

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT			1. CONTRACT ID CODE	PAGE OF PAGES
2. AMENDMENT/MODIFICATION NO. 0011		3. EFFECTIVE DATE 03/07/2012	4. REQUISITION/PURCHASE REQ. NO.	1 7
6. ISSUED BY DLA TROOP SUPPORT 700 ROBBINS AVENUE PHILADELPHIA, PA 19111 Michael D'Elia/FTAB/215-737-0885		7. ADMINISTERED BY (If other than Item 6) Same as Block 6	5. PROJECT NO. (If applicable)	
8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code)			<input checked="" type="checkbox"/> 9A. AMENDMENT OF SOLICITATION NO. SPM300-12-R-0013	<input checked="" type="checkbox"/> 9B. DATED (SEE ITEM 11) 11/21/2011
			<input type="checkbox"/> 10A. MODIFICATION OF CONTRACT/ORDER NO.	<input type="checkbox"/> 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"/>	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 _____ 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 SUPPORT FOR SAN ANTONIO, TX AND RELATED AREAS

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) DEBBIE HOLMAN	
15B. CONTRACTOR/OFFEROR	15C. DATE SIGNED	16B. UNITED STATES OF AMERICA	16C. DATE SIGNED
_____ (Signature of person authorized to sign)		_____ (Signature of Contracting Officer)	

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 Subsistence CONUS Prime Vendor for San Antonio, TX area

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1. The Offer Due Date as listed on Amendment 0010 Page 1, Block 14 is updated to March 15, 2012 10:00 AM Philadelphia Time.
2. Solicitation Page 37, Contract Clauses, 52.216-9030 Economic Price Adjustment – Department of Labor Price Index (Aug 2011) – DLAD is deleted and replaced with the following:

52.216-90XX ECONOMIC PRICE ADJUSTMENT- DEPARTMENT OF LABOR PRICE

INDEX (DECEMBER 2011 – SUBSISTENCE TAILORED)

(a) WARRANTIES. The Contractor warrants that--

- (1) The unit prices set forth in the Schedule do not include allowances for any portion of the contingency covered by this clause; and
- (2) The prices to be invoiced shall be computed in accordance with the provisions of this clause.

(b) DEFINITIONS. As used throughout this clause--

(1) "Price Index" for the purpose of price adjustment under this clause shall be the first published index reported in the monthly publication entitled, "Producer Price Indexes", published by the U.S. Department of Labor, Bureau of Labor Statistics ("BLS") for the following code number(s) and title(s): *see attached schedule of items/list of 36 PPI categories* (buyer fill-in).

The first published index is the initial publication of the index ("preliminary" with a "(P)") for a given month. It is available from www.bls.gov/ppi approximately two calendar weeks into the following month and will be used to update unit prices. This index will always be the most recently published index at the time the adjustment is made. No further adjustment shall be made due to any subsequent revision that may be published by the BLS.

(2) "Base price index" is the benchmark index used to measure all changes in price. It is the first published index at the later of these two dates: 1.) the closing date for receipt of proposals; or 2.) if applicable, the date required for receipt of final proposal revisions. (Archived data is available at http://www.bls.gov/ppi/ppi_dr.htm)

For contract option periods, the base price index is the adjusting price index at the end of the immediately preceding contract period.

(3) "Adjusting price index" shall always be the most recently published index available on the day in which the adjusting contract modification becomes effective.

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(4) "Base unit price" is the unit price for each contract line item, established at the later of these two dates: 1.) the closing date for receipt of proposals; or 2.) if applicable, the date required for receipt of final proposal revisions. This price is exclusive of any adjustment pursuant to this clause.

For contract option periods, the base unit price is the final adjusted unit price at the end of the immediately preceding contract period, which shall include adjustments pursuant to this clause.

(5) "Adjustment period" is the amount of time, measured in months, during which the unit price for each contract line item must remain fixed.

