

<b>AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT</b>			1. CONTRACT ID CODE	PAGE OF PAGES 1 16
2. AMENDMENT/MODIFICATION NO. 0006	3. EFFECTIVE DATE 01 August 2008	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. (If applicable)	
6. ISSUED BY DEFENSE SUPPLY CENTER PHILADELPHIA DIRECTORATE OF SUBSISTENCE, BLDG. #6 700 ROBBINS AVENUE PHILADELPHIA, PA 19111-5092 POC: LINDA L. FORD/DSCP-FTAE/215-737-7804	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. SPM300-08-R-0061	
			X 9B. DATED (SEE ITEM 11) 02 May 08	
			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 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 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 \_\_\_\_\_ copies to the issuing office.

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

The details of this amendment are provided on the following pages.

Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

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

**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 in reference to amendment 0005. The answers are provided for clarification purposes only and do not change the requirements in the solicitation. These answers are being published in this amendment so that all offerors are provided the same information regarding this solicitation.**

## **Section I – Solicitation Revisions**

1. On page 52, paragraph F – Iraq Vehicle Transportation, revise the third paragraph to read as follows: The prime vendor is required to have a Global Positioning System (GPS) that closely monitors all bobtails, flatbeds, shipment containers, reefers, non-tactical vehicles, etc., that are destined for delivery into Iraq or use in Iraq. The units are required to be tagged with GPS devices. The prime vendor is also required to provide vehicle tracking data into the military's Radio Frequency-In Transit Visibility (RF-ITV) system. The prime vendor shall provide an interface between their GPS and the military RF-ITV system to allow for data transfer from prime vendor to the US Military regarding vehicle location in theater. The following information shall be available: (1) Vehicle Departure from Origin Data (including mission and Cargo RFID reference), (2) Vehicle Location data for ITV between prime vendor and final destination, (3) Vehicle Arrival to Destination information, (4) Vehicle Return Notification, and (5) Notification of AVL or Bob-tail change. The integration between the prime vendor's GPS and the military RF-ITV is limited to prime vendor vehicles and associated foodstuff shipments within the Subsistence Prime Vendor (SPV) contract Iraq operations. The prime vendor GPS shall interface with the US Military's RF-ITV system as XML data, transmitted over a secure internet connection (HTTPS). This information will be in the form of an asynchronous transmission from the prime vendor to RF-ITV and corresponding acknowledgement of received data from RF-ITV to prime vendor. The following control features shall be implemented: (a) Acknowledgement by the RF-ITV system for each data set that is sent by the GPS regarding the prime vendor vehicles in theater, (b) The GPS will resend acknowledgement requests in a pre-defined number of attempts if no acknowledgement is received within the predefined timeout. It is estimated that typical reporting frequency of prime vendor vehicles serving military needs in Iraq will be 4 to 6 positions per day per vehicle. The frequency may be changed as necessary. The GPS and interface capabilities are required to be tested during the contract implementation period and functional when the first order is placed with the prime vendor for an Iraq customer. In the event of interface changes initiated by the prime vendor, additional related costs associated with maintaining the level of integration outlined above will be borne by the prime vendor. In the event of interface changes initiated by the Government, additional related costs associated with maintaining the level of integration outlined above will be borne by the Government. The Government has the option to utilize new features introduced in future prime vendor GPS upgrades. Additional fees will be negotiated if warranted.

2. On page 73, number XIII, Pricing Definitions, Paragraph C, in the product price example, revise the supplier name on the third line from "Supplier B" to "Supplier C."

The following amendments apply to the solicitation, attachments. Any firm that made a request for or automatically received attachments 1 thru 5 should automatically receive the amended attachments by Monday, August 4, 2008, 4:00PM Philadelphia time. If you do not receive the amended attachments within the specified time frame, please submit a request for the amended attachments via e-mail to the following: [Ginny.Barnwell@dla.mil](mailto:Ginny.Barnwell@dla.mil), [Timothy.Dlugokecki@dla.mil](mailto:Timothy.Dlugokecki@dla.mil), and [Linda.Ford@dla.mil](mailto:Linda.Ford@dla.mil). The amended item follows:

3. On attachment 4, the distribution price category for line item 696 (Doughnut, fzn, variety pack, cake style, inst size case) has been revised from 169 to 59. Note: In an effort not to revise the line item numbers so close to the solicitation closing date, DSCP did not re-sort the spreadsheets by distribution price category. DSCP is aware that line item 696 is out of sequence due to this amendment and at least one other item (line item 77 on spreadsheet 5) is also out of sequence. Vendors may duplicate the spreadsheet and conduct their own sort if necessary, but all offers shall be submitted on the original protected version.

4. On attachment 5, the distribution price category for line item 581 (Horseradish, white prpd, chl, 6/32 oz jr) has been revised from 153 to 152.

