

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT				1. CONTRACT ID CODE	PAGE OF PAGES 1   29
2. AMENDMENT/MODIFICATION NO. 0003	3. EFFECTIVE DATE December 17, 2010	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. (If applicable) N/A		
6. ISSUED BY DLA TROOP SUPPORT 700 ROBBINS AVENUE PHILADELPHIA, PA 19111 MICHAEL D'ELIA/FTAB/215-737-0885	CODE SPM300	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. ✓ SPM300-10-R-0047	
				9B. DATED (SEE ITEM 11) 10/27/2010	
				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. 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 ONE 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:
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.)

SUBSISTENCE PRIME VENDOR SUPPORT FOR TEXAS AND NEW MEXICO REGIONS

SUBJECT SOLICITATION IS HEREBY AMENDED AS FOLLOWS:

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 SIGNER (Type or print) DEBBIE HOLMAN, CONTRACTING OFFICER		
15B. CONTRACTOR/OFFEROR  (Signature of person authorized to sign)	15C. DATE SIGNED	16B. UNITED STATES OF AMERICA BY (Signature of Contracting Officer)	16C. DATE SIGNED

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### Amendment 0003

This amendment contains two sections, Section I contains actual revisions (adds/changes/deletions) to the solicitation requirements. Section II provides answers to questions which were submitted to be addressed at the pre-proposal conference. The answers in Section II are provided for clarification purposes only and do not change the requirements in the solicitation. They are being published in Amendment 0003 and a forthcoming amendment. Also, attachments to this amendment include the new Price Proposal Workbook Spreadsheets (“Spreadsheet”), the PowerPoint slides and attendance sheet from the Pre-Proposal Conference on November 05, 2010.

### Section I

1. Solicitation Page 1, Block 28 is revised to 3 copies (2 hard copies and 1 electronic copy).
2. For purposes of this acquisition, it is the Government’s position that the definition of the term “Supplier” means “manufacturer/grower”.
3. Solicitation Page 23, Contract Clauses, 252.212-7001 – Contract Terms and Conditions Required to Implement Statutes or Executive Orders Applicable to Defense Acquisitions of Commercial Items – DFARS date is changed from SEP 2010 to DEC 2010.
4. Solicitation Page 43, SOW I. Supplies/Services and Prices, paragraph 7 AbilityOne Mandatory Items date is changed from September 20, 2010 to December 10, 2010.
5. Solicitation Page 44, SOW I. Supplies/Services and Prices, paragraph 7 AbilityOne Mandatory Items, I1, Secondary P.O.C. Hollie Dodson is replaced with:

Secondary P.O.C. Mark Matlock (931) 432-5981  
Direct: 931-432-7506  
[mmatlock@millcreekbrands.com](mailto:mmatlock@millcreekbrands.com)

6. Solicitation Page 45, SOW I. Supplies/Services and Prices, paragraph 7 AbilityOne Mandatory Items, I2, P.O.C. Mr. Nick Galante is replaced with:

P.O.C. Joe Perdicho  
Direct: (585) 341-4712  
Toll free: (800) 864-7835  
[jperdicho@cdsunistel.org](mailto:jperdicho@cdsunistel.org)

7. Solicitation Page 51, SOW I. Supplies/Services and Prices, paragraph 11B Distribution Categories are changed to the following:

<b>Category Number</b>	<b>Category Description</b>	<b>UOM</b>
1	Beef, Raw, Frozen/Chilled	LB

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2	Beef, Cooked, Frozen/Chilled	LB
3	Poultry, Raw, Frozen/Chilled	LB
4	Poultry, Cooked, Frozen/Chilled	LB
5	Pork, Raw, Frozen/Chilled	LB
6	Pork, Cooked, Frozen/Chilled	LB
7	Mixed meats, Luncheon Meats, Franks, Hot Dogs, Frozen/Chilled	LB
8	Lamb, Veal and Game, Raw- Frozen/Chilled	LB
9	Lamb, Veal and Game, Cooked Frozen/Chilled	LB
10	Shellfish, Raw, Frozen/Chilled	LB
11	Shellfish , Cooked, Frozen/Chilled	LB
12	Fish, Raw, Frozen/Chilled	LB
13	Fish, Cooked, Frozen/Chilled	LB
14	Fish, Canned ,or pouch , cooked or fresh pack - including chilled (example: tuna, salmon, imitation crab meat)	CS
15	Canned, Jar, Meat, all sizes (example: Deviled Ham, Corned Beef Hash, Stew, Chili)	CS
16	Canned, Jar, no meat, all sizes (example: Fruits ,Vegetables, Chili, Dry Milk.)	CS
17	Fruits and Vegetables, Frozen and Chilled – including further processed refrigerated	CS
18	Frozen Entrees/Frozen items (example: Cordon Bleu, Chicken Kiev, Stuffed Chicken Breasts, Stuffed Pork Chops, Appetizers, Pizza, Burritos, Corn Dogs, Pizza Toppings, Pancakes, French Toast, French Fries, Onion Rings, Hash Browns, Tater Tots, Vegetarian/Vegan - Veggie Burger, and Other Related Products)	CS
19	Desserts and Breads, Frozen/Chilled (example: Doughnuts/Cookies/Baked Pretzels, Danish, Pastries, Muffins, Bagels, Loafs, Rolls, Biscuits, Cookie Dough, Pizza Crust, Tortillas, Pie Shells, Bread Dough, Turnovers, Cheesecakes, Cobblers, Specialty Cakes, Cakes, Pies and Other Related Products)	CS

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20	Snack Foods, Baked Goods, Chips/Pretzels (example: Cookies, Crackers, Granola Bars, Energy bars, Toaster Pastries, Snack Cakes, Potato Chips, Corn Chips, Pretzels, Wheat Chips, Popcorn, and other related products)	CS
21	Confectionary, (example: Candy, chocolate, chewing gum, Marshmallows)	CS
22	Desserts, Canned ,Jar ,Tub – all sizes (example: Icings, Pie Fillings Puddings, Gelatins, and other related products)	CS
23	Cereal, cold, hot - ready to eat (example: Corn Flakes, Oatmeal, Grits)	CS
24	Dry Goods, (example: Dry Pasta, Rice, Beans, Bread Crumbs, Corn Meal, Baking Chips, Stuffing, Croutons, Ice Cream Cones, Taco Shells, Imitation Bacon Bits, Sunflower Seeds, Dried Fruit, Nuts, Coconut ,Raisins, Sugars, Low Calorie Sweeteners, Gelatin/Pudding/Desert Mixes, Powdered Creamer, Shelf Stable Creamer, Flour, Corn Starch, Baking Soda, Baking Powder, Yeast, Baking Mixes, Brownie Mix, Roll Mix, Bread Mix, Pancake Mix, Cake Mix, Mixes, Powder, Soft Serve Ice Cream, Milk Shake, Frozen Yogurt and other related products) CS Product only	CS
25	Dry Goods, (example: Rice, Beans, Bread Crumbs/Mix , Corn Meal, Baking Chips, Stuffing, Imitation Bacon Bits, Nuts, Sugars, Flour, Baking/Cake Mixes, and other related products) – Institutional/Bulk size only	LB
26	Soup and Gravy Bases, Bouillons, Dry Soups, Brown Gravy	CS
27	Sauces, canned, jar or gallon size (example: Spaghetti, Marinara, Salsa, Picante, Cheese)	CS
28	Shortenings, Food Oils, Cooking Spray, Vinegar, Cooking Wine, Sherry	CS
29	Sandwich/Meal Kits, Heater Meals	CS
30	Decorative/Dessert toppings Plastic or glass jar, Table top size or institutional size: (example: Cherries Maraschino, Fruit Toppings, Caramel Topping, Fudge Topping, Sprinkles, and related products)	CS
31	Table Top Size, Refrigerated or Non-Refrigerated - Jams, Jellies, Peanut Butter, Preserves, Honey, Syrups, Toppings, Dressings, Liquid Creamers, Processed Grated Parmesan, Olives, Pickles, Relish, Mayonnaise, Mustard, Ketchup, Dessert Related Products, Hot Sauce and Other Condiment Related Products	CS
32	Institutional Size, Refrigerated or Non-Refrigerated - Jams, Jellies, Peanut Butter, Preserves, Honey, Syrups, Toppings, Dressings, Liquid Creamers, Processed Grated	CS

