

<b>AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT</b>				1. CONTRACT ID CODE	PAGE 1 OF 7 PAGES
2. AMENDMENT/MODIFICATION NO. 0006		3. EFFECTIVE DATE 03/18/14	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. (If applicable) N/A	
6. ISSUED BY DLA Troop Support 700 Robbins Avenue Philadelphia, PA 19111 Timothy Davis FTAA/215-7373-8363			7. ADMINISTERED BY (If other than Item 6)		
8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code)			(X)	9A. AMENDMENT OF SOLICITATION NO. SPM300-13-R-0059	
			X	9B. DATED (SEE ITEM 11) 08/29/14	
				10A. MODIFICATION OF CONTRACT/ORDER NO.	
				10B. DATED (SEE ITEM 11)	
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 1 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.
	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:
	D. OTHER (Specify type of modification and authority)

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

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)

Subsistence Prime Vendor for various customers in NEW JERSEY, NEW YORK & EASTERN & CENTRAL PENNSYLVANIA area.

Effective immediately, solicitation SPM300-13-R-0059 is hereby amended to incorporate the changes as outlined on pages 2 through 7 of this amendment.

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

## **AMENDMENT TOPICS**

I. CORRECTED MARKET BASKET .....	3
II. REVERSE AUCTION .....	4

**I. CORRECTED MARKET BASKET**

It is the government’s intention for the market basket to reflect the quantities as originally solicited. To demonstrate how the government arrived at the case quantities and to correct some lines that were erroneously converted, below is a conversion table for each zone.

Note: Only the items that have changed from Amendment 0005 are listed below. At your request, DLA Troop Support can provide the full list of conversions for all items in the market basket.

**LEGEND:**

Line Item	Stock #	Item Name	UoI QTY (24-Month Base)	UoI	CASE RATIO (PrF or LBs per CASE)	Amend 0005 ANNUAL QTY (Case)	Amend 0006 ANNUAL QTY (Case)	% DIFF
-----------	---------	-----------	-------------------------	-----	----------------------------------	------------------------------	------------------------------	--------

- **Line Item:** market basket line number
- **Stock #:** DLA’s local stock number
- **Item Name:** DLA’s Item Name
- **UoI QTY (24-Month Base):** The original base Unit of Issue quantity
- **UoI:** The original unit of issue
- **CASE RATIO (PrF or LBs per CASE):** the number of units of issue per case
- **Amend 0005 ANNUAL QTY (Case):** The market basket quantities from Amendment 0005
- **Amend 0006 ANNUAL QTY (Case):** The updated quantities using the following formula:

$$\frac{\text{UNIT OF ISSUE QUANTITY}}{\text{CASE RATIO}}$$

NOTE: This resultant number was then divided by 2 to show an annual case quantity. This number was also rounded so that all cases are expressed in whole numbers.

- **% DIFF:** the percent difference between the annual quantities in Amendment 0005 and Amendment 0006

**A. ZONE #1: New Jersey, Pennsylvania and Southern New York**

Line Item	Stock #	Item Name	UoI QTY (24-Month Base)	UoI	CASE RATIO (PrF or LBs per CASE)	Amend 0005 ANNUAL QTY (Case)	Amend 0006 ANNUAL QTY (Case)	% DIFF
3	890501E092251	HAM, WATER ADDED (10%), BNLS, CKD, CHL,	58,278	LB	24	1589	1325	-20%
6	890501E095032	BEEF RD, BOTTOM, BNLS, FZN,	24,687	LB	42	337	321	-5%
19	890501E195224	PORK LOIN CHOPS, CC, FZN,	24,396	LB	11	1331	1210	-10%
23	890501E392423	BEEF, CORNED, CKD, CHL,	11,735	LB	14	533	457	-17%
46	890501E608325	BEEFSTK, FZN,	10,361	LB	10	5652	565	-900%
54	890501E619568	BEEF RD, KNUCKLE, PEELED, FZN,	11,241	LB	40	128	153	16%
56	890501E620570	BEEF LOIN, STRIP STK, BNLS, CC, FZN,	3,192	LB	11	166	158	-5%
57	890501E620809	BEEF RIBEYE ROLL STK, BNLS, FZN,	4,161	LB	11	216	206	-5%

**B. ZONE #2: Northern NY**

Line Item	Stock #	Item Name	UoI QTY (24-Month Base)	UoI	CASE RATIO (PrF or LBs per CASE)	Amend 0005 ANNUAL QTY (Case)	Amend 0006 ANNUAL QTY (Case)	% DIFF
2	890501E095032	BEEF RD, BOTTOM, BNLS, FZN,	7,528	LB	28	98	147	33%
4	890501E095633	TURKEY BRST, BNLS, CKD, DELI, CHL,	3,956	LB	20	135	108	-25%
12	890501E197215	PORK SPARERIBS, FZN,	19,575	LB	35	334	305	-10%
13	890501E199762	PORK LOIN, BNLS, TIED, FZN,	5,913	LB	15	202	215	6%
25	890501E604352	CORNISH HEN, WHL, FZN,	5,830	LB	30	96	106	9%
36	890501E619568	BEEF RD, KNUCKLE, PEELED, FZN,	11,268	LB	40	85	154	45%
57	891501E397374	SALAD MIX, CHL,	257	CO	4.00	12	35	66%