The following amendments apply to the “Class I – Revised Subsistence Solicitation SPM300-08-R-0061” spreadsheets that are referenced on page 130 of the solicitation and can be accessed at <https://spiders.dla.mil> – Select Documents.

5. Category Stock Number 8915-01-E12-2479 has been deleted.

6. Category Stock Number 8915-01-E12-2480 has been deleted.

7. Category Stock Number 8905-01-E95-0062 has been deleted.

## Section II – Questions and Answers

1. We have “street prices” and prices we charge a prime vendor distributor. The prices we charge to prime vendor distributors have fees for services rendered; i.e., special pallets, labels, etc., included in them. The street price is clean – FOB our dock. What price does DSCP want us to quote to the distributors calling us for quotations? What time line should be addressed in the quote; i.e., prices good through ??? August 15, 2008??

**Ans.: The offeror is required to quote the Manufacturer’s FOB dock or “street price” for the product price. All other fees; i.e., special pallets, labels, etc. are part of the prime vendor’s distribution price and must be paid by the prime vendor to the distributor. The quote should be valid as long as possible. The period of acceptance for offers is 240 days from the date specified for receipt of offers.**

2. Reference Iraq Zone 1, line item, NSN and other zones:

612	891001E092389
613	891001E092390
614	891001E092392
615	891001E092638
616	891001E092646
617	891001E192220
618	891001E199035
619	891001E294641
620	891001E294363
621	891001E294364

We currently have a program of premium all natural ice cream for the commercial side of our business and recently explored providing ice cream to CONUS Prime Vendor. Our USDA inspected plant in mid-August will be reviewed by Vet Com. My question based on the above analysis would

indicate that Baskin & Robins isn't hard spec'd and therefore another supplier who provided a base value ice cream product would be acceptable alternative for a PV to submit in their cost proposal.

**Ans.: No. All items should be priced according to the exact item description whether they are identified as NAPA, Brand Specific, Mandatory, or Generic. The schedule of items represents the exact items that were being used by the customer at the time that the schedule was developed and/or previously. Baskin & Robins "BR" is not included in the item description for items 620 and 621 above. It is included in the description for items 612 through 619.**

3. I have a question in regards to the time line of the submitted quote. The pricing worksheet attachment 2 states the quote period needs to be from May thru June 30<sup>th</sup>. On page 165 of the solicitation, item E states all invoices or quote prices effective within 30 days of the solicitation date. Can you please clarify if that is 30 days from the date of issue May 2 or from the submittal due date?

**Ans.: The pricing worksheet attachment 2, does not state a quote period. Page 165 does not specify a date for quotes in the initial offer, but they should be current. Page 165 states that "invoices should reflect prices effective within thirty (30) days prior to the solicitation issue date," which is 30 days prior to May 2, 2008.**

4. Our brand specific item is listed on the schedule of items as being 120 cases a year. We know we sell a lot more than that. Some of the bidders have noted that a second generic stock number is listed for the same item with much greater quantities that match what we have been shipping. Because it is listed as a generic number this would lead the bidders to believe they could buy that product from anyone they choose. That is not the case as we are the only manufacturer of this product and were cataloged as such. Our goal is to make sure they are getting the bid correct so when they have been calling we have been telling them about it. Do you know of a reason why the same item would be listed twice on the spreadsheet the bidders have?

**Ans.: There are numerous, valid reasons as to why same or similar items may be listed on the same spreadsheet. The schedule of items represents the exact items that were being used by our customers at the time that the schedule was developed and/or previously. If two of the same or similar items are identified on the schedule of items, they should both be priced. Post award cataloging sessions will be held with the prime vendor to establish actual catalogs that will be used for ordering purposes. All clarifications will be made at that time.**

5. In the schedule of items "Kuwait-Kuwait," item 891501E611080 (line item 87 - Veg, whole okra and tomatoes, fully cooked, boil-in-bag, SS 4/6.5 lb co, BD&K Foods 50009) mentions category 27, but it should be 33.

**Ans.: The referenced item is identified as shelf-stable and will remain in category 27.**

6. In the schedule of items "Kuwait-Iraq," item 892001E950132 (line item 696 – Doughnut, fzn, variety pack, cake style, inst size case) mentions category 169, but it should be 59.

**Ans.: Correct. This will be corrected via amendment and a new spreadsheet will be issued.**

7. Reference page 71, product price definition, exception 1. Should airfreight charges be included within the cost of the product on the attachments 3, 4, and 5? If yes, are airlift quotes required to be submitted with our proposal? Is the Prime Vendor committed to using those airlift charges upon award? Our worry is that the airfreight market is extremely volatile, and prices will definitely not be the same after 240 days.