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	Parmesan, Olives, Pickles, Relish, Mayonnaise, Mustard, Ketchup, Dessert Related Products, Hot Sauce and Other Condiment Related Products	
33	Portion Controlled Items, Up to 500 Count Case, Refrigerated or Non-Refrigerated, (example: Jams, Jellies, Peanut Butter, Preserves, Honey, Syrups, Toppings, Dressings, Relish, Mayonnaise, Mustard, Ketchup, Sauces, Dessert Related Products, Hot Sauce, Gelatins, Puddings, Salt and Pepper Packets , Butter/ Margarine Spread, Sugars, Low Calorie Sweeteners, Powdered Creamer and Shelf Stable Creamer - individual packets/cup, Coffee, Tea, Cocoa, Hot Chocolate, and Beverage Base Powder – Beverage Powders, individual portion, {example: Sports Drinks, Pink Lemonade, Iced Tea Mix and Other beverage powder flavors}, and Other Condiment Related Products	CS
34	Portion Controlled Items, 501 to 999 Count Case, Refrigerated or Non-Refrigerated, (example: Jams, Jellies, Peanut Butter, Preserves, Honey, Syrups, Toppings, Dressings, Relish, Mayonnaise, Mustard, Ketchup, Sauces, Dessert Related Products, Hot Sauce, Gelatins, Puddings, Salt and Pepper Packets , Butter/ Margarine Spread, Sugars, Low Calorie Sweeteners, Powdered Creamer and Shelf Stable Creamer - individual packets/cup, Coffee, Tea, Cocoa, Hot Chocolate, and Beverage Base Powder – Beverage Powders, individual portion, {example: Sports Drinks, Pink Lemonade, Iced Tea Mix and Other beverage powder flavors}, and Other Condiment Related Products	CS
35	Portion Controlled Items, 1000 to 3000 Count Case, Refrigerated or Non-Refrigerated, (example: Jams, Jellies, Peanut Butter, Preserves, Honey, Syrups, Toppings, Dressings, Relish, Mayonnaise, Mustard, Ketchup, Sauces, Dessert Related Products, Hot Sauce, Gelatins, Puddings, Salt and Pepper Packets , Butter/ Margarine Spread, Sugars, Low Calorie Sweeteners, Powdered Creamer and Shelf Stable Creamer - individual packets/cup, Coffee, Tea, Cocoa, Hot Chocolate, and Beverage Base Powder – Beverage Powders, individual portion, {example: Sports Drinks, Pink Lemonade, Iced Tea Mix and Other beverage powder flavors}, and Other Condiment Related Products	CS
36	Portion Controlled Items, > 3000 Count Case, Refrigerated or Non-Refrigerated, (example: Jams, Jellies, Peanut Butter, Preserves, Honey, Syrups, Toppings, Dressings, Relish, Mayonnaise, Mustard, Ketchup, Sauces, Dessert Related Products, Hot Sauce, Gelatins, Puddings, Salt and Pepper Packets , Butter/ Margarine Spread, Sugars, Low Calorie Sweeteners, Powdered Creamer and Shelf Stable Creamer - individual packets/cup, Coffee, Tea, Cocoa, Hot Chocolate, and Beverage Base Powder – Beverage Powders, individual portion, {example: Sports Drinks, Pink Lemonade, Iced Tea Mix and Other beverage powder flavors}, and Other Condiment Related Products	CS

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37	Salads, Prepared, Chilled/Fresh (example: Mixed Greens, Potato Salad, Egg Salad, Tuna Salad, Cole Slaw, Macaroni Salad)	CS
38	Spices, Seasonings, Salt & Pepper, Spice Blends, Herbs, Flavorings, Extracts and Food coloring - Institutional	CS
39	Spices, Seasonings, Salt & Pepper, Spice Blends, Herbs, Flavorings, Extracts and Food coloring - (other than institutional)	CS
40	Spices, Seasonings, Salt & Pepper, Spice Blends, Herbs, Flavorings, Extracts and Food coloring - Individual container	EA
41	Coffee, Tea, Cocoa, Hot Chocolate– institutional or retail size	CS
42	Beverages, Dispenser Required/Bag in Box (example: Soda, Sports Drinks, Juice, Nectar, Coffee, Chocolate Flavored and Other Drink Related Products) to include concentrates	CS
43	Beverages, Liquid, Bottled, Canned or Boxed, or Institutional (example: Soda, Sports Drinks, Juice, Nectar, Coffee, Chocolate Flavored, Flavored Water, Energy Drinks and Other Drink Related Products) to include concentrates	CS
44	Beverage Base, Powdered, retail size or institutional (example: Sports Drinks, Juice, Coffee, Chocolate Flavored, energy drinks and Other Drink Related Products)	CS
45	Beverage, shelf stable (example: Dairy, UHT, Nutritional Supplements, Dietetic Products)	CS
46	Beverage, chill – (example: Dairy, UHT, ESL, Nutritional Supplements, Dietetic Products, Juice, Nectar)	CS
47	Water – Up to 24 count case (example: Natural Spring, Purified, Distilled)	CS
48	Water – 25 count case and up (example: Natural Spring, Purified, Distilled)	CS
49	Baby food – Formula (example: Powdered and Liquid/Ready to Serve)	CS
50	Baby food – Cereal and Food (example: Oatmeal or Rice, Fruits, Vegetables, Meats and related products)	CS
51	Eggs shell, Fresh	CS
52	Egg Product, Liquid, Frozen or Chilled	CS