(A) The initial unit price (see (b)(7), *infra*) shall be the price for the first adjustment period. The first adjustment period may run shorter or longer than subsequent adjustment periods depending on the day on which the contract becomes effective;

(B) Each adjustment period following the first adjustment period shall begin on (the first Sunday of the month) (buyer fill-in);

(C) Unit Prices may only be adjusted between each adjustment period;

(D) Unit Prices shall never change within any single adjustment period;

(E) There shall be 12 (buyer fill-in) adjustment periods per calendar year;

(F) The length of each adjustment period, in months, shall be calculated by dividing 12 by the number of adjustments allowed per year pursuant to the fill-in in (b)(5)(E), above.

(6) "Adjusted Unit Price" is the adjusted price for each contract line item at the start of each new adjustment period.

(7) "Initial Unit Price" is the price for each contract line item at the start of the contract. The initial unit price is always established by taking the percentage change between these two index values:

(A) The value of the most recently published index at the time the government receives the base unit price (e.g. the base price index—see (b)(2), *supra*); and

(B) The value of the most recently published index at the start of the contract performance period.

This percentage change is applied pursuant to (c) Adjustments, *infra*, to the base unit price. If the index value has not changed between these two points in time, the initial unit price shall be the base unit price. The initial unit price shall not be considered an adjustment; rather, this mechanism serves to

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protect the government and the contractor from market fluctuations that occur between receipt of proposals/proposal revisions (see “base unit price” definition, (b)(4) *supra*) and the commencement of the contract period. All future adjustments (whether these are done monthly, quarterly or otherwise) shall be made pursuant to (c) Adjustments, *infra*.

(c) ADJUSTMENTS. Prior to the end of each adjustment period, the Contracting Officer shall obtain the adjusting price index from BLS and calculate any adjusted unit price(s) for the next adjustment period and modify the contract accordingly. Price adjustments pursuant to this clause shall be made by contract modification, issued by the Contracting Officer, and will show the following five elements for each contract line item: 1.) the base price index; 2.) the adjusting price index; 3.) the base unit price; 4.) the mathematical calculations; and 5.) the adjusted unit price(s).

The price adjustment(s) shall be applicable to orders issued during the following adjustment period. The price adjustment(s) for each adjustment period shall be based on the percentage change between 1.) the base price index; and 2.) the adjusting price index for the adjustment period, as applied to the base unit price.

(1) The Government shall be entitled to a price decrease in any particular adjustment period if the adjusting price index is less than the base price index. Accordingly, the contractor shall be entitled to a price increase in any particular adjustment period if the adjusting price index is greater than the base price index.

(2) Example of adjustment calculation:

Step 1: $(\text{Adjusting Price Index} - \text{Base Price Index}) / \text{Base Price Index} = \text{Change in Index}^*$

Step 2: $\text{Base Unit Price} \times \text{Change in Index} = \text{Unit Price Adjustment}^{**}$

Step 3: $\text{Base Unit Price} + \text{Unit Price Adjustment} = \text{Adjusted Unit Price}$

Base Price Index: 109.9

Adjusting Price Index: 112.7

Base Unit Price: \$50.00

Step 1: $(112.7 - 109.9) / 109.9 = 0.0255^* (2.55\%)$

Step 2: $\$50.00 \times 0.0255 = \1.28^{**}

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Step 3: $\$50.00 + \$1.28 = \$51.28$

* This figure shall be rounded to the fourth decimal place.

** All dollar figures shall be rounded to the nearest cent.

(3) New items added to the catalog shall be adjusted in the same manner as existing catalog items, subject to the following clarifications:

(A) The base unit price shall be negotiated and shall be effective on the date the contracting officer signs the catalog add approval form;

(B) The base price index shall be the adjusting price index effective on the date the contracting officer signs the catalog add approval form. This may or may not be the most recently published index by BLS but will place the new item add on the same time schedule as the rest of the items on the catalog.

(d) UPWARD CEILING ON ECONOMIC PRICE ADJUSTMENT. No upward ceiling, for the entire contract, shall apply under this economic price adjustment clause except for items with associated BLS series codes which are measured beyond the six-digit level (an index "beyond the six-digit level" means an index whose identifier exceeds six-digits). Not every line item shall be measured beyond six-digits—these shall be identified in the solicitation.