**Ans.: Estimated airfreight charges should be included in the quoted product price on attachments 3, 4, and 5 when exception 1 applies. The quote should include the cost of the product with a breakout of the airfreight charge. At time of cataloging, fair and reasonable price determinations will be made for items that are priced higher than originally quoted.**

8. Reference page 71, product price definition, paragraphs b (exception 1) and d. If the product is purchased from the relevant (Kuwait/Jordan/Turkey) wholesale market will the wholesalers/distributors place of performance be considered FOB Origin?

**Ans.: No. When exception 1 applies, the (Kuwait/Jordan/Turkey) wholesaler/distributor must offer the product price as it is purchased directly from the point of purchase in the foreign country. The quote shall reflect the country of origin price and the airfreight charge must be separately stated. All (Kuwait/Jordan/Turkey) wholesaler/distributor mark-ups must be included in the offerors distribution price. When the product price exceptions do not apply, the original product price definition is applicable; i.e., for FF&V purchased directly from the local market.**

9. Do I have to bid on every line item or can I bid for partial items?

**Ans.: Each offeror must submit pricing for each line item, as specified on attachments 1 thru 5**

10. Some line items have just a description; i.e., line 35, which states "all #10 size cans," but what is the item?

**Ans.: For Zone 1, attachment 1 (the item category list) must be used in conjunction with attachment 3 (the schedule of items). For Zone 2, attachment 2 (the item category list) must be used in conjunction with attachments 4 and 5 (the schedule of items). For example, attachment 1 is the item category list for Zone 1 and bidders must insert their distribution prices on this attachment for each item category. Attachment 3 is the schedule of items for Zone 1 and each item is assigned to a category, see the "distribution price category" column. Attachment 3 is designed to capture the distribution prices from attachment 1; however, offerors must insert the product price for each item and other information as required on attachment 3.**

11. In the solicitation it says about using a local vendor in respective country. Do you have to have a local vendor?

**Ans.: Yes, both CONUS and OCONUS approved sources are required. OCONUS approved sources are especially used for fresh fruit and vegetables, some dairy, eggs, bakery, etc. See pages 49 and 82 of the solicitation.**

12. Do OCONUS vendors have to be used? All my vendors are CONUS.

**Ans.: See response to paragraph 11.**

13. In the solicitation it is discussed about internal transportation in the respective country. Do I have to coordinate that?

**Ans.: Yes, as specified within the solicitation. See pages 52, 53, 56, 58, 60-68, etc.**

14. In the solicitation it is also discussed about air lifting product. Do I have to do that as well? I have allot of importing and exporting experience via sea and air.

**Ans.: Yes, as specified within the solicitation. See pages 56-58.**

15. Reference page 71, product price definition, exception 1 - If the product is purchased from the relevant (Kuwait/Jordan/Turkey) wholesale market will the wholesalers/distributors place of performance be considered FOB Origin?

**Ans.: No. The product price for FF&V from a Kuwait, Jordan, or Turkey wholesaler or distributor must exclude mark-ups from that wholesaler or distributor. Airfreight charges, however, may be included if the FF&V is flown into the wholesalers/distributors place of performance, as specified under exception 1.**

16. How does DSCP expect the SPV to ensure availability of product given the order lead times if no fixed term/fixed pricing contracts are entered into with regional/local FFV wholesalers?

**Ans.: The SPV must ensure product availability through their own arrangements with suppliers.**

17. Given the example below the SPV will be purchasing product without any assurance that product price will be deemed fair and reasonable. In all instances the SPV is mandated to obtain fair and reasonable approval prior to shipment. If fixed price fixed term contracts are not permitted due to the need to match up FOB origin pricing how will the fair and reasonable process work for LMR where pricing is constantly changing?

C. Catalog product prices must be reflective of the prime vendor's last receipt price (the price of the stock most recently received into inventory). However, for FF&V items only, when multiple sources are being utilized and more than one manufacturer's product is receipted prior to a catalog update, the contractor shall establish the product price based on the mix of invoices received post the previous redetermination period. The product price would be derived as follows:

Supplier A – 40% X \$5.70 = \$2.28

Supplier B – 30% X \$5.90 = \$1.77

Supplier B – 30% X \$6.30 = \$1.89

**Ans.: Each individual FF&V item will be determined fair and reasonable prior to cataloging. Prime vendors are encouraged to seek fair and reasonable approvals prior to order placement. When more than one fair and reasonable approval is provided for one item during a redetermination period, the product price with respect to FF&V items that will go on the updated catalog must be weighted in accordance with the above example. Other local market ready items must be reflective of the prime vendor's last receipt price.**

18. Reference Manufacturer Pricing Agreements. DSCP clarified through Amendment 3 and the respective Questions and Answers that DSCP will enter into pricing agreements directly with Manufacturers termed MPA's and SPV's will be mandated to purchase from them. The SPV however is to enter into separate commercial agreement with the Manufacturer and advise DSCP of those that are unwilling to do so. The practical issues are numerous: Manufacturers may impose terms on the SPV that the SPV is unwilling to accept i.e. minimum order quantities, advance payment without any

early pay incentives etc. As stated in earlier questions there is no motivation for either the Government or the Manufacturer to agree terms favorable or agreeable to the SPV. The manufacturer in turn may refuse terms and conditions the SPV deem critical to ensure the terms and obligations of the SPV contract are achieved. It is not possible for the SPV to calculate all non point of manufacturer costs if it does not know the basis on which agreement will be reached. Question: Will DSCP consider including in this solicitation a draft of the MPA to include terms that mandate the manufacturer to adhere to in relation to its business agreement with the SPV?

