

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT			1. CONTRACT ID CODE	PAGE OF PAGES 1 5
2. AMENDMENT/MODIFICATION NO. 0008	3. EFFECTIVE DATE 02/07/2012	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. (If applicable)	
6. ISSUED BY DLA TROOP SUPPORT DIRECTORATE OF SUBSISTENCE 700 ROBBINS AVENUE PHILADELPHIA, PA 19111-5096 Christie Colaianni (215)737-5291, Christie.Colaianni@dla.mil	CODE SP0300	7. ADMINISTERED BY (If other than Item 6)		CODE
8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code)			(X)	9A. AMENDMENT OF SOLICITATION NO. SPM3S1-12-R-7104
			(X)	9B. DATED (SEE ITEM 11) 10/21/2011
				10A. MODIFICATION OF CONTRACT/ORDER NO.
				10B. DATED (SEE ITEM 13)
CODE	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.

Offers 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 your 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 ONLY APPLIES TO MODIFICATION OF CONTRACTS/ORDERS.
IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.**

CHECK ONE	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.
<input type="checkbox"/>	
<input type="checkbox"/>	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).
<input type="checkbox"/>	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:
<input type="checkbox"/>	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.)

The following clause is hereby added to subject solicitation:

(Continued on Next Page)

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)	16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) EILEEN FRIEL CONTRACTING OFFICER
15B. CONTRACTOR/OFFEROR (Signature of person authorized to sign)	16B. UNITED STATES OF AMERICA (Signature of Contracting Officer)
15C. DATE SIGNED	16C. DATE SIGNED

52.216-9900 Economic Price Adjustment- First Strike Ration (FSR) (FEB 2012)

- (a) **WARRANTIES:** For the portion of the schedule that is covered by this Economic Price Adjustment (EPA) clause, the Contractor warrants that the unit prices included in the Schedule "L" do not include allowances for any portion of the contingency covered by this clause.
- (b) The base unit price for each item in the chart below, for the purpose of the adjustment calculations under this clause, shall be the arithmetic average of the weekly or monthly prices from the economic indicator applicable to each item for the period specified in the "Base Unit Price" column in the chart below immediately preceding either the solicitation closing date for proposals (if no discussions are held), the due date for final proposal revisions (if discussions are held), or the solicitation opening date (if sealed bidding is used) (e.g., for the Chicken Breasts item, the base unit price would be calculated by taking the 52 weeks' prices preceding the applicable trigger date from the source identified in the Economic Indicator column and dividing by 52.)

ITEM	EPA FACTOR	ECONOMIC INDICATOR	PUBLISHER/PUBLICATION/FREQUENCY PUBLISHED	BASE UNIT PRICE	ADJ. UNIT PRICE
Chicken Breast Fillets	Chicken Breasts	Breasts, B/S, Georgia FOB Dock, Wtd. Avg. Price	USDA/ Broiler Market News Report/ Weekly	52-week period	52-week period
Chicken Chunks	Chicken Breasts	Breasts, B/S, Georgia FOB Dock, Wtd. Avg. Price	USDA/Broiler Market News Report/ Weekly	52-week period	52-week period
Barbeque Seasoned Pork	Pork	Loins, Bone-In, Fresh, 1/4"Trim 13-19#, C4, Wtd. Avg. (BPN U-40)	USDA/Weekly National Carlot Meat Report/ Weekly	52-week period	52-week period
Peanut Butter	Peanut Butter	PPI Table # WPU01830111 for Peanut Butter & Roasted Peanuts	Bureau of Labor Statistics/ Producer Price Index (PPI)/ Monthly*	12 month period	12 month period
Beef Snacks	Beef	IMPS 171B Round, Outside Round, Wtd. Avg. (BPN U-31)	USDA/ Weekly National Carlot Meat Report/ Weekly	52-week period	52-week period
Nut Mix	Peanuts	PPI Table # WPU01830111 for Roasted Peanuts	Bureau of Labor Statistics/Producer Price Index (PPI)/ Monthly*	12 month period	12 month period
Packaging Materials	Linerboard	Linerboard (42-lb)	Miller Freeman, Inc./ Pulp & Paper Week/	Semi-annual	Semi-annual

		Unbleached kraft, East, Sh. Ton	Weekly, but Prices are Published Monthly	(six month period)	(six month period)
Packaging Materials	Resins	LDPE Resins, Large Buyer Price Film Liner Grade	Chemical Data/ Monthly Petrochemical & Plastic Analysis/ Monthly	12 month period	12 month period

* The Bureau of Labor Statistics (BLS) issues preliminary PPI indices which are subject to revision up to four months after publication. DLA will use the actual/revised indices for the purpose of this EPA Clause. If the actual/revised PPI indicated a price adjustment is necessary, price(s) will be adjusted retroactively to the beginning of the option period.

In addition to the components shown above, the following are also included:

ITEM	EPA FACTOR	ECONOMIC INDICATOR	PUBLISHER/ PUBLICATION/ FREQUENCY PUBLISHED	BASE UNIT PRICE	ADJ. UNIT PRICE
------	---------------	-----------------------	--	-----------------------	-----------------------

(To be completed as required)