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53	Mixes, Liquid, Soft Serve Ice Cream, Milk Shake, Frozen Yogurt (example: Bag in Box)	CS
54	Ice Cream, Institutional, retail & Novelties (example: Cones, Sandwiches, Ice Pops, Fruit Bars)	CS
55	Dairy Products: (example: Cheese, Yogurt, Sour Cream, Milk and Other Fresh Dairy Related Products)	CS
56	Butter, Margarine, Spreads	CS
57	Bakery Products, Fresh (example: Bread, Rolls)	LB
58	Fresh Fruits and Vegetables (FF&V)	CS
59	Food Service Operating Supplies (FSOS) Kitchen and Dining Supplies – small equipment items (example: electric can opener, toaster, countertop fryer, Spatula, Aprons, Kitchen knives, tongs, Chafing dishes and support trays, etc)	EA
60	Food Service Operating Supplies (FSOS), Kitchen and Dining Supplies (example: Flatware, Pots and Pans, baking pans, lighter fluid, canned heat, Charcoal Briquette)	CS
61	Food Service Operating Supplies (FSOS), Plastic Products (example: plastic bags, trash liners, gloves, carry-out bags (Disposables – plastics cups, lids and plastic utensils)	CS
62	Food Service Operating Supplies (FSOS), Paper Products (example: paper napkins, paper towels, coffee filters, paper bags, cartons, tissue, wraps, Disposables – paper plates, paper cups)	CS
63	Food Service Operating Supplies (FSOS), Cleaning products (example: bleach, detergents)	CS
64	Ice (Cubed or cylindrical)	LB

8. Solicitation Page 65, SOW III. Inspection and Acceptance, paragraph 3, the second sentence of the first paragraph is changed to read:

Prime Vendors must use date of pack/expiration date to manage shelf life for perishable items, NOT the date of receipt into the Prime Vendor's facility.

9. Solicitation Page 73, SOW III. Inspection and Acceptance, paragraph 11B, 3(19), the first two sentences are changed to read:

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The PV may be asked to provide a digital camera with date and time stamp capabilities and a person to take the digital pictures during the audit. If applicable, a copy of the time and date stamped pictures shall be E-Mailed to the DLA TROOP SUPPORT Lead Auditor at the conclusion of the audit.

10. Solicitation Page 76, SOW IV. Ordering and Deliveries and Performance, paragraph 4C, in the last sentence the reference to “30 days” is changed to read 45 days.

11. The Solicitation Page 84, SOW IV. Ordering and Deliveries and Performance, paragraph 9 (Marines) is replaced with the following:

1.) M14701

MARINE FORCES RESERVE UNIT ALBUQ NM                      Infrequent Deliveries – As needed  
 D CO 4TH RECON BN MARFORRES  
 400 WYOMING BLVD, NE BOX L  
 ALBUQUERQUE, NM 88103  
 POC: Kevin Ramsey  
 (504) 678-4933  
[Kevin.Ramsey@usmc.mil](mailto:Kevin.Ramsey@usmc.mil)

NOTE: Customer Orders mainly on a quarterly basis

12. Solicitation Page 88, SOW V. Contract Administration Data, paragraph 2A, 1(c), in the last sentence the reference to “30 days” is changed to read 45 days.

13. Solicitation Page 88, SOW V. Contract Administration Data, paragraph 2A, 1(e), the last sentence is changed to read:

If circumstances warrant a price change prior to initial 832 submission, the Contractor must resubmit the new price supported with invoice for approval. Without Contracting Officer approval, prices submitted other than those originally approved will be rejected.

14. Solicitation Page 88, SOW V. Contract Administration Data, paragraph 2A, 1, the following paragraph is added:

f. The LSN Request Form includes a field for the Prime Vendor to suggest a Distribution Category. However, the Contracting Officer will make the final decision on the Distribution Category assigned.

15. Solicitation Page 89, SOW V. Contract Administration Data, paragraph 3C, the formula is replaced with the following:

$(\text{Cases accepted} / \text{Cases ordered}) \times 100 = \text{Fill Rate } \%$

16. Solicitation Page 90, SOW V. Contract Administration Data, paragraph 3F, the reference to “actual weight” is replaced with “estimated weight”.



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- 17. Solicitation Page 90, SOW V. Contract Administration Data, paragraph 3I, is removed.
- 18. Solicitation Page 95, SOW VI. Special Contract Requirements, paragraph 2A, 1, the following sentences are removed from (ii) and (viii):

(Contract Specialists compiles a Monthly Fill Rate report from the weekly Fill Rate information provided by the PV)

(Contract Specialists compiles a Monthly Small Business report from the information provided by the PV)

- 19. Solicitation Page 95, SOW VI. Special Contract Requirements, paragraph 2A, 1(iv), the Financial Status report frequency is changed to monthly.
- 20. Solicitation Page 96, SOW VI. Special Contract Requirements, paragraph 2A, 1(xii), the Customer Service report is removed.
- 21. Solicitation Page 97, SOW VI. Special Contract Requirements, paragraph 2A, 5, the following is added to the Total Asset Visibility report:

Below is an example of TAV report in Excel format:

ABC COMPANY  
 Contract Number SPM-300  
 Total Asset Visibility - insert region  
 Dated -

Product UPC	Vendor Part Number	NSN	PV Description	UOM	NSC M Item? Y/N	PV Status	Shelf Life	Previous Six Months Sales						AM D	Birth Date	Proposed 3 Month Demand	Cust. Qty. on Order
								2010 - AUG	2010 - SEPT	2010 - OCT	2010 - NOV	2010 - DEC	2011 JAN				
	ABC1234	891001E093868	MILK, REDUCED FAT, 2%, UHT, 5 GL BIB, A90	CO	A90	C	0							0	mm/dd/yyyy	0	40
	DEF5678	892001E094755	CONE, ICE CREAM WAFER, 100 CT, 6/83 OZ CO, F46	CS	F46	C	0							0	mm/dd/yyyy	0	5

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22. Solicitation Page 97, SOW VI. Special Contract Requirements, paragraph 2A, 6, the following is added to the Slow Movers (Excess Stock) report:

Below is an example of Slow Movers report in Excel format:

FIC	STOCK #	DESCRIPTION	U M	Jan 11 Sales	Feb 11 Sales	Mar 11 Sales	Apr 11 Sales	May 11 Sales	Jun 11 Sales	Jul 11 Sales	Avg Monthly Movement for past 6months	QTY ON HAND	MANU F SHELF LIFE	1/3 RULE	PVRECEIPT DATE	SHELF LIFE AT TIME OF RECEIPT	DAYS IN STOCK	APPROX SH/LF GONE	APPROX LIFE LEFT
U85	891001E 392383	YOGURT DRINK, SMOOTHIE, CHL, SBERRY, 12/8 OZ CO	CS	0	0	0	0	0	0	2	0	12	50	17	8/17/10	34	-1	16	34
D47	891501E 297688	POTATOES, DEHY, DICED, 6/2.5 LB CN	CS	0	0	0	0	2	0	0	0	12	999	333	7/23/09	666	389	722	277

**NOTE: FIC only applies to Navy Ships' contracts.**

23. Solicitation Page 97, SOW VI. Special Contract Requirements, paragraph 2A, 7, the last sentence of the first paragraph is changed to read:

SBA must certify (a) SDB that are a part of the SBA 8(a) program; and (b) HUB Zone business.