**Ans.: MPA agreements will be provided when they are available.**

19. Reference Consolidation/Third Party Costs. In several questions fielded previously the issue of consolidation costs imposed by manufacturers i.e. those that only deal through stated 3<sup>rd</sup> parties and will not enter into direct agreements with SPV's have been tabled. The concern being that no SPV will be able to calculate consolidation costs in advance if they do not know and have no control over the location of that consolidator or their terms of business. For further avoidance of doubt we differentiate between a consolidation facility, contracted by the SPV that is a stated CONUS place of performance from a consolidation point that a manufacturer has chosen and is not contracted to the SPV. Currently some National Brand Manufacturers pay third parties to act as sales agents and consolidators as they do not wish to perform an export function or deal direct with foreign entities. DSCP in its responses has failed to adequately address this point and concern and has failed to recognize the significance of the same. Question: Will DSCP consider again that third party consolidation points not contracted by the SPV but the manufacturer be treated as FOB Origin?

**Ans.: No. However, national commercial prices may be considered for approval by the Contracting Officer on a case by case basis. See exception 2 of the product price definition.**

20. Reference Restricted Business Operations as indicated below. Please confirm that this restricted business operation relates to the definitions provided in the Amendment and contained within Section 2(8) of the Sudan Accountability and Divestment Act. For avoidance of doubt please confirm that other business activities conducted in Sudan other than those described do not require certification and are not restricted for the purposes of this solicitation.

**Amendment 003 Item 15 b states: On page 180, paragraph (a) Definitions, add the following definition (included alphabetically): "Restricted business operations" means business operations in Sudan that include power production activities, mineral extraction activities, oil-related activities, or the production of military equipment, as those terms are defined in the Sudan Accountability and Divestment Act of 2007 (Pub. L. 110-174). Restricted business operations do not include business operations that the person conducting the business can demonstrate—**

- (1) Are conducted under contract directly and exclusively with the regional government of Southern Sudan;**
- (2) Are conducted pursuant to specific authorization from the Office of Foreign Assets Control in the Department of the Treasury, or are expressly exempted under Federal law from the requirement to be conducted under such authorization;**
- (3) Consist of providing goods or services to marginalized populations of Sudan;**
- (4) Consist of providing goods or services to an internationally recognized peacekeeping force or humanitarian organization;**

**(5) Consist of providing goods or services that are used only to promote health or education; or**

**(6) Have been voluntarily suspended.**

Amendment 003 Item 15 f states: **On page 191, add paragraph (m) as follows:**

**(m) Restricted business operations in Sudan. By submission of its offer, the offeror certifies that it does not conduct any restricted business operations in Sudan.**

**Ans.: The restriction on business operations relates to those activities referenced in the Amendment and the Sudan Accountability and Divestment Act of 2007 (Pub. L. 110-174). Activities conducted in Sudan that are not restricted by the terms of the solicitation, or by the Sudan Accountability and Divestment Act of 2007 (Pub. L. 110-174), are not "Restricted Business Operations" as defined by the Amendment. The submission of an offer constitutes a certification by the offeror that it does not conduct any "Restricted Business Operations" in Sudan. The certification is mandatory in order to comply with legal requirements. The conduct of activities other than "Restricted Business Operations" in Sudan is not an impediment to making the required certification.**

21. On Page 53 – Item G III – Customer Service Representative (“CSR”) it states that the Contractor must have 2 CSR’s stationed on Military Bases in Iraq (Zone 1) and I CSR stationed on Military Bases in Zone 2 : we do not believe this was your intent to have Customer Service Representatives stationed on Military Bases or do you ?

**Ans.: Yes, Iraq CSRs will be assigned to reside on a military base.**

22. Reference Normal Distribution - It states that overland diversions between Kuwait and Jordan be included in normal Distribution Fee, also on page 58 – Item L it lists that the Prime Vendor is required to have 5 Dry and 20 Refrigerated vans available per month: Why is the Prime Vendor required to send product from Jordan to Kuwait and Kuwait to Jordan for free. I thought the Prime Vendor for each zone would be able to sell the product to the other vendor for a negotiated price.