For any BLS series that is beyond the six-digit level, the following ceiling shall apply: The Contractor agrees that the increases on the unit price of each beyond-six-digit line item under this clause shall not exceed 90 % (percent) of the base unit price, except as provided hereafter. This is not cumulative for all beyond-six-digit line items, but shall be measured on an item by item basis.

(1) If at any time the Contractor has reason to believe that within the near future a price adjustment under the provisions of this clause will be required that will exceed the adjustment ceiling for any item, the Contractor shall promptly notify the Contracting Officer in writing of the expected increase. The notification shall include a revised ceiling the Contractor believes is sufficient to permit completion of remaining contract performance, along with appropriate explanation and documentation as required by the Contracting Officer.

(2) If an increase in the price index would raise the unit price for an item above the current ceiling, the Contracting Officer may issue a contract modification to raise the ceiling. If the contract ceiling will not be raised, the Contracting Officer shall promptly notify the Contractor in writing.

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(e) INVOICES. The prices payable under this contract will be based on the latest adjusted unit price incorporated into the contract as of the date of order.

(f) REVISION OF PRICE INDEX. In the event-

(1) Any applicable price index is discontinued or its method of derivation is altered substantially;
or

(2) The Contracting Officer determines that the price index consistently and substantially fails to reflect market conditions, the parties shall mutually agree upon an appropriate and comparable substitute and the contract shall be modified to reflect such substitute effective on the date the price index was discontinued, altered, or began to consistently and substantially fail to reflect market conditions.

(g) FINAL INVOICE. The Contractor shall include a statement on the final invoice that the amounts invoiced hereunder have applied all decreases required by this clause.

(h) DISPUTES. Any dispute arising under this clause shall be determined in accordance with and subject to the "Disputes" clause of the contract.

(End of clause)

3. Solicitation Page 97, Statement of Work, paragraph V.3., the following paragraph is added:

E. EXAMPLE OF AN ADJUSTMENT CALCULATION

The following is a hypothetical example of a monthly EPA adjustment for December 2011

LSN 8905-01-E29-9939 - CKN BRST FLT, RAW, FZN, bnls, skls, 24/6 oz ea

Base Unit Price: \$2.00/lb

Solicitation Closing Date: 28 September 2010

Final Proposal Revision: 17 December 2010

Contract Award Date: 20 April 2011

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Effective date for the 9th month adjusting modification: 04 December 2011

Base Price Index: 141

Adjusting Price Index: 143.9

Producer Price Index-Commodities												
Original Data Value												
Series Id:	WPU0222											
Not Seasonally Adjusted												
Group:	Processed foods and feeds											
Item:	Processed poultry											
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2010										143.9	141.0	139.5
2011	139.3	138.6	140.7	141.2	141.3	140.1	138.9	141.9	140.7	143.9	149.2	

SINCE THIS CONTRACT WILL NOT USE FINALS, THIS TABLE SHOWS PRELIMINARY FIGURES ONLY. THESE FIGURES WERE PUBLISHED BY BLS AND CAN BE FOUND IN THE ARCHIVE

"Base Price Index" If final proposals were received on 17 December 2010, the base price index is, therefore, the first published index available on that day – **141**. This index value represents November 2010. These historic values are archived at http://www.bls.gov/ppi/ppi_dr.htm

"Adjusting Price Index" Is the most recently published index available on the effective date of the 9th month adjusting modification - **143.9**. The modification date is 04 December 2011. This index value represents October 2011.

$$\text{Adjusted Unit Price} = \frac{143.9-141}{141} = 2.06\% * \$2.00/\text{lb} + \$2.00/\text{lb} \text{ (base unit price)} = \underline{\underline{\$2.04/\text{lb}}}$$

Note: The above is a hypothetical example of an upward adjustment in the base term price for the 9th month of performance. The price calculated would become effective on 04 December 2011 and would extend until 31 December 2011.