24. Solicitation Page 98, SOW VI. Special Contract Requirements, paragraph 2A, 11, the Customer Service report is removed.
25. Solicitation Page 128, Solicitation Provisions, Instructions for Proposals, I. General Information, NOTE: Offeror's Exceptions to Any Solicitation Requirements, the following sentence is deleted:

Unless such exception(s) is clearly defined on the "Exceptions" sheet, and such exception(s) is subsequently accepted by the Government, the awarded contractor shall be obligated to meet the original terms and conditions of the solicitation, i.e. other qualifications existent in the technical proposal shall not be considered accepted by the Government and shall not be part of any contract.

26. Solicitation Page 130, Solicitation Provisions, Instructions for Proposals, Submission Requirements, Technical Proposal – Volume I, Factor IV, the DLA Troop Support Food Defense Checklist date is changed from June 6, 2007 to October 7, 2010.
27. Solicitation Page 130, Solicitation Provisions, Instructions for Proposals, Submission Requirements, Business Proposal – Volume II, I. Price Proposal, paragraph A, the formula is replaced with the following:

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Unit Price = Delivered Price + Distribution Price

28. Solicitation Page 130, Solicitation Provisions, Instructions for Proposals, Submission Requirements, Business Proposal – Volume II, I. Price Proposal, paragraph B, is changed from 139 to 152 Market Basket items.
29. Solicitation Page 130, Solicitation Provisions, Instructions for Proposals, Submission Requirements, Business Proposal – Volume II, I. Price Proposal, paragraph C, the final two sentences are changed to read:
- The Distribution Category Pricing sheet provides the fixed Distribution Prices applicable to each proposed distribution category, for the base and option periods, for all line items. The Price Proposal Sheet includes all pricing information for the base and option periods, and the “Item Descriptions & Qualifications” includes the detailed specifications for each solicited line item.
30. Solicitation Page 131, Solicitation Provisions, Instructions for Proposals, Submission Requirements, Business Proposal – Volume II, I. Price Proposal, paragraph Distribution Category Pricing sheet (b), the final sentence is changed to read:
- Please complete columns E and F.
31. Solicitation Page 131, Solicitation Provisions, Instructions for Proposals, Submission Requirements, Business Proposal – Volume II, I. Price Proposal, paragraph Distribution Category Pricing sheet (c), the following sentence is added:
- Proposed distribution prices may remain the same, increase, or decrease for the option period.
32. Solicitation Page 131, Solicitation Provisions, Instructions for Proposals, Submission Requirements, Business Proposal – Volume II, I. Price Proposal, paragraph Price Proposal sheet (b), Column L, the following example is removed:
- (1) for a 20 lb case purchased by PV by the case and offered/sold to DLA TROOP SUPPORT as a UOI of the pound: UOI=LB, the UOI per cs UOM = 20 LB, and the cell value UOI per UOM=20/1=20
33. Solicitation Page 132, Solicitation Provisions, Instructions for Proposals, Submission Requirements, Business Proposal – Volume II, I. Price Proposal, paragraph Price Proposal sheet (b), Column L, the following note is added:

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NOTE: If UOI (Column G) is the same as the UOM (Column I), then the UOI per UOM (Column L) = 1.

34. Solicitation Page 132, Solicitation Provisions, Instructions for Proposals, Submission Requirements, Business Proposal – Volume II, I. Price Proposal, paragraph Price Proposal sheet (b), Column M, the following sentence is added:

UOM delivered price must be derived from the UOM (Column I) assigned by the Government (i.e. if UOM = LB, then the offeror must propose a per LB price).

35. Solicitation Page 132, Solicitation Provisions, Instructions for Proposals, Submission Requirements, Business Proposal – Volume II, I. Price Proposal, paragraph Price Proposal sheet (c), the paragraph is changed to read:

Pre-populated fields correlated to the Distribution Category Pricing Sheet (Columns N and O)

1. The proposed UOM Distribution Prices for the base and option periods.

36. Solicitation Page 132, Solicitation Provisions, Instructions for Proposals, Submission Requirements, Business Proposal – Volume II, I. Price Proposal, paragraph Price Proposal sheet (c), the following note is added:

Option pricing shall be provided for the Distribution Price portion of the Unit Price only. Acceptance of option is mandatory, and if an offeror does not submit option terms or indicate acceptance, the offeror's proposal may be rejected.

37. Solicitation Page 132, Solicitation Provisions, Instructions for Proposals, Submission Requirements, Business Proposal – Volume II, I. Price Proposal, paragraph Price Proposal sheet (d), the following are changes made to this paragraph:

Fields that will be calculated are as follows (column P-X)

2. The proposed UOI Distribution Price (DIP) for the base and option period,
3. The proposed UOI Unit Price, which is the sum of the DIP plus the delivered price, for the base and option period,
4. The total UOI Distribution Price (DIP) for the base and option period,
5. The total dollar value for the line item, for the base and option period.

Notes:

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(2) The Government will sum columns S, T, W, and X to arrive at total distribution price and total aggregate price for each contract period.

38. Solicitation Page 133, Solicitation Provisions, Instructions for Proposals, Submission Requirements, Business Proposal – Volume II, II. Supporting Product Information, paragraph A1, the date in the first sentence is changed from 08 November 2010 to 15 November 2010.

39. Solicitation Page 133, Solicitation Provisions, Instructions for Proposals, Submission Requirements, Business Proposal – Volume II, II. Supporting Product Information, paragraph A1, the following is added:

g. Prompt payment terms

40. Solicitation Page 136, Solicitation Provisions, Addendum to FAR 52.212-2 – Evaluation – Commercial Items, 2(d) Evaluation Procedures, paragraph (2)(iii) Business Evaluation Process, in the first paragraph, the following sentence is added after the second sentence ending "...FAR 15.4, "Contract Pricing".":

Included in this process is the evaluation of options.

41. Solicitation Page 136, Solicitation Provisions, Addendum to FAR 52.212-2 – Evaluation – Commercial Items, 2(d) Evaluation Procedures, paragraph (2)(iii) Business Evaluation Process, the entire second paragraph is replaced with the following paragraph:

The base period estimated quantities shall be multiplied by the unit prices. These figures will be totaled to arrive at an aggregate value. Pricing will be evaluated for the option period in the same manner. The base and option period totals will be added together and weighted to determine the lowest overall price to the Government. Distribution prices for category(s) not included in the market basket items will be evaluated for fairness and reasonableness. The Government may determine that an offer is unacceptable if the option prices are significantly unreasonable. Evaluation of the options shall not obligate the Government to exercise the option(s).

42. Changes have been made to the Solicitation Price Proposal Workbook Spreadsheets ("Spreadsheet"); therefore the attached ("Spreadsheet") supersedes the original. The following changes are:

a. "Distribution Category Pricing" spreadsheet

- 1) 58 Categories are replaced with 64 Categories (see page 2, #7 of this Amendment),
- 2) Added column F (Opt Dist Cat Price).