**Ans.: The Contracting Officer may have a need to divert GFM from Kuwait to Jordan or Jordan to Kuwait. This requirement is unrelated to prime vendor product transfers.**

23. Reference Fair and Reasonable - It is way too late in the game for the Contracting Officer to determine Fair and Reasonable on a Tuesday for final Friday determination – when the Prime Vendor already owns the product and it is in the pipeline. Fair and Reasonable should take place prior to the Prime Vendor placing the order with CONUS manufacturers. For example prior to the Prime Vendor placing an order from a Manufacturer when the price has increased by? percentage – the Prime Vendor will notify the Contracting Officer who will determine Fair and Reasonable within a set number of days prior to purchasing. Prime Vendor’s cannot take the hit on increased cost of product already warehoused and in the pipeline.

**Ans.: Prime vendors are encouraged to seek fair and reasonable approvals prior to order placement. See page 97 of the solicitation, paragraph (D).**



24. Reference Amendment 3 – Number 3 – C Exception Number 2: Please give us the definition of a National Commercial Price inclusive of Transportation Cost to a Distribution point.

**Ans.: There is no set definition. This language is intended to support those manufacturers that sell their product at one set national FOB destination price to all of their customers without exception. The Contracting Officer will determine national price, with proper documentation on a case by case basis.**

25. How will the Rebate/Discount language apply to Indian 8A programs that refund 5 cents per pound directly back to the P.V.?

**Ans.: The contractor is required to advise if the 5 cents per pound will be retained or provided to the Government. The contractor shall employ prevailing commercial methods in the pursuit of discounts, rebates, allowances or other similar economic incentives or benefits for the customers supported under this contract throughout the period of performance.**

26. FF&V and GFM – (Three part question) Does the Government reserve the right to remove some or all of the FF&V and GFM business pieces from the Contract? If so, for what reasons would they be removed? If removed, will the SPV have the opportunity to adjust bi-laterally its other distribution fee structure to offset this significant reduction in business?

**Ans.: All contract requirements are customer driven and have the potential to increase, decrease or perish for any number of reasons. The distribution price structure is fixed, but may be voluntarily reduced by the contractor.**

27. Original Solicitation Submission – Given that they were provided under amendment, do the copies of the Pre-Proposal Conference Power Point presentation and the Pre-Proposal Conference list of attendees need to be included in the submittal volume containing one copy of the original solicitation?

**Ans.: No. The referenced documents were not included in the solicitation or incorporated via amendment. Also, see paragraph 56 below.**

28. Distribution Fee Categories, 206-211, Airlift – There is some confusion related to these distribution fee categories. While page 77 of the Solicitation indicates that “no distribution fee category is assigned for airlift costs”, and that the SPV will submit an invoice to DSCP for the actual costs of the airlift, the distribution fee categories 206-211 could be interpreted as requiring the SPV to price the standard cost per pallet of the actual air shipment costs. Can you please clarify whether distribution fee categories 206-211 represent only the costs of the materials used in the actual air freight shipment, such as the actual pallets, cardboard, and dry ice, or whether they are intended to include also the transportation and air freight costs for the shipments on a per pallet basis?

**Ans.: Categories 206-211 apply to the method II pricing scheme, which represent only the costs of the materials used in the actual air freight shipment. The prime vendor will invoice for the materials used at the established distribution price. The prime vendor will also invoice for the cost of the airlift, but at actual cost only. Therefore, no distribution category is established for cost of the airlift. The method I pricing scheme includes the cost of the airlift as well as the materials in one premium distribution price. Estimated quantities were provided for the development of the commercial air lift and material premium distribution price.**

29. Approved Source LMR Vendors – It has been our experience in attempting to receive quotes from current approved source LMR vendors, particularly for Zone 2, that many of these vendors are participating as subcontractors or partners with other companies for their own direct offers under the Solicitation. As a result, these sources are refusing to disclose or provide access to the actual growers and manufacturers, declining entirely to offer item quotes, or inflating their quote costs to such a degree as to render our own quotes non-competitive. Question: Can an offeror submit a quote from other than an approved source in situations where the approved source is quoting a much higher than market cost for the individual item? If not, may such quotes from non-approved sources be included in the Price Volume narrative to support the claim of the offeror that they have not been provided competitive quotes from approved source vendors?

**Ans.: Quotes for applicable food products shall originate from approved sources only. Approved source requirements and exceptions are identified on pages 107-109 of the solicitation. Price clarification information, including information from non-approved sources, may be included in the cost or price proposal in a narrative format for clarification purposes only.**

30. Reference amendment 0003, Section I, page 2, Product Price Definition – In countries outside of the U.S. where distributors have exclusive distribution rights for a product over a country or area (e.g. Pepsi in Turkey is only available through one distributor), and this distributor will not provide manufacturer's invoices, will the distributor's price be acceptable? If not, what should the contractor use for invoices?