**II. REVERSE AUCTION**

2. Solicitation Page 110, Solicitation Provisions, Addendum to FAR 52.212-1 the following paragraph is added:

Add: Paragraph (n), Reverse Auction Instructions:

For solicitation SPM300-13-R-0059, offerors will submit Final Price Proposal Revisions through a reverse auction. The reverse auction establishes the final offered prices from each offeror. DLAD Provision 52.215-9023(a) states “the reverse on-line auction will be used as a pricing technique during discussions to establish the final offered prices from each Offeror.” For purposes of this acquisition, “final offered prices,” as used in this provision, means the Total Evaluated Price and is the Weighted Aggregate Unit Price for the basic requirement and each option period. (see solicitation page 129). The award decision will be made in accordance with the evaluation factors as set forth in the solicitation on page 126 (see below):

Weighted Aggregate Distribution Price

The Aggregate Distribution Price is obtained by multiplying each distribution price of each of the items listed in the Market Basket by its estimated quantity, and totaling the results for all distribution prices of the items listed in the Market Basket for the base period and the option period. The Aggregate Distribution Price is then multiplied by a weighting factor of 11.5 to arrive at the Weighted Aggregate Distribution Price. Note: the weighting factor is applied only to the overall aggregate of the Distribution Price (not on a line item basis), and is to be used for evaluation purposes only.

Aggregate Delivered Price

The Aggregate Delivered Price is obtained by multiplying the Delivered Price of each of the items listed in the Market Basket by its estimated quantity, and totaling the results for all Delivered Prices of the items listed in the Market Basket for the base period and option period.

Weighted Aggregate Unit Price

Weighted Aggregate Unit Price is obtained by adding the Weighted Aggregate Distribution Price and the Aggregate Delivered Price for the base period and option period. This Weighted Aggregate Unit Price will be used to determine the lowest evaluated price to the Government.

For this acquisition, DLA Troop Support will use reverse auction to negotiate certain Distribution Price Categories. Prior to the auction, offerors shall submit Final Proposal Revisions for Non-Price, Delivered Prices and non-auctioned Distribution Price Categories. The Contracting Officer will notify offerors of the dates for these submissions in a timely manner.

DLA Troop Support will negotiate non-auctioned Distribution Price Categories prior to the auction and ensure offerors submit fair and reasonable prices for these categories. These non-auctioned Distribution Price Categories do not have corresponding market basket items and, therefore, will not impact the Total Evaluated Price. In addition, DLA Troop Support reserves the right to negotiate certain Distribution Price Categories that have only a few items in the market basket since distribution price adjustments in these categories would have a minimal impact on the Total Evaluated Price.

DLA Troop Support will conduct the reverse auction with two pieces of technology: 1) the online Procurex Reverse Auction tool; and 2) a DLA Troop Support-created Microsoft Excel workbook (“the Workbook”).

The online tool will broadcast the Total Evaluated Price of the low offeror. The Workbook contains the formula which is the exclusive means of calculating each offeror’s Total Evaluated Price. Specifically, offerors must only use the provided Workbook to calculate the Total Evaluated Price.

Prior to the reverse auction, each offeror will receive its unique Workbook. This Workbook will show the offeror’s previously negotiated aggregate Delivered Price and any Distribution Prices which will not be auctioned. DLA Troop Support will lock those fields; offerors shall not change those fields. Also, the Workbook includes unlocked fields for the Distribution Prices which comprise the auction. Offerors shall not make any modifications to this Workbook other than lowering the Distribution Prices pursuant to the rules contained in this amendment or otherwise provided by DLA Troop Support.

For each of the auctioned Distribution Price Categories, offerors may lower the price for each contract period.

Offerors enter distribution prices on the tab called “Auction Sheet.” This tab includes:

- Distribution Price Categories
- Market Basket Quantities for each Distribution Price Category
- Distribution Price Auction Fields (base and options)
- Aggregate Distribution Price per category (base and options)
- Aggregate Delivered Price
- Aggregate Distribution Price
- Weighted Aggregate Distribution Price
- Aggregate Offer (Aggregate Delivered Price plus Aggregate Distribution Price)
- Total Evaluated Price (Aggregate Delivered Price plus Weighted Aggregate Distribution Price)

In accordance with the solicitation provisions and to ensure an objective price evaluation, the pricing of all offerors will be based on the exact item in the market basket (see solicitation page 129). Thus for an acceptable alternate offer, DLA Troop Support will adjust that offeror's respective item quantity. E.g. if the acceptable alternate offer would cause DLA Troop Support to purchase two cases instead of one, DLA Troop Support will add an additional case to the auctioned Distribution Price Category quantity. The Contracting Officer will notify offerors of any quantity adjustments during a negotiation round prior to reverse auction.

