# AV	Ray's Meats 2113 South 3rd Avenue Yakima, Washington 98909	\$

Distribution Price Adjustment for Storage and Handling (if applicable):

Current Distribution Price	Distribution Price Adjustment Amount	New Distribution Price	Current Distribution Price Category	New Distribution Price Category
\$	\$ 0.00 /lb.	\$	4	N/A

Distribution Price Adjustment for Product Disposal of Remaining Inventory Located at Contractor's Warehouse:

Distribution Price Adjustment Amount	Contractor Disposal Distribution Price Adjustment Amount	Contractor Disposal Distribution Price	Current Distribution Price Category	New Distribution Price Category
\$ 0.00/lb.	\$	\$	N/A	N/A

Distribution Price Adjustment for Product Disposal of Remaining Inventory Located at Storage Location that is not Contractor's Warehouse

Distribution Price Adjustment Amount	Storage Location Disposal Distribution Price Adjustment Amount	Storage Location Disposal Distribution Price	Current Distribution Price Category	New Distribution Price Category
\$ 0.00/lb.	\$0.00/lb.	\$0.00/lb	N/A	N/A

Storage Location: _____ Ray's Meats _____

Commitment Period Commencement Date: 30 days from effective date of this modification as listed in Box 3, Page 1.

Commitment Period: 180 days, commencing as of the Commitment Period Commencement Date.

Background

DLA Troop Support has requested that Contractor enter into a purchase contract with a manufacturer/packer of the Affected Product in the specified in the box labeled "Commitment Amount To Contractor" set forth above (the "Commitment Amount"). This amount is greater than the Contractor's normal inventory levels for the Affected Product. In addition, a Total Amount is identified above, which is the amount of Affected Product in pounds (lbs) that will be purchased across all Sysco CONUS contracts. Contractor is willing to procure the Commitment Amount of the Affected Product for distribution to DLA Troop Support's locations currently serviced under its contract with DLA Troop Support (the "Contract"), provided that it is compensated for additional expenses and overhead resources it incurs or utilizes in doing so, including, without limitation, warehousing and storage costs, purchasing administrative costs, capital carrying costs, inventory insurance expense, and if not otherwise procured in a frozen state from the manufacturers/packers, expenses incident to freezing the Affected Product following receipt by the Contractor's Storage Location. Accordingly, Contractor and DLA Troop Support agree to the following changes to the Contract, effective as of the Effective Date of this modification.

Agreement

- 1. Contractor's Agreement to Procure the Commitment Amount of Affected Product.** Subject to the terms and conditions of this Modification, Contractor agrees to procure the Affected Product in a quantity not less than the Commitment Amount.
- 2. Adjustment to Distribution Price.** Contractor and DLA Troop Support agree that the Distribution Price payable to Contractor under the Contract in connection with its sale of the Affected Product will be increased during the Commitment Period by the Distribution Price Adjustment Amount. The parties agree that this amount reasonably compensates Contractor for additional expenses and overhead incurred in procuring, storing, and if not otherwise done so by the manufacturer/packer, freezing, the Affected Product in the Commitment Amount quantity. In order to account for the Distribution Price Adjustment Amount, new Distribution Price Categories are created as set forth above and applied only to the Affected Product or to the Affected Product during the disposal process, as applicable, and further described below.
- 3. Warehouse Price.** The Warehouse Price is the price of the Affected Product delivered from the manufacturer/packer/supplier's facility to Contractor's warehouse. The Warehouse Price is specific to Contractor and will remain fixed for the duration of the Commitment Period. In the event that this Contractor accepts the transfer of product from an Other Sysco Contractor (as defined in paragraph 5.B., below), the Warehouse Price will become the warehouse price for the Affected Product as delivered to such Other Sysco Contractor and as specified in the Other Sysco Contractor Modification (defined and described in paragraph 5.B., below).
- 4. Calculation of "Contract Unit Price."** During the Commitment Period (subject to paragraphs 5 and 6, below), the price at which the Affected Product will be sold to DLA Troop Support's locations serviced by Contractor, which is referred to as the "Contract Unit Price" in the Contract, will equal the Warehouse Price, plus the Distribution Price, plus the Distribution Price Adjustment.