**Ans.: Clarify the particular situation in writing within the cost and price proposal and provide the available invoice and any other support documentation.**

31. Reference amendment 0003, Section I, page 3, Product Price Definition, paragraph d – For items falling under Exception 1, should airfreight charges be included (added) within the cost of the product on the Attachments 3, 4, and 5? Does this cost inclusion comply with standard commercial practices? Without clarity for submission unit pricing and documentation support, there is high likelihood that the submission assumptions used by offerors will vary widely and invalidate the basis for an objective price evaluation (comparison).

**Ans.: When exception 1 of the product price definition applies, estimated airfreight charges must be included in the quoted product price on attachments 3, 4, and 5. The quote should include the cost of the product with a breakout of the estimated airfreight charge. At time of cataloging, fair and reasonable price determinations will be made for items with price changes from that originally offered. Audits will also be conducted.**

32. Reference amendment 0003, Section I, page 3, Product Price Definition, paragraph d – We have canvassed many FF&V distributors in the Middle East, Europe, and the US, and none are prepared to provide growers invoices, as it is not commercial practice. In view of this resistance, please advise how offerors can comply with DSCP's requirement.

**Ans.: Clarify the particular situation in writing within the cost and price proposal and provide the available invoice and any other support documentation.**

33. Reference amendment 0003, Section I, page 3, paragraph 5(C) – Does this guidance apply to and therefore amend the proposal submission requirements (addendum to FAR 52.212-1)?

**Ans.: This question does not have enough information to provide an answer.**

34. Reference amendment 0003, Section I, page 3, paragraph 5(C) - How will DSCP determine Fair & Reasonableness on FF&V products where monthly averages will be used in the next catalog update, as all prices will already have been paid for?

**Ans.: Prime vendors are encouraged to seek fair and reasonable approvals prior to order placement. When multiple approvals for a single item have been provided during the period of redetermination, the final catalog price shall reflect the weighted average of the approved prices.**

35. Reference amendment 0003, Section I, page 4, item #9 – the government indicates it anticipated 75-80% of dollar value will be under MPA agreements. Since the prime vendor will not control the MPA program, should offerors base their socioeconomic goals on the estimated 20-25% of product dollar volume that will remain full competition? Alternatively, will offerors be allowed to change their socioeconomic goals after proposal submission as the MPA program is implemented?

**Ans.: No. At this time, all items are non-MPA. Socioeconomic goals should be based on the total contract price. If necessary, amendments or modification may be made post MPA implementation.**

36. Reference amendment 0003, Section II, page 13, question #18 – On what basis was this exemption granted? Does this exemption apply to and therefore amend the proposal submission requirements (addendum to FAR 52.212-1)?

**Ans.: Mandatory products must be purchased from designated sources. Invoices from those sources may be used to support product price. Proposal submission requirements have not been amended.**

37. Reference amendment 0003, Section II, page 16, question #64 – The statement that, “there are no restrictions placed on negotiated payment terms between the prime vendor and the manufacturer” appears to conflict with the solicitation. Can you please clarify or amend the payment terms language in the solicitation?

**Ans.: This question requires further clarification of the conflict. There are no restrictions placed on negotiated payment terms between the prime vendor and the manufacturer. The solicitation language defines the parameters of early payment discounts that may be retained by the contractor and those that are required to be passed to the Government. Each offeror must negotiate its own agreement.**

38. Reference amendment 0003, Section II, page 25, question #51 – In regards to submission requirements, should offeror quotes/invoices be from only current VETCOM-approved sources?

**Ans.: Yes, when applicable. See pages 107-109 of the solicitation.**

39. Reference amendment 0003, Section II, page 25, question #51 – Is there a set of standards that the government can provide so that an objective basis for proposals can be established for the procurement and shipment of FF&V?

**Ans.: Standard product quality and sanitary condition requirements have been identified in the statement of work, see pages 104-109.**

40. Reference amendment 0003, Section II, page 26, question #57 – As MPA’s are instituted during the course of this solicitation and resulting contract, will the Prime Vendor have recourse to re-determine normal distribution fees in cases where MPA holders do not conform and alternative sources are required for labeling, code dating, etc? Alternatively, will case by case exceptions to fill rate requirements be allowed?

**Ans.:** A manufacturer’s normal pallet, label or marking costs should be included in the product price. Unique packaging, marking, labeling costs associated with this solicitation shall be excluded from the product price and included in the normal distribution price. Switching manufacturers should not necessitate alternate distribution prices.

41. Reference amendment 0003, Section II, page 28, question #79 – Please confirm that the inclusion of a future requirement to provide private security would be the subject of a bilateral modification.