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- b. "Price Proposal" spreadsheet
- 1) Added columns O, U, V, W, and X,
  - 2) Added cells S157 and W157,
  - 3) Line item #76 is deleted and its 1 year estimated quantity is added to line item #59,
  - 4) Line item #63 is replaced with the following:  
  
8970-01-E61-8399 MEAL KIT W/DRINK, BKFST, SS, eggs & bacon, flamless food heater, salt water pouch (to activate heater), 12/13.5 oz co
  - 5) Line item #64 is deleted and its 1 year estimated quantity is added to the new line item #63,
  - 6) Line items #138 – #152 are added to the Market Basket/Schedule of items.
- c. "Item Descriptions and Qualifications" spreadsheet
- 1) All line items reflect new "Price Proposal" line items

**NOTE: Please carefully check your "new" spreadsheets prior to submission since there have been many adds/changes/deletions made to the Price Proposal Workbook Spreadsheets ("Spreadsheet") in this Amendment (see attached).**

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## Section II

Q&A Texas and New Mexico Pre-Proposal Conference 11/05/10

Please be advised that all of the below questions were received from potential offerors before, during, and after the pre-proposal conference (both in writing and orally). They are being published in Amendment 0003 and a forthcoming amendment.

### Effective Period of Contract

1. Q. Why is SPM300-10-R-0047 for Texas/New Mexico only a potential 12-month contract?  
**A. SPM300-10-R-0047 is now for a 12-month base period plus a 12-month option period. See Amendment 0001.**

### Invoices

2. Q. The invoice requested is the "MANUFACTURER'S/GROWER's invoice." However, the definition of "delivered price" in 52.216-9064 at p. 32 states that delivered price will be based on "the most recent supplier price." Please confirm that DLA - TROOP SUPPORT will accept an invoice from the most recent supplier and will not require a "MANUFACTURER'S/GROWER's invoice."  
**A. Language to be clarified in upcoming amendment.**
3. Q. Will invoices carry more weight than quotes in the business review process (since this is a LPTA solicitation)?  
**A. No, invoices will not carry more weight than quotes in the business review process however we do prefer invoices.**

### EPA

4. Q. Please confirm that offerors are able to retain earned income that the Prime Vendor obtains from the Supplier and retains for its own use as payment for value-added services for product, such as supply chain management, product development, regional and national marketing, freight management, procurement leverage, quality assurance, and performance-based product marketing, and is received and retained in the normal course of its commercial business.  
**A. Language to be clarified in upcoming amendment.**
5. Q. Reference clause 52.216-9064. Under (b)(3), there is a reference to "similar commercial customers". There is a certain type of "rebate" which is special or deviated pricing for a

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customer where the manufacturer offers a special discounted price to a specific customer. It is the manufacturer's choice not the contractor's choice as to whether other customers (whether "similar" or not) of the contractor get the same price. Since the contractor has no control over to whom the manufacturer agrees to offer the same pricing, the contractor cannot agree ahead of time that the Government would get the same price if it falls under the definition of "similar commercial customer" that is requested. How will this situation be handled under the contract?

**A. Language to be clarified in upcoming amendment.**

Prime Vendor Pricing – CONUS

6. Q. Confirm that "in the event the Contractor picks up product FOB Origin, or arranges for third party common carrier transportation to its facility," that Prime Vendor may retain freight allowances.

**A. Language to be clarified in upcoming amendment.**

7. Q. Request DLA - TROOP SUPPORT change from "that product delivered to the initial point of entry in the Contractor's distribution network." to "product delivered to the distributor's warehouse or distribution center."

**A. No, this definition will remain the same.**

8. Q. Confirm that a manufacturer, vendor, packer, broker, redistributor, consolidator, transaction service provider, and Prime Vendor business unit or affiliate may all constitute a "supplier" as that term is used in the definition of delivered price.

**A. Language to be clarified in upcoming amendment.**

9. Q. P. 48 Sec. 8 B-2(a) "'Delivered Price' is the most recent supplier price per unit charged to the Contractor, inclusive of standard freight, for that product delivered to in the initial point of entry in the Contractor's distribution network (Normally referred to as the landed or delivered price)." Can you clarify the phrase "the initial point of entry in the Contractor's distribution network?"

**A. Language to be clarified in upcoming amendment.**

10. Q. Does the definition of "standard freight" include the legs of freight associated with forward distribution, such as from the manufacturer to a redistributor and from the redistributor to the Contractor? Supply-chains are becoming increasingly more reliant on dedicated regional distribution centers to drive out costs and improve service levels.

**A. Language to be clarified in upcoming amendment.**



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11. Q. P. 48 Sec. 8 B-2(b)-“...the suppliers invoice price shall be an origin price as reduced by any Supplier pick-up allowance.” Please clarify.

**A. Language to be clarified in upcoming amendment.**

12. Q. P. 49 Sec. 8 B-2(c) - “In such instances, the portion of the Delivered Price that includes the Standard Freight charge shall be deducted from the Delivered Price.” Drop ships incur freight charges. Sometimes freight charges are included in the quoted price and sometimes they are quoted FOB origin. When quoted FOB origin, the freight to deliver it to the drop ship point is either billed to the Contractor or the customer. That freight cost is not “Standard”; generally they are higher since they are being shipped by more costly LTL methods. Each Drop Ship situation is unique and should be evaluated independently.

**A. The offeror’s distribution price should take into account the possibility that drop shipments may occur at times.**

13. Q. Reference clause 52.216-9064. Under (b)(3) definitions, it defines product allowance differently than it is defined in SOW para. 8.B.3. The clause states that “discounts, rebates, or allowances on particular items are shown on the face of a supplier invoice. Does this mean that any discounts, rebates, allowances, or other similar economic incentives or benefits (as included in other places in the SOW) are only referring to such things that are shown on the invoice? The SOW does not seem to track with this clause in several respects as terms are used differently or different terms are used for similar things.

**A. Language to be clarified in upcoming amendment.**

14. Q. Reference SOW para 8.B.3 Product Allowance. Request a definition of the following terms used in that paragraph so that there is no ambiguity and all offerors are proposing on the same basis:

- a. Discount
- b. Rebates
- c. Allowances

A clear definition is needed since SOW para 10.A requires these items to be passed on to the Government.

**A. Discount: a reduction made from the gross amount or value of something**

**Rebate: a return of a part of a payment**

**Allowance: a share or portion allotted or granted**

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15. Q. Reference SOW para 8.B.3 Product Allowance. Request that the term “deviation” be added to the terms “discounts, rebates, allowances”. Deviation would be defined as “a manufacturer’s special price for specific customer(s) which is paid to the distributor after the sale upon proof of sales at the special price to that customer.”

**A. No, the term deviation will not be added to the terms “discounts, rebates, allowances”. Offeror’s use of different terms to describe discount, rebate or allowance will not entitle the offeror to retain that benefit under the terms of the contract.**

16. Q. Reference SOW para 8.B.3 Product Allowance. This paragraph refers to “commercial customers in the same or similar buyer category as the Government”. What are the factors to be considered in determining whether a buyer is in the same or similar category?

**A. Language to be clarified in upcoming amendment.**

17. Q. Reference SOW para. 8.B.2(b). If contractor hauls product within its distributor network, is it authorized to apply a standard freight rate for this effort to add to the cost of the freight to its initial point of entry into contractor’s distribution system?

**A. Language to be clarified in upcoming amendment.**

18. Q. Reference SOW para. 8.B.2(b). If the contractor can show to the Government that its actual internal shipping cost plus the point of entry price is cheaper than the LTL rate to the final destination point, can the contractor include this actual internal cost to the delivered price?

**A. Language to be clarified in upcoming amendment.**

Rebates/Discounts

19. Q. The second clause in the first sentence that states “to substantiate that all discounts, rebates, allowances or other similar economic incentives or benefits” ends abruptly. What is it about those discounts, rebates, allowances, or other benefits that a contractor must substantiate?

**A. Language to be clarified in upcoming amendment**

20. Q. Please define the term “delivered price supply chain.” The Solicitation defines “delivered price” to mean “the most recent supplier price per unit to the Contractor, inclusive of standard freight, for that product delivered to the initial point of entry into the Contractor’s distribution network (normally referred to as the landed or delivered price).” Is the “delivered price supply chain” the invoice from the most recent supplier? Does the chain extend to supplier tiers below the most recent supplier?

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**A. Language to be clarified in upcoming amendment.**

21. Q. P. 50 Sec. 10 A - "Early payment discounts (except as identified in paragraph (B) herein), and other discounts, rebates, allowances, or other similar economic incentives or benefits received by the Contractor at any time during the period of performance shall be passed to the Government via a reduced catalog price." Please clarify "other similar economic incentives or benefits." Is this understood to mean such incentives or benefits that are not related to sales to the Government?

**A. Language to be clarified in upcoming amendment.**

22. Q. P. 50 Sec. 10 B - 5. "... the Early Payment discount is no more than 2 percent and the early payment is required within 10 days to obtain the discount; and 6. the contractor actually made the required payment within the time period required to receive the discount." Although 2 percent is a norm, it does not apply in all situations. Pricing systems cannot "limit" an applied discount to an arbitrary percent. For exceptions where we think the discount is legitimately more than 2 percent, could we communicate those to the Contracting Officer for discussion?

**A. Language to be clarified in upcoming amendment.**

23. Q. Reference clause 52.216-9064. Under (b)(3), it provides that the contractor is to pass on to the Government discounts, rebates or allowances that are designated by the supplier to be passed on to the Government or "to similar commercial customers". Is the phrase "to similar commercial customers" the same as the phrase "commercial customers in the same or similar buyer category as the Government" used in SOW para. 8.B.3 and the phrase "other customers" used in SOW para. 10.A?

**A. Language to be clarified in upcoming amendment.**

24. Q. Reference clause 52.216-9064. Under (b)(3) it provides that any rebates which cannot be applied as an upfront deduction are to be paid to the Treasury by check. Is this how refunds due under SOW para. 10.D are to be made?

**A. Language to be clarified in upcoming amendment.**

25. Q. Reference SOW para. 10.A. This paragraph introduces a term not included under Product Allowances: "other similar economic incentives or benefits". What are the factors to be considered in determining similarity? Are these similar incentives and benefits to be classified as Product Allowances?

**A. Language to be clarified in upcoming amendment.**

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26. Q. Reference SOW para. 10.A. This paragraph goes on to require in the third sentence that all of these product allowances, incentives, and benefits are to be passed on via a reduced catalog price. Does that mean that if the payment from the manufacturer is not given until after verification of sales (it is not shown on the invoice) that it is still to be shown in the catalog price?

**A. Language to be clarified in upcoming amendment.**

27. Q. Reference SOW para. 10.A. Paragraph 10.A in the second sentence requires the Prime Vendor to warrant that its delivered price is “equal to or lower than its delivered price to its other customers.” Is the reference to “other customers” a reference to customers in the “same or similar buyer category as the Government”?

**A. Language to be clarified in upcoming amendment.**

28. Q. Reference SOW para. 10.A. The last sentence states that there are “Instructions for identifying discounts, rebates, allowances, or other similar economic incentives or benefits that shall be provided to the Government or retained by the contractor are set forth in the submission requirements in the Business Proposal/Pricing.”

- a. Where specifically are those instructions located?
- b. Does this language mean that the contractor can choose which of these items it will retain for itself and which it will pass on to the Government?
- c. Is it your intent that all monies flowing to the contractor from the manufacturer or some interim broker or distributor must be accounted for as either being given to the Government or being retained by the contractor? In other words are you asking for full disclosure of all income by the contractors that does not come from its customers?
- d. What if the types of income received change after the proposal is submitted or after award of a contract? Is the contractor limited to only the sources of income identified to go to the Government or to the contractor in its proposal?

**A. Language to be clarified in upcoming amendment.**

29. Q. Reference SOW para. 10.D. This paragraph in the first sentence requires the contractor to furnish backup to show that the “delivered prices under this contract are equal to or lower than delivered prices that are given to any other customer.” Does the phrase “any other customer” mean the same as the phrase “commercial customers in the same or similar buyer category as the Government” in para. 8.B.3 and the phrase “other customers” in para. 10.A? The use of these different, but similar, terms makes it ambiguous as to what is meant by them.

**A. Language to be clarified in upcoming amendment.**

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30. Q. Reference Special Contract Requirements VI, para 2.A.14.a. This paragraph is broader than paragraph 10.D which limits rebates etc to that given to either “any other customer” or “to a similar customer”, and this paragraph has no such limit. Are you asking the contractor to account for all “discounts, rebates, allowances or other similar economic incentives” from any source under any conditions that the contractor receives during the period of the contract?

**A. Language to be clarified in upcoming amendment.**

31. Q. P.50, 10. Rebates: para A states: For all items, the contractor warrants, on a continuing basis throughout the period of performance, that its delivered price under this contract is equal to or lower than its delivered price to its other customers.

Para. D states: The government may require the contractor to ...substantiate that delivered prices under this contract are equal to or lower than delivered prices that are given to any other customer.

Does this prohibit a manufacturer from offering a greater discount to a customer who purchases volumes much greater than the Govt?

**A. Language to be clarified in upcoming amendment.**

Management Reports

32. Q. Will DLA - TROOP SUPPORT accept a consolidated fill rate report with both catch weight and non-catch weight items, as suggested on p. 96, or does it require separate reports for non catch-weight and catch-weight items, as suggested on p. 95?

**A. DLA Troop support will accept a consolidated fill rate report that will contain catch weight, non-catch weight, and overall fill rate. See page 93 of the Solicitation.**

33. Q. The Financial Status report has been required monthly in prior solicitations. Request that DLA - TROOP SUPPORT change to monthly to be consistent with the frequency provided on p. 97.

**A. The Financial Status report will be required monthly. See page 9, #19 of this Amendment.**

34. Q. Will DLA - TROOP SUPPORT release its official fill rate report to the prime vendor? Will there be opportunities for the PV to discuss any concerns or discrepancies prior to finalizing?

**A. Yes, DLA Troop Support will release its official fill rate report to the prime vendor and there will be a period of reconciliation to address any concerns or discrepancies prior to finalizing.**

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35. Q. (Total Asset Visibility) We need additional clarification on report requirements. Could DLA - TROOP SUPPORT share the conditions under which it would require such a report?

**A. See page 9, #21 of this Amendment.**

36. Q. SBA no longer certifies SDB businesses. Will DLA - TROOP SUPPORT change the language to "SBA must certify (a) SDB businesses that are a part of the SBA 8(a) program; and (b) HUB Zone businesses.