5. Contractor's Purchase Guarantee/Inventory Disposition.

A. DLA Troop Support guarantees that it and/or its locations serviced under this Contract will purchase the Commitment Amount of the Affected Product during the Commitment Period, or will otherwise pay the Contractor for the disposition of un-purchased quantities of the Affected Product as discussed below.

B. In the event that Contractor sells and distributes the Commitment Amount to DLA Troop Support customers it services under the Contract prior to the end of the Commitment Period, Contractor reasonably anticipates that there is continued demand for the Affected Product by such customers, and the Total Amount has not yet been purchased by all Sysco CONUS contract locations, Contractor may purchase additional quantities of the Affected Product that have not yet been distributed from the Total Amount until that quantity is depleted, provided that the other Sysco operating companies that service CONUS contract locations ("Other Sysco Contractors") do not anticipate selling their respective commitment amounts prior to the expiration of their respective commitment periods and the respective commitment amounts of the Other Sysco Contractors are correspondingly decreased. The purchase of additional quantities of the Affected Product by Contractor and the corresponding decrease in the Other Sysco Contractors' respective commitment amounts must be mutually agreed upon by the Contracting Officer, the Contractor, and the affected Other Sysco Contractors and, in such event, the Contractor's Commitment Amount will be correspondingly increased. Under such circumstances the Warehouse Price will become that specified as such in the modification entered into between DLA Troop Support and the applicable Other Sysco Contractor ("Other Sysco Contractor Modification"). In addition to the possible change in the Warehouse Price, DLA Troop Support agrees to pay the "Standard Freight" applicable to transporting the Affected Product from the Other Sysco Contractor's warehouse to, and off-loading the Affected Product at, Contractor's warehouse.

For this purpose, "Standard Freight" is defined as the prevailing market rate, as reasonably determined by Contractor, for transportation of subsistence supplies, i.e. the transportation charge for delivery from the Other Sysco Contractor's warehouse to, and off-loading at, the Contractor's individual warehouse.

Conversely, if so requested by the Contracting Officer, Contractor agrees to sell the Affected Product to Other Sysco Contractors at Contractor's Warehouse Price (on an FOB-Contractor's Warehouse basis) if Contractor does not reasonably anticipate that it will sell all of its Commitment Amount of the Affected Product by the expiration of the Commitment Period and an Other Sysco Contractor desires to purchase additional quantities of the Affected Product under the circumstances described above. In such event, Contractor's Commitment Amount will be correspondingly reduced.

C. If the Commitment Amount of the Affected Product, as and if adjusted pursuant to paragraph 5.B., is not purchased by DLA Troop Support by the end of the Commitment Period (such remaining amount being referred to as "Remaining Inventory"), the Contractor shall dispose of the Remaining Inventory, pursuant to mutual agreement of Contractor and DLA Troop Support, which shall not be unreasonably withheld or delayed by either party. If DLA Troop Support, within thirty (30) days of the expiration of the Commitment Period, directs that all of the Remaining Inventory be delivered by Contractor to specified DLA Troop Support locations served under the Contract, the Contract Unit Price for the Affected Product shall be as provided above in this modification (the sum of the Warehouse Price plus the New Distribution Price). Alternatively, if DLA Troop Support arranges for the Affected Product

to be picked up at the location where the Remaining Inventory is located (which may be Contractor's warehouse, the packer's warehouse, or a third party warehouse) within thirty (30) days of the expiration of the Commitment Period, DLA Troop Support shall pay Contractor for the Remaining Inventory in an amount equal to the sum of the Warehouse Price, plus the Distribution Price Adjustment Amount.

D. Unless one of the foregoing disposition alternatives for the Remaining Inventory is accomplished within thirty (30) days following the expiration of the Commitment Period, Contractor shall be entitled to dispose of all Remaining Inventory. The preferred method of disposal shall be to destroy the product in the most cost effective matter, compliant with all laws and regulations. In such event, DLA Troop Support shall reimburse Contractor in the amount of the Warehouse Price, plus the applicable Disposal Distribution Price. Each Disposal Distribution Price shall equal the Distribution Price Adjustment Amount plus the applicable Disposal Distribution Price Adjustment Amount. The Contractor Disposal Distribution Price will apply to Remaining Inventory located at Contractor's warehouse, and will be based upon the Contractor's Disposal Distribution Price Adjustment Amount in the manner provided above. If the Remaining Inventory is not the Contractor's warehouse, the applicable Disposal Distribution Price will be the Storage Location Disposal Distribution Price, which will be based upon the Storage Location Distribution Price Adjustment Amount in the manner provided above.

E. In any case, the Remaining Inventory is subject to inspection by DLA Troop Support to verify the quantities and to ensure the Affected Product has been stored, handled, and managed in compliance with the quality standards set forth in the Contract. Any Remaining Inventory that must be disposed of due to improper storage, handling, or product management will be done at the expense of the Contractor. DLA Troop Support will not pay for product that has not been stored/handled/managed properly in accordance with the Contract.

6. **Purchases in Excess of Commitment Amount.** If during the Commitment Period, purchases of the Affected Product by DLA Troop Support's customer locations serviced by Contractor under the Contract exceed the Commitment Amount ("Excess Purchases"), and the parties have not otherwise agreed to the terms of Contractor's purchase of additional quantities of the Affected Product up to the undistributed portion of the Total Amount, as described in paragraph 5. B. above, the Contract Unit Price that Contractor may charge such locations for such Excess Purchases of the Affected Product will be determined in accordance with the Contract, without regard to the provisions of this Modification.

7. **Reporting Requirements and Invoices.**

A. Contractor will provide a monthly report to the contracting officer in order to track the usage for the Affected Product. This report shall include total quantity on hand, anticipated usage, quantity ordered to date, quantity ordered that month, and total quantity on order. This report shall be submitted by the 7th day of each month until the end of the Commitment Period.

B. A manufacturer/packer/supplier invoice for the Affected Product must be provided to the contracting officer within seven (7) days from the Commitment Period Commencement Date. In addition, invoices for any "Standard Freight" must be provided to the contracting officer within seven (7) days from the initial shipment of any Affected Product to Contractor's warehouse. In addition, freight invoices must be provided upon request by the contracting officer at any time during the Commitment

Period to substantiate any change in the Contract Unit Price. Invoices will be used by DLA Troop Support to verify the pricing and quantities purchased.

8. **Survival of Contract Terms.** Except to the extent inconsistent with the express terms of this Modification, all terms of the Contract, as amended prior to the date hereof pursuant to written agreement of Contractor and DLA Troop Support, shall remain in full force and effect.

All Affected Product must be processed within the United States and must be processed from raw material that is 100% domestic.

The Government has the right to inspect all Affected Product in the location where the same is warehoused.

List of Sysco Contracts from which the Total Amount will be purchased:

CONTRACT #	VENDOR NAME
SPM300-08-D-3226	SYSCO LOUISVILLE
SPM300-12-D-3557	SYSCO CENTRAL FLORIDA
SPM300-12-D-3504	SYSCO SEATTLE (LAND)
SPM300-08-D-3227	SYSCO NASHVILLE
SPM300-08-D-3237	SYSCO NORTHERN NEW ENGLAND
SPM300-08-D-3238	SYSCO CONNECTICUT
SPM300-12-D-3507	SYSCO SEATTLE (SHIPS)
SPM300-08-D-3231	SYSCO SPOKANE
SPM300-12-D-3533	SYSCO INTERMOUNTAIN
SPM300-08-D-3270	SYSCO ARKANSAS
SPM300-12-D-3534	SYSCO SEATTLE/ANCHORAGE (ALASKA)
SPM300-12-D-3560	SYSCO EASTERN MARYLAND
SPM300-12-D-3551	SYSCO HAMPTON ROADS (LAND)
SPM300-08-D-3204	SYSCO HAMPTON ROADS (SHIPS)
SPM300-12-D-3559	SYSCO ALABAMA
SPM300-12-D-3538	SYSCO MONTANA