**Ans.:** Private security may be added pre-award via solicitation amendment or post award via bilateral modification.

42. Reference amendment 0003, Section II, page 29, question #89 – Please identify the time period allowed for customers to reject Frozen, Dry and Chill goods.

**Ans.:** Rejections occur when the receiving official identifies that product is non-conforming in any respect and communicates the rejection as a result. The receiving official has a reasonable time to perform his or her duties.

43. Reference amendment 0003, Section II, page 30, question #90, USC06 related – What are the detention/detained costs in Kuwait and Jordan for refrigerated and dry containers?

**Ans.:** See USTRANSCOM website for USC06.

44. Reference amendment 0003, Section II, page 30, question #90, USC06 related –When does detention start for dry and refrigerated containers in Kuwait and Jordan?

**Ans.:** See USTRANSCOM website for USC06.

45. Reference amendment 0003, Section II, page 30, question #90, USC06 related – What is the definition of “Detained” for containers?

**Ans.:** See USTRANSCOM website for USC06.

46. Reference amendment 0003, Section II, page 30, question #90, USC06 related – Please confirm you are expecting us to base our pricing on a USC contract that has yet to be finalized.

**Ans.:** Transportation pricing is paid by the Government. See USTRANSCOM website for USC06 terms and conditions.

47. Reference amendment 0003, Section II, page 32, question #109, Backhaul – The limited information provided for backhaul does not provide sufficient information to cost this element. Given the previous answer for question #109 of amendment 3, “To be determined,” has there been any progress with further defining backhaul requirements; e.g., locations? Is backhauling of product limited to within Iraq, and not over any borders?

**Ans.: Yes, backhauling of product is limited to within Iraq, and not over any borders. See page 56 of the solicitation, which states: “The backhaul destinations must be located within Iraq and along the route back to the prime vendor’s distribution facility.”**

48. Reference amendment 0003, Section II, page 34, question #127, Backhaul – The government indicated that backhaul should be included in the normal distribution price. Should this cost be part of the premium distribution fees instead? If yes, please advise when a new set of attachments will be available.

**Ans.: No.**

49. Reference amendment 0003, Section II, page 40, question #158 – Expired GFM cannot be disposed of unilaterally by the Prime Vendor – it is a government/contractor shared process. However, the cost of storing expired GFM lies solely with the Prime Vendor. Will the government add a provision that requires prompt government actions to approve/facilitate the destruction of expired GFM?

**Ans.: Internal procedures require prompt government actions to approve/facilitate the destruction of expired GFM. The Contracting Officer Representative will make every effort to ensure that prompt government actions are taken. The prime vendor may submit a request for equitable adjustment to the Contracting Officer if storage costs are incurred because the Government failed to take the appropriate action.**

50. Reference amendment 0003, Section II page 40, question #158 – If GFM is granted shelf-life extension, will the prime vendor be eligible to invoice for the time period it was “expired” and still in the PV warehouse?

**Ans.: Yes, if the product is listed as expired, the vendor may not invoice for it. Once the status changes from expired to extended, the vendor may submit an invoice for the entire period of storage that was not previously invoiced.**

51. Reference amendment 0003, Section II page 59, question #192 – Manual invoicing costs are significant. Will DSCP allow CORs to approve manual invoices assuming proper documentation is provided by the contractor?

**Ans.: No. Manual invoices and support documents are required to be reviewed and signed by the Contracting Officer Representative (COR). The signed invoice serves as the COR recommendation to the Contracting Officer (KO) for payment approval. Manual invoices should not be submitted directly to the KO without the review and concurrence/signature of the COR.**

52. Reference statement of work, II, E, page 52 – Is the contractor required to have MHE at all delivery points in Iraq to download product? If yes, should the cost of such MHE be included in the premium distribution fees?

**Ans.: No.**

53. Reference spreadsheet attachments – A large number of the local market ready national stock numbers used on the worksheets are country specific (e.g. Kuwait NSNs on the Jordan and Turkey attachments). Is this correct?

**Ans.: There is no such thing as a country specific stock number. The term Local Market Ready (LMR) is used for product that is purchased from the local economy of the country that is supporting the requirement. That stock number may be used on the LMR catalog for Kuwait, Turkey and/or Jordan. The item description will be identical, but the source, taste, and product price may vary to a certain degree.**

54. Reference spreadsheet attachments – If providing a conforming alternative product to the ones listed, where should the NSN, Price, Description, Pack Size, and Conversion Factors of the items be input on the attachments?

**Ans.: Exact or alternate offers must be identified in the column entitled “Spec/Unit Match Yes or No.” Insert the NSN, description, and brand in the column entitled “Offered Product Brand.” Insert the pack size in the column entitled “Offered Pack Size.” Insert the price in the column entitled “Product Price As Shown on the Invoice or Quote.” Insert the conversion factor in the column entitled “Conversion Factor to Gov’t UOI (Product Price).”**

55. Reference spreadsheet attachments – If an NSN is no longer being produced by a manufacturer, what should be entered on the spreadsheet?

