

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT

11. CONTRACT ID CODE _____ PAGE 1 OF 9 PAGES
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2. AMENDMENT/MODIFICATION NO. 0015	3. EFFECTIVE DATE Jan 9, 2014	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. (If applicable)
6. BUY CODE SPM300	7. ADMINISTERED BY (If other than Item 6) CODE Same as Block 6		

DLA Troop Support
 Directorate of Subsistence
 700 Robbins Avenue
 Philadelphia, PA 19111
 POC: Craig Gravitz/FTAS 215-737-9233

8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code)	(X) 9A. AMENDMENT OF SOLICITATION NO. SPM300-13-R-0081
	9B. DATED (SEE ITEM 11) Apr 17, 2013
	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"/>	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).
<input type="checkbox"/>	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:
<input type="checkbox"/>	D. OTHER (Specify type of modification and authority)

E. IMPORTANT: Contractor is not, is required to sign this document and return 1 copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)
 SUBSISTENCE PRIME VENDOR SUPPORT FOR UTAH SOLICITATION SPM300-13-R-0081 IS HEREBY AMENDED.

- Subject solicitation is hereby amended as detailed on the following pages.
- 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)
	PAULA WILLIAMS - Contracting Officer
15B. CONTRACTOR/OFFEROR	15C. DATE SIGNED
(Signature of person authorized to sign)	
16B. UNITED STATES OF AMERICA	16C. DATE SIGNED
(Signature of Contracting Officer)	

1. *Solicitation Page 106, Solicitation Provisions, Addendum to FAR 52.212-1 the following paragraph is added:*

Add: Paragraph (m), *Reverse Auction:*

52.215-9023 – REVERSE AUCTION (OCT 2013) – DLAD

The Contracting Officer may utilize on-line reverse auctioning as a means of conducting price discussions under this solicitation. If the Contracting Officer does not conduct a reverse auction, award may be made on the basis of initial offers or following discussions not using reverse auctioning as a pricing technique. If the Contracting Officer decides to use on-line reverse auctioning to conduct price negotiations, the Contracting Officer will notify Offerors of this decision and the following provisions will apply:

- (a) The award decision will be made in accordance with the evaluation factors as set forth in the solicitation. The reverse on-line auction will be used as a pricing technique during discussions to establish the final offered prices from each Offeror. These prices will be used in conjunction with the evaluation factors stated elsewhere in the solicitation in order to make the award decision in accordance with the basis for award stated in the solicitation.
- (b) Following the decision to conduct discussions using reverse auctioning as a pricing technique, the Contracting Officer or his/her representative will provide Offerors determined to be in the competitive range with information concerning the auction process.
- (c) Prior to conducting the reverse auction, the Contracting Officer may hold discussions with the Offerors concerning matters appropriate for discussion, such as issues involving technical proposals or unbalanced pricing.
- (d) Unless auction instructions indicate that only Offeror's rankings will be displayed, the lowest Offeror's price(s) for each round of the reverse auction will be disclosed to other Offerors and anyone else having authorized access to the auction. This disclosure is anonymous, meaning that each Offeror's identity will be concealed from other Offerors (although it will be known to the Government; only a generic identifier will be used for each Offeror's proposed pricing, such as "Offeror A" or "lowest-priced Offeror"). By submitting a proposal in response to the solicitation, Offerors agree to participate in the reverse auction and that their prices may be disclosed, including to other Offerors, during the reverse auction.
- (e) An Offeror's final auction price at the close of the reverse auction will be considered its final price proposal revision. 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.

(f) The following requirements apply when the Government uses a commercial web-based product to conduct the reverse auction:

- (1) Each Offeror identified by the Contracting Officer as a participant in the reverse auction will be contacted by Defense Logistic Agency's commercial reverse auction service provider to advise the Offeror of the event and to provide an explanation of the process.
- (2) In order for an Offeror to participate in the reverse auction, such Offeror must agree with terms and conditions of the entire solicitation, including this provision, and agree to the commercial reverse auction service provider's terms and conditions for using its service. Information concerning the reverse auction process and the commercial service provider's terms and conditions is embedded within the email notification sent by the on-line reverse auction pricing tool system administrator.
- (3) Offerors shall secure the passwords and other confidential materials provided by the commercial reverse auction service provider or the Government and ensure they are used only for purposes of participation in the reverse auction. Offerors shall keep their own and other Offeror's pricing in confidence until after contract award.
- (4) The reverse auction system currently in use designates offers as "Lead," meaning the current low price in that auction, or "Not Lead," meaning not the current low price in that auction. In the event of a tie offer, the reverse auction provider's system designates the first offer of that price as "Lead" and the second or subsequent offer of that price as "Not Lead." Offerors shall not submit a tie offer, since this is inconsistent with the purpose of the reverse auction. If a tie offer is submitted and no evaluation factors other than price were identified in the solicitation, the "Not Lead" Offeror that submitted the tie offer must offer a changed price; otherwise its offer will be ineligible for award if their final price in the auction is the tie offer price. If evaluation factors in addition to price were listed in the solicitation, tie offers that are "Not Lead" will be considered and evaluated in accordance with those evaluation factors.
- (5) Any Offerors unable to enter pricing through the commercial reverse auction service provider's system during a reverse auction must notify the Contracting Officer or designated representative immediately. The Contracting Officer may, at his/her sole discretion, extend or re-open the reverse auction if the reason for the Offeror's inability to enter pricing is determined to be without fault on the part of the Offeror and outside the Offeror's control.
- (6) The reverse auction will be conducted using the commercial reverse auction service provider's website as embedded in the email notification. Offerors shall be responsible for providing their own computer and internet connection.
- (7) Training:

(i) The commercial reverse auction service provider and/or a Government representative will provide familiarization training to Offerors' employees; this training may be provided through written material, the commercial reverse auction service provider's website, and/or other means.

(ii) An employee of an Offeror who successfully completes the training shall be designated as a "Trained Offeror." Only Trained Offerors may participate in a reverse auction. The Contracting Officer reserves the right to request that Offerors provide an alternate Offeror employee to become a Trained Offeror. The Contracting Officer also reserves the right to take away the Trained Offeror's designation from any Trained Offeror who fails to abide by the solicitation's or commercial reverse auction service provider's terms and conditions.

2. *Solicitation Page 106, Solicitation Provisions, Addendum to FAR 52.212-1 the following paragraph is added:*

Add: Paragraph (n), *Reverse Auction Instructions*:

For solicitation SPM300-13-R-0081, 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 119). The award decision will be made in accordance with the evaluation factors as set forth in the solicitation on page 123 (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.

DLA Troop Support will conduct the reverse auction with two pieces of technology: 1) the on-line 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.

Two business days 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 twenty-eight Distribution Price Categories, offerors may lower the price for each contract period for a total of fifty-six Distribution Category Prices.

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 option)
- Aggregate Distribution Price per category (base and option)
- 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 124). 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 215-737-9041 to confirm acceptance of the bid submission and in addition must submit its Workbook via email to paula.williams@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.

Fifteen minutes after the reverse auction begins, all offerors must submit their Workbooks with any decreases, regardless of whether these decreases have yielded a new "lead" offeror and/or Total Evaluated Price. DLA Troop Support will re-baseline all Distribution Price changes and the offerors will only be allowed to decrease their revised Distribution Prices in bid decrements of at least \$0.01 for each Distribution Price Category and each contract period.

The reverse auction is scheduled for thirty minutes. This thirty-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 for an additional five minutes.

DLA Troop Support will consider each offeror's final auction price for each of the fifty-six 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 auction is scheduled to take place on 15 January 2014 with training for participants on 13 January 2014. The auction shall run from 9:00 AM to 9:30 AM Local Philadelphia Time. 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 Craig Gravitz at 215-737-9233 or email Craig.gravitz@dla.mil.

3. *Solicitation Page 46, Ability One Mandatory Items, the language have been deleted and is hereby replaced with the following procedures for updating the DLA Troop Support Subsistence Prime Vendor catalogs for the Subsistence Prime Vendor Ability One Mandatory Procurement List (MPL):*

- A. All changes to the DLA Troop Support Subsistence Prime Vendor Ability One MPL will be made on the DLA Troop Support Subsistence Ability One webpage.
- B. The DLA Troop Support Subsistence Prime Vendor Ability One MPL webpages will be updated for the following changes in: prices, ordering information, contractor locations, items (additions and deletions), Ability One approved contractors and/or purchase exceptions.
- C. There is a general Ability One Program website within the DLA Troop Support Subsistence web, and within the general Ability One Program website there are two websites, one for food items and one for non-food items. The web sites are:

General website:

<http://www.troopsupport.dla.mil/subs/pv/manprod/index.asp>

Food items website:

http://www.troopsupport.dla.mil/subs/pv/manprod/man_prod.pdf

Non-food items website:

http://www.troopsupport.dla.mil/subs/pv/manprod/man_prod_nonfood.pdf

- D. Prime Vendor contractors will be notified via e-mail. The e-mail notification will identify the changes to the MPL and alert the Prime Vendor contractors to check the DLA Troop Support Subsistence Ability One Program webpage. Additionally changes to the MPL will be bolded for easy identification. Prime Vendor contractors shall confirm receipt of this e-mail notification.