- (c) The adjusting unit prices for each item shall be the arithmetic average of the weekly or monthly prices/PPI index of each applicable economic indicator for the period of specified under the "Adjusting (ADJ.) Unit Price" column in paragraph (b) immediately preceding the effective date the option term is exercised, except for linerboard which shall require one additional adjustment six months after award and six months after each option term is exercised.
- (d) With respect to increases or decreases under this clause, no adjustment shall be made to the base term contract unit prices. One adjustment calculation shall be made annually to determine the unit prices applicable to the forthcoming option term (if exercised), except linerboard which will be adjusted on a semi-annual basis (at and following any option exercise).
- (e) **EPA ALLOWANCE FACTOR:** For the purpose of price adjustment pursuant to this clause, it shall be conclusively presumed that the amount shown under "Portion Subject to EPA" in schedule "L" represents the cost of each item that is subject to adjustment. The portion subject to EPA refers to the element of cost for each item that is outside the control of the vendor and in schedule "L" the offerors will be required to fill in this amount. This is the only portion of the cost that will be subject to the EPA provision. These portions are subject to the EPA because there is serious doubt concerning the stability of market conditions. The balance of product costs for items such as labor, overhead, General and Administrative (G&A), transportation, and profit are those contingencies that can be included in the contract price and can be identified and covered separately through firm fixed prices. The EPA allowance factor remains fixed throughout the life of the contract unless a Government authorized change is made to the contract which affects this allowance.

- (f) **PERFORMANCE REQUIREMENTS:** The United States Army Research, Development and Engineering Command (RDECOM) Natick Soldier Center (NSC) who prepares the specifications has moved from Military Specifications to Performance Requirements. The Government no longer states the specific amount of product (meat, chicken, etc.) that goes into a FSR, only an overall amount with a protein and carbohydrate requirement. (Different contractors will put in differing quantities of meat, chicken, etc. to meet the performance requirements). This is why specific weights or quantities cannot be specified in advance in this EPA as would be used in a Military Specification and the cost for the items subject to adjustment will be entered by the contractor in Section L. The Government performs oversight to ensure that the performance requirements are met or exceeded.
- (g) Adjustments shall be calculated as follows: (Round to four decimal places)
- (1) Compute the Adjusting Unit Price and the Base Unit Price
 - (2) $(\text{Adjusting Unit Price} - \text{Base Unit Price}) / \text{Base Unit Price} = \text{Market Price Change (+ or -)}$
 - (3) $\text{Market Price Change} \times \text{Allowance Factor} = \text{Contract Unit Price Adjustment (+ or -)}$ for each item subject to EPA adjustment.
 - (4) The original option unit price(s) for each option will be the sum of the firm fixed price portion and the portion subject to the EPA (Allowance Factor) established at contract award. The adjusted unit price(s) for each option shall be determined by increasing or decreasing (as appropriate) the Allowance Factor by the Contract Unit Price Adjustment and adding that to the firm fixed price portion agreed to at the time of award for the option period being adjusted.
 - (5) Determine the Contract Price Adjustment by computing the sum total of the price adjustment of all items subject to EPA.
- (h) Price adjustments pursuant to this clause shall be made by contract modification showing the calculations used to derive the adjusted contract unit price.
- (i) **PAYMENTS:** Payment for items pending adjustment under this clause shall be at the existing unadjusted contract unit price until an adjustment modification has been issued. Following issuance of an adjusting contract modification, the Government shall pay the Contractor, upon submission of proper invoices or vouchers, the adjusted price stated in the contract modification for the applicable option period. The contractor represents by submitting its final invoice that the total amount billed under this contract reflects all increases or decreases required or authorized by this clause.
- (j) Any pricing actions pursuant to the "CHANGES" clause or other provisions of the contract will be priced as though there were no provisions for economic price adjustment.

- (k) No adjustment will be made under this clause unless the total change in the contract amount is \$500.00 or more. This calculation will be based on the aggregate total of all items by multiplying the higher of the minimum ordering quantity of 100,000 cases or the actual number of cases ordered by the number of times a particular component item appears in the various menus multiplied by the calculated price adjustment for each component based on the applicable economic indicator (e.g. 100,000 cases x 2 menus x \$0.05 = \$10,000).
- (l) **UPWARD CEILING ON ECONOMIC PRICE ADJUSTMENT:** The total increase in any contract unit price shall not exceed 10% per annum of the original option unit prices agreed to at time of award. There is no percentage limit on downward adjustments under this clause.
- (m) **REVISION OF MARKET PRICE INDICATOR:** In the event (i) any applicable market price indicator is discontinued or its method of derivation is altered substantially or (ii) the Contracting Officer determines that a particular market price indicator consistently and substantially no longer reflects market conditions, the parties shall mutually agree upon an appropriate substitute effective on the date the indicator was discontinued, altered, or began to consistently and substantially fail to reflect market conditions.
- (n) **DISPUTES:** If the parties fail to agree on an appropriate substitute market price indicator or implementation of other matters addressed by this EPA clause then the matter shall be resolved in accordance with the DISPUTES clause of the contract.
- (o) **AUTHORITY TO ADD ADDITIONAL ITEMS TO THIS CLAUSE:** Paragraph (b) of this clause identifies 8 unique components contained in the FSR Assembly. These components are selected based on historical data and may not be included in every assembly. Refer elsewhere in the solicitation/contract for listing of the exact component makeup. Due to customer requirements, the contracting officer may add additional components to the assembly. The contracting officer will show within paragraph (b) the additional components(s).
- (p) **EXAMINATION OF RECORDS:** The Contractor agrees that the Contracting Officer or designated representative shall have the right to examine the Contractor's books, records, documents, or other data the Contracting Officer deems necessary to verify Contractor adherence to the provisions of the clause.
- (q) In the event any applicable market price indicator is not published for any week(s), that week will not be included in calculating the base unit price or the adjusting unit price as applicable. For instance, if within a 52 week period an indicator is not published 4 times, the average of the 48 published prices only will be calculated. When a range of prices is provided, for the purposes of the calculations the arithmetic average of the high and low number in the range will be calculated to determine the indicator for that period.

(End of Clause)