**Ans.: Insert “NO” in the “Spec/Unit Match” column.” Identify an alternate offer as indicated in paragraph 54 above.**

56. This question deals with the submission of the signed and completed solicitation documents with amendments. On page 6 of 257 there is a requirements matrix that says: - return one (1) completed copy of this solicitation. On page 148 of 257 it states: - a signed and completed solicitation must accompany the technical and cost or price proposal in its entirety, as well as any amendments, if applicable. For clarification, how many copies of the completed solicitation with amendments should we submit and with what documents?

**Ans.: Submit one (1) completed copy of the solicitation. Submit one (1) signed copy of each amendment. See pages 142 through 170 for a complete description of the submission requirements.**

57. With non-profit product suppliers, is there a difference in requirements (e.g. FOB Origin/Manufacture) for mandatory vs. non-mandatory items? More specifically, if a non-profit supplier is the RFP identified source for a mandatory item, is the non-profit treated as the Origin/Manufacturer for purposes of determination of product price and supporting documentation? However, for non-mandatory items, could a non-profit supplier be treated as the FOB Origin/Manufacturer for the determination of product price if the non-profit supplier does not actually manufacture the item?

**Ans.: Mandatory products must be purchased from designated non-profit sources. Invoices from those sources may be used to support product price. Invoices from non-manufacturers will not support product price unless otherwise noted within the solicitation.**

58. Ref Section: Supplies/Services and Prices, Section V (page 60). Please provide clarification on the prohibition of prime vendor use of private security. Does this prohibition include: (a) Personal Security Details (PSD) for staff deploying to and from points in Iraq? (b) Static security – Protection of Prime Vendor assets and facilities located within Iraq? (c) Use of private security by Prime Vendor Contract Awardee on projects/contracts other than SPM300-08-R-0061 (Iraq Prime Vendor)?

**Ans. The referenced section refers to private (convoy) security versus military (convoy) security. At the present time, military convoy security is the requirement for Iraq in this solicitation. Private security may or may not be used in Iraq in support of other contracts.**

59. For clarification purposes, In accordance with the Early Payment Discount, does the date of payment requirement (10 days) begin at time of receipt of the product at our facility OCONUS or at time of shipment from the CONUS Manufacturer to be in concurrence with the EPD policy as stated in the solicitation SPM300-08-R-0061?

**Ans.: The answer is dependent on the business arrangement between the PV and its supplier. The 10 days begin at the time when the PV's obligation to make payment to the supplier is no longer contingent.**

60. Is the answer to question 84 of amendment 3 inaccurate with 30 September 2008 being the anticipated award date as stated? In believing it is, when is the anticipated award date?

**Ans.: At this time, the anticipated award date is September 30, 2008.**

61. In accordance with the solicitation requirement for Open Code Dating and realizing the vast majority of large manufacturers in the US do not provide Open Code Dating, on a case by case basis will you allow for a waiver of this requirement as long as a code book is provided for determination of the date by the manufacturer, when a manufacturer refuses to change their way of doing business? As we want to provide you with the requirements of the solicitation as stated, we realize it is going to be difficult at best to get some of the manufacturers to change their current way of doing business seeing that the DOD part of the industries business is roughly 2% annum of total Food Service business in the US, they will not and have informed us they will not change their way of doing business.

**Ans.: No. Open code dating is required.**

62. Item # 754 to 773 in attachment-3, item # 752 to 829 in attachment-4 and item # 738 to 812 in attachment-5 (UGR's, MRE and HCP) – Do we fill in product price for these also? If yes, how do we get contact details of manufacturers?

**Ans.: All GFM items in categories 179 through 189 are required to have a zero product price. A “zero” should be filled in the product price column for those items.**

63. Base year consumption for 8905-00-582-1323, Beef Loin, Tenderloin, full, FZN, 5/10 LB Avg. (50 LB AVG CS) is given as follows: Attachment 3 (Kuwait to Kuwait) - 2,420 LBS (avg. 100 Lbs per month) Attachment 4 (Kuwait to Iraq) - 446 LBS (avg. 19 Lbs per month) Can you please confirm the above consumption quantities being correct?

**Ans.: All quantities have been estimated to the best of the Government's ability.**

64. Realizing that the solicitation states the a invoice/quote is required from the growers in reference to FF&V, at time of submission if an invoice is only available from a distributor of FF&V will that be considered if a disclaimer is made identifying the reasoning of the non conformance due to the grower not wanting to deal directly with a supplier?

**Ans.: Clarify the particular situation in writing within the cost and price proposal and provide the available invoice and any other support documentation.**

65. Reference the Go-To War Catalog: CSN 8915-01-E12-2479 - Description provided is Juