

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT

1. CONTRACT ID CODE PAGE OF PAGES
1 5

2. AMENDMENT/MODIFICATION NO. 00005
3. EFFECTIVE DATE 01/19/2010
4. REQUISITION/PURCHASE REQ. NO. IQC0917009007
5. PROJECT NO. (If applicable) N/A

6. ISSUED BY CODE SPM300
7. ADMINISTERED BY (If other than Item 6) CODE

DEFENSE SUPPLY CENTER PHILADELPHIA
Subsistence - FTAE
700 ROBBINS AVENUE
PHILADELPHIA, PA 19111

8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code)

(X) 9A. AMENDMENT OF SOLICITATION NO.

(X) SPM300-09-R-0066

9B. DATED (SEE ITEM 11)
11/24/2009

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 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.
<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"/>	
<input type="checkbox"/>	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:
<input type="checkbox"/>	
<input type="checkbox"/>	D. OTHER (Specify type of modification and authority)
<input type="checkbox"/>	

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.)

DETAILS OF THIS AMENDMENT ARE ON THE FOLLOW ON PAGES.
ALL OTHER TERMS AND CONDITIONS REGARDING THIS SOLICITATION 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)
15B. CONTRACTOR/OFFEROR	16B. UNITED STATES OF AMERICA
(Signature of person authorized to sign)	(Signature of Contracting Officer)
15C. DATE SIGNED	16C. DATE SIGNED

- **The solicitation closing date is extended until Monday, February 8, 2010, 3:00 P.M. Philadelphia time.**

- **This amendment also updates the solicitation Attachment 3 Surge Listing. The attachment 3 named “SPM300-09-R-0066 Attachment 3 Surge Listing” is deleted and replaced by attachment 3 named “Updated 01-19-10 SPM300-09-R-0066 Attachment 3 Surge Listing”. Offerors who have previously requested attachments to the solicitation will be sent the updated copy of Attachment 3 Surge Listing. When submitting proposals, all offerors must use the most recent Attachment 3 named “Updated 01-19-10 SPM300-09-R-0066 Attachment 3 Surge Listing”.**

- **On page 6 of the solicitation, the following website www.dscp.dla.mil/subs/pv/regions/mideast/pvmideast.asp is hereby removed and replaced with the following: <http://www.dscp.dla.mil/subs/pv/regions/latin/pvlatin.asp>**

- **Answers are provided below to additional questions submitted either at the pre-proposal conference or via email to DSCP.**

Questions and Answers Addressed After Pre-Proposal Conference - 15 Dec 2009

1. **Q: Please confirm DSCP is responsible for the payment of the import duties related to the goods to be brought from the US to the PV warehouse in Panama.**

A: Customs/duties are typically included in the booking; therefore import duties and any required Cargo Clearance assessorial should be part of the booking so it would get charged as part of the transportation against DLA's Transportation Account Code (part of DTS).

2. **Q: Please confirm DSCP is responsible for any delays or damage for the above mentioned products during its customs clearance process (again when being brought into the country of Panama). (This question was asked at the Pre-Proposal conference and the answer was partially addresses at the Pre-Proposal conference.)**

A: Answer provided at the conference is as follows: Normally, in a door to door booking for OCONUS, the PV is not held responsible for this. Laws regarding this issue, as well as potential SOFA agreements are being looked into

at this time. Mr. Shifton stated that standard fees are a part of DTS bookings, otherwise additional costs or fees must be clarified.

Further Response as follows: DSCP is not responsible for delays or damage for product in transit from the U.S. to the SOUTHCOM AOR (Area of Operation). Product is owned by the Prime vendor until it is delivered to the government. Therefore, delays and damage while in transit while in the carrier's possession need to be addressed with the individual carrier, not DSCP.

3. **Q:** Even though DSCP is responsible for the costs of the above, is it also DSCP or the Government (via Embassy) responsible to hire and pay the corresponding customs broker or agent? Or this is done by the PV and later reimbursed by DSCP?

A: As stated above in the answers to questions 1 & 2, DSCP is not responsible for any of the costs mentioned above. DLA's Transportation Account Code is responsible for import duties and the ocean carrier is at fault for damaged or delayed product while in transit during door to door shipments.

4. **Q:** One of the Free Zone's objective is to offer a temporary storage capability to an imported product that later is going to be exported to another country (a third country). The products and companies that comply with the procedures are import duties free. If DSCP confirms with its counterparts in Panama (Legal and Commercial Advisors at the US Embassy in Panama), that the figure of bringing the imported goods to a warehouse in the Panama Free Zone and later exported (others call it re-exported), will fall into this category (exemption of import duties). What needs to be confirmed is if the action of putting these goods aboard a US Navy ship that is going to leave a Panama port, can be considered an export.

A: It is up to the contractor to understand all the rules and regulations of the Free Trade Zone in order to conduct its business.

5. **Q:** From page 7, Amendment Two:

"Catch-weight items are items which permit a weight range per case, normally meat items with a LB weight range. For catch-weight items only, the allowable quantity variation is:

Decrease: minus (-) 49% of the item average weight

Increase: plus (+) the item average weight

For example, for 8905-01-E29-2117, Beef Flank Steak, 11-15 LB, with a 13 LB average, order quantities will be in multiples of the 13 LB item average weight. The allowable variations in quantity for any order for this item are:

Decrease = $13 \times .49 = 6$ LB

Increase = 13 LB

For an order for 104 LB of 8905-01-E29-2117, Beef Flank Steak, 11-15 LB, the contractor may deliver 98-117 LB and receive a 100% fill-rate."

a. If the allowable decrease variation for one 13 LB average unit of the Beef Flank Steak is 6 lbs, wouldn't the mathematical cumulative decrease variation for the example used - an order for 104 LBS or eight such 13 LB average units - be 48 lbs? (6 LB x 8 units = 48 LBS.)

A: The number of cases expected (ordered) and receipted when determining the catch fill, will be based on the average case weight (catch weight multiple), that the vendor submits as part of their EDI transaction set requirements. The vendor is required to submit the average case weight of each catch weight item listed in their catalog via a 832 transaction set, see EDI requirements, Attachments 5 and 5a of the solicitation. If the vendor sends in their 832 transaction set stating their average catch weight is 13 lbs., then that is what the vendor should be submitting - or as close as possible.

The Contracting Officer will reconcile with the vendor, all catch weight shipments that fall outside the Government's acceptable weight range variance.

b. If 1040 LB of Beef Flank Steak were ordered and the allowable decrease variation is only 6 LBs (as used in this amendment example) a PV would need to ship 1034 LBS to receive a 100% fill-rate. Thus, for a one unit order, the PV could ship 6.63 lbs (only 51% of the total weight ordered)- and receive a 100% fill-rate. Yet for an 80 unit order of 1040 LBS, the PV would need to ship 1034 lbs (99.4 % of the total weight ordered) - to receive a 100% fill-rate. Is that correct?

A: Yes, your interpretation of this requirement is correct.

c. Using the amendment example of an order for 104 LBS, if the PV's order selector pulls 7 "heavy" cases averaging 14.8 lbs from the warehouse, it is possible to meet the requested / desired total weight with less than 8 cases. Would the PV be penalized (via a negative performance report) on a line item fill-rate basis because they only shipped 7 of the 8 cases ordered?

A: No, the vendor would not be penalized under this scenario. The number of ordered/receipted cases is always calculated based on the catch weight multiple the vendor has previously submitted based on their 832 transaction. In addition, the 14.8 lbs. is not outside the acceptable weight range variation.

d. If the catch-weight product we receive from our suppliers and ship to our customers is not in the weight range because of market conditions outside of our control, are we subject to audits and/or penalties?

A: The vendor is responsible to ensure that their catalog accurately reflects what is being sold to the Government.

(Q #5 continued) At a time when industry is trying to contain price increases for our customers, actions such as audits, penalties and negative performance ratings will eventually increase the cost to the customers because the PV will source product from those suppliers who will "guarantee" the piece weight. When market availability is limited to heavy raw material, i.e. exceeding the upper end of the range, those suppliers who claim to "guarantee" a more exact piece weight can only do so by trimming the product to the spec range. This additional value-added trimming step requires more labor and consequently adds cost.

A: A PV may operate and utilize/choose suppliers as it pleases so long as the customers are supported as specified in the contract and the processes match what is contained in the PV's technical proposal.

6. Q: What is needed to bring into the warehouse for emergency orders? What about the cost of transportation? Is airfreight necessary, and if so, will this be covered by DSCP? (This question and answer were addressed at the Pre-proposal conference)

A: This should be addressed in the vendor's proposal by telling us how fast and how much it will cost. Regarding transportation, the government assumes DTS. As for airfreight charges, yes, airfreight charges need to be visible to the Government, and must be listed in the vendor's proposal as well.

7. Q: Is a subcontracting plan required for non-US companies? (This question and answer were addressed at the Pre-proposal conference)

A: Yes, a subcontracting plan is required for non-US companies.