**A. Yes, SBA no longer certifies SDB businesses. See page 10, #23 of this Amendment.**

37. Q. The receiving report already provides quantity ordered, and quantity shipped. Why does DLA - TROOP SUPPORT need to report the quantity rejected?

**A. DLA Troop Support needs to report the quantity rejected for total visibility.**

38. Q. Pursuant to FAR 12.301(b)(2), "52.212-3, *Offeror Representations and Certifications -- Commercial Items*. This provision provides a single, consolidated list of representations and certifications for the acquisition of commercial items and is attached to the solicitation for offerors to complete. This provision may not be tailored except in accordance with Subpart 1.4 [Deviations from the FAR]." The requirement to add a certification to each report is not part of the certifications in FAR 52.212-3. Has DLA obtained a FAR deviation that allows it to impose a non-standard certification? If so, please provide the class deviation.

**A. No deviation was required because the additional certifications are part of section F as a continuing requirement of the contract, whereas the certifications in 52.212-3 are part of section K and are only required in response to the solicitation prior to award.**

39. Q. In past, DLA - TROOP SUPPORT has required prime vendors to report the rebates that are required to be passed on to the government. Please confirm that this is the government's intent and that it does not intend to require reports of rebates that are not required to be passed on to the government.

**A. Language to be clarified in upcoming amendment.**

40. Q. Reference Special Contract Requirements VI, para 2.A.14.a. Is there any revenue from any source other than customers at either the item or vendor level that does not have to be reported by the contractor as either being passed on to the Government customers or being retained by the contractor?

**A. Language to be clarified in upcoming amendment.**

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41. Q. Reference Special Contract Requirements VI, para 2.A.14.a. This paragraph appears to include in the category of revenue received that is being passed on to the Government customers only that revenue, which is an “up front price reduction.” Is that the intent of this reporting requirement? Such limitation would exclude deviated pricing by manufacturers, among other things.

**A. Language to be clarified in upcoming amendment.**

42. Q. Reference VI Special Contract Requirements para. 2.B.14.a. Please provide the format for the report. Is the report to be item by item or at the contractor level?

**A. Language to be clarified in upcoming amendment.**

43. Q. P 95 VI.2 Mgmt Reports: (i) and (ii) fill-rates; can report be monthly in lieu of weekly. The solicitation incorrectly states that the contracting officer compiles a monthly report from the weekly reports provided by the PV. In fact, as explained at p.89 Fill-rates para B, the Govt develops its monthly fill-rate report from STORES.

**A. Fill rates are required monthly but may be required weekly. Also, the language about contracting specialists has been removed via this Amendment page 9, #18.**

44. Q. (iv) Financial Status – should be monthly ilo weekly. Is there a standard format desired?

**A. Yes, the Financial Status information shall be reported monthly. See page 9, #19 of this Amendment. There is no standard format desired.**

45. Q. (xi) NAPA report – info provided to tracker on a weekly basis (per p.58 G-4). Can this report be deleted from PV?

**A. No, the NAPA report is required from the Prime Vendor.**

46. Q. (xii) Customer Service – appears to not be a PV report as defined at p.98. Can this be deleted?

**A. Yes, the Customer Service report has been removed via this Amendment page 9, #20.**

### Fill Rates

47. Q. Based on communications with DLA-TROOP SUPORT, we understand the Catch Weight formula will change to the following:  $(\text{Cases accepted}/\text{Cases ordered}) \times 100 = \text{Fill Rate } \%$ .

**A. Yes, the Catch Weight formula is now changed to the following:  $(\text{Cases accepted}/\text{Cases ordered}) \times 100 = \text{Fill Rate } \%$ . See page 8, #15 of this Amendment.**

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48. Q. Change "actual weight" to "estimated weight." The actual weight is not determined until delivery. Accordingly, the weight of cases to be delivered is only estimated in the 832 catalog field."

**A. Yes, "actual weight" will be changed to read "estimated weight". See page 8, #16 of this Amendment.**

49. Q. Page 83).I am confused by their fill rate calculations (applesauce example) provided in the bid. Please explain.

**A. (Page 90) Section I has been removed via this Amendment page 9, #17.**

Joint Total Asset Visibility

50. Q. Please clarify what is required and when this applies. Please clarify that this requirement applies only from the time that the Prime Vendor selects an order for a DLA Troop Support customer, until the supplies are delivered. Please confirm that this does not apply to the entire supply chain from manufacturer/grower to Prime Vendor.

**A. See page 9, #21 of this Amendment. This will only be required on an as-needed basis. See page 97, (5) of the Solicitation.**

Catalog & Market Basket Items

51. Q. Pg 42) states "the catalog represents a complete list of items that will be required under this acquisition. The remaining catalog items other than the market basket shall be added post award at prices deemed fair and reasonable." Will the Prime Vendor be responsible for sourcing these additional items or will DLA-Troop Support determine which items and which manufacturer/Supplier the Prime Vendor will be using?

**A. The Government reserves the right to coordinate a post award conference that would include the customer, Prime Vendor, and DLA Troop Support to develop items that may be included on the catalog.**

New Items

52. Q. Correct the 30 days referenced on p. 76, 4.C, and p. 88, 1C. to 45 days.

**A. References to 30 days on pages 76 and 88 will be changed to 45 days. See page 8, #10 of this Amendment.**

Catalog Changes



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53. Q. Our understanding is that the current catalog for the Texas/New Mexico region contains approximately 1400 items. Based on the number of items in the Market Basket attached to this solicitation, will the new LPTA format reflect a sample selection size in lieu of the 75% stated on page 87?

**A. The Market Basket/Schedule of Items represents at least 75% of the usage (sales). The catalog will contain approximately 1100 items. See page 137 of Solicitation.**

54. Q. Request that this be contingent with that the Contracting Officer approves the Fair and Reasonable price verification within a 3 to 5 day cycle. Unreasonable delays in the F&R approvals may render the process obsolete and could potentially postpone the required new item addition within the timeframe stated in the solicitation.

**A. See page 8, #13 of this Amendment.**

Quality Audits

55. Q. Currently the DLA - TROOP SUPPORT Audit team provides its own personnel to ensure the autonomy of the audit process. Introducing contractor personnel into the audit process would tend to diminish the integrity and authority of the overall evaluation.

**A. See page 7, #9 of this Amendment.**

Quality Assurance

56. Q. P. 64 III. INSPECTION AND ACCEPTANCE - Sec.1 B, 2. "The usage of First-In, First-Out (FIFO) principles and/or First-Expired, First-Out (FEFO); and 3. "Product Shelf life managed and monitored (by date of pack/production of the item)." The above section contradicts the following imperative - p. 65 Sec. 3- "Prime Vendors must use date of pack/expiration date to manage shelf life, NOT the date of receipt into the Prime Vendor's facility." It would appear that the use of FIFO rotation is an acceptable practice under the terms of the contract. Indeed, because of daily, constant high volume receiving practices during very short time windows, and frequent inventory turns, the use of FIFO is the standard practice of the commercial foodservice supply chain.

**A. See page 7, #8 of this Amendment.**

Product Quality

57. Q. Page 65) The Prime Vendor shall blast freeze any item that is typically sold refrigerated (commercially) but is required "Frozen" per military requirements. Prime Vendors are not equipped with the equipment for blast freezing product nor does it make sense to invest in this

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type of equipment for a 1 year contract. Please describe alternative methods acceptable by DLA-Troop Support for these types of items.

**A. The Prime Vendor is not required to blast freeze any items.**

EDI

58. Q. Did DLA-TROOP SUPPORT mean to indicate that the 832 catalogs are required to be sent by “Wednesday” (as indicated at pps. 32-33) and has historically been true, rather than Thursday?

**A. Language to be clarified in upcoming amendment.**

Food Defense

59. Q. The link references a Checklist dated October 7, 2010. Did DLA - TROOP SUPPORT intend to require conformance of format to the October 7, 2010 Checklist?

**A. The offeror must conform to the DLA Troop Support Food Defense Checklist dated October 7, 2010. See page 10, #26 of this Amendment.**

Technical Proposal (Evaluation)

60. Q. P. 40 Sec. 1 B-“Offerors must be technically acceptable in every factor in order for the entire proposal to be rated technically acceptable.” Is the phrase “every factor” understood to mean the ability to meet all reporting and data transmission requirements, including new EDI elements that are not currently required in existing SPV contracts?

**A. The phrase “every factor” is understood to mean the ability to meet all four technical factors (Experience, Past Performance, Quality Control & Quality Assurance Procedures, and Food Defense). The new EDI elements are a part of the Statement of Work (SOW) requirements under Reference 1. Forthcoming amendment will update Reference 1.**

Business Proposal (Submission)

61. Q. If an offeror submits a request to use an alternative NSN on their market basket and the request is approved, how will other offerors be notified so they can respond in kind?

**A. If we have negotiations, all offerors will be notified so they can respond in kind.**

62. Q. What method is in place to allow offerors the ability to incorporate long-term allowances (delivered price reductions) on the market basket items they currently stock?

**A. Long-term allowances shall not be deducted from delivered price on the market basket items. See page 132 of the Solicitation.**

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63. Q. How will offerors be assured that they will be competing against companies who will be submitting market basket quotes / invoices for product delivered to their primary place of performance – such as a low volume Albuquerque warehouse – rather than quotes / invoices for product delivered to other locations that may be purchasing in higher volume and consequently receiving a lower bracket price from the manufacturer?

**A. The Business Proposal Evaluation in regards to the “weighted aggregate distribution price” is the safeguard built in to the market basket/schedule of items. For evaluation purposes, more weight is given to the Fixed Distribution Price, which remains constant for the duration of the contract, than to the Delivered Price, which is subject to change.**

64. Q. P. 130 I. PRICE PROPOSAL, A. “NOTE: The Delivered price portion of the proposed Unit Prices shall be those prices that are in effect the Wednesday of the second week prior to closing, i.e. the week of 15 November 2010.” That Wednesday translates to November 17. On P. 133 II. SUPPORTING PRODUCT INFORMATION, A.,1 the solicitation refers to “...08 November 2010” as the requisite date for the financial/inventory record. Which date should we use for our supporting materials?

**A. Contractors shall use supporting materials from 15 November 2010. See page 13, #38 of this Amendment.**

65. Q. Pg 122) You state that you require technical descriptions on every item on the market basket. Are we required to provide technical descriptions for all items on the market basket or just those that differ in spec?

**A. Technical descriptions only need to be provided for those items that differ.**

Business Proposal (Evaluation)

66. Q. What safeguards are built into the market basket evaluation process to identify and/or disqualify “bait and switch” practices, i.e. one-time buys of low-priced products? The low-price on a market basket can influence an award decision. However, if those “single-use” items are phased out of the distributors’ inventory after an award and replaced by normal stock, higher-priced products, everyone loses, except the deceptive offeror.

**A. The Business Proposal Evaluation in regards to the “weighted aggregate distribution price” is the safeguard built in to the market basket/schedule of items. For evaluation purposes, more weight is given to the Fixed Distribution Price, which remains constant for the duration of the contract, than to the Delivered Price, which is subject to change.**

67. Q. The Evaluation Factors for Award, Business Proposal Evaluation, page 138, under price proposal provides for a Weighted Aggregate Distribution Price. This concept is arbitrary and

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does not protect the Government as basing award on the lowest total aggregate price would do. First, there is no justification to adding up the total of the distribution prices in the market basket and then multiplying by a factor of 20. Multiplying the total of all distribution prices by any factor skews what the Government will actually be paying and thus makes the evaluation arbitrary. Multiplying the total of the distribution prices by 20 only makes the evaluation even more skewed. What is the rationale for multiplying the total of the distribution prices by a factor of 20? The Government does not pay these extra distribution costs so how can they be part of the evaluation? The following is an example how the evaluation scheme will not provide the lowest price to evaluate:

Assume offeror A offers a price of \$20 a case and a distribution fee of \$2.50, aggregate price \$22.50

Assume offeror B offers a price of \$21 a case and a distribution fee of \$2.00, aggregate price \$23.00

The evaluation price for A, who is offering the lowest total price, would be \$70.

The evaluation price for B, who is offering the highest total price, would be \$61.

How can that evaluation scheme be reasonable?

**A. DLA Troop Support has determined that the Fixed Distribution Price, which remains constant for the duration of the contract, is more important than the Delivered Price, which is subject to change. In CONUS, distribution prices usually make up about 10% of the unit price. In order to reflect that the Fixed Distribution Price is approximately twice as important as the Delivered Price, it is necessary to multiply by a factor of 20.**

68. Q. SPM300-10-R-0047 pricing spreadsheet does not include 20x weighting for aggregate distribution prices. Will such weighting change be made on offer spreadsheets?

**A. No, the 20x weighting will not be included on the offer spreadsheets. This will be calculated separately.**

### Customers and Estimates

69. Q. Pg 41) You state the annual dollar estimate for Ft Bliss, TISA as \$5,722,436.00. Does this include the dollar amounts for all of the dining facilities on Ft Bliss?

**A. Yes, this estimated amount includes dollar amounts for all the dining facilities on Ft. Bliss.**

70. Q. Page 84) Why would the Marine Force reserve in New Orleans, LA be listed as a customer in The NM/Texas proposal? It is not within the contract geographic region/zone of this contract. Will the Prime Vendor be allowed to charge separately for common carrier charges?

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Amendment 0003

**A. The Marine Reserve Unit's delivery point is located in New Mexico. See page 8, #11 of this Amendment.**

Clause 52.204-10

71. Q. Confirm that under 52.204-10, that PV purchases of commercial inventories are not subcontracts subject to reporting.

**A. FAR 52.204-10 applies to this solicitation.**

Small Business

72. Q. What are the small business requirements associated with this particular contract?

**A. A small business plan must be submitted by large businesses with offer.**

Upcoming Solicitation Schedule

73. Q. Will DLA-TROOP SUPPORT publish a list of the RFPs to be solicited on a low price technically acceptable ("LPTAs") or best value source selections ("BVSSs") basis and their anticipated/target solicitation dates?

**A. A published list of RFPs to be solicited for 2011 may be posted in the future.**