Quantity adjustment example: original Market Basket item, frozen vegetables, is a ten-pound case. DLA Troop Support accepts a five-pound case as an alternate offer. DLA Troop Support will, therefore, adjust that offeror's quantity by doubling the number of estimated cases. This ensures that each offeror's aggregate Distribution Price accurately reflects the respective offered item. In this example, doubling the quantity accounts for the additional distribution expense DLA Troop Support would incur by purchasing the alternate item. DLA Troop Support will perform the comparable calculation when an alternate item results in the government purchasing fewer cases.

During the reverse auction, offerors shall use the Workbook to reflect proposal revisions to the Distribution Prices being auctioned. Once the reverse auction begins, each offeror will only be allowed to decrease Distribution Prices in bid decrements of at least \$0.01 for each Distribution Price Category within each contract period. Increases are not permitted during the reverse auction. Fractional distribution prices are not allowed—thus each Distribution Price offer must extend no further than two places to the right of the decimal.

Once an offeror has lowered its Distribution Prices within its Workbook, the Total Evaluated Price calculated by the Workbook is the **ONLY** price that the offeror will input into the Procurex Reverse Auction tool. Any time the low Total Evaluated Price changes, DLA Troop Support will pause the auction and the "lead" offeror must immediately call DLA Troop Support at 215-737-9233 to confirm acceptance of the bid submission and in addition must submit its Workbook via email to (Timothy.J.Davis@dla.mil) for verification within approximately five minutes of the price change. The Total Evaluated Price which an offeror enters in the Procurex tool must match the price in that offeror's official Workbook.

An offeror must always work from the most recently baselined Workbook, which DLA Troop Support will provide at the start of the auction and after each verified auction submission from that offeror.

Once verified, all Distribution Price changes will be re-baselined and the offeror will only be allowed to decrease revised Distribution Prices in bid decrements of at least \$0.01 for each Distribution Price Category and each contract period. DLA Troop Support will provide the offeror with a new Workbook which begins at these new distribution prices. If DLA Troop Support cannot verify the offeror's most recently submitted Total Evaluated Price, DLA Troop Support will revert the auction back to the previous "lead" offeror. DLA Troop Support will only allow the auction to proceed with a verified Total Evaluated Price.

For purposes of the reverse auction, *baseline* means the starting prices contained in an offeror's reverse auction Workbook. DLA Troop Support performs a re-baseline whenever an offeror submits an auction Workbook. After an offeror submits the Workbook, DLA Troop Support shall provide that offeror with an updated Workbook which shows the re-baselined prices to be used for its next submission.

Subsequent to an offeror submission and DLA Troop Support verification, the reverse auction will resume and the lowest offeror's Total Evaluated Price will be disclosed to the other offerors.

This disclosure will be anonymous: each offeror's identity will be concealed from other offerors. By submitting a proposal, offerors consent to this disclosure. Note: The online tool will show any offeror submission. Therefore, should DLA Troop Support find that a submission is incorrect (e.g. the spreadsheet does not match the online tool) DLA Troop Support will reset the tool to the last verified price.

The reverse auction is scheduled for fifteen minutes. This fifteen-minute period, however, may be extended. When the auction has less than five minutes remaining, any price change that results in a new low Total Evaluated Price will cause DLA Troop Support to extend the auction by resetting the time remaining to five minutes.

DLA Troop Support will consider each offeror's final auction price for each of the Distribution Category Prices as its Final Proposal Revision for the Distribution Prices being auctioned. The end of the auction also represents Final Proposal Revisions for the acquisition. No price revisions will be accepted after the close of the reverse auction, unless the Contracting Officer decides that further discussions are needed and final price proposal revisions are again requested in accordance with Federal Acquisition Regulation (FAR) 15.307, or the Contracting Officer determines that it would be in the best interest of the Government to re-open the auction.

The Contracting Officer will schedule the time and date of the auction with offerors once the initial rounds of negotiation have been closed. When the auction has less than five minutes remaining, any price change that results in a new low Total Evaluated Price will cause DLA Troop Support to extend the auction by resetting the time remaining to five minutes.

DLA Troop Support uses this reverse auction tool: Procurex. The tool must be accessed at this web address: <https://dla.procurexinc.com/>. Offerors will receive a user account and training on this system prior to the reverse auction. If you have any questions during the on-line reverse auction please contact Sean Gemmell at 215-737-4469 or email [sean.gemmell@dla.mil](mailto:sean.gemmell@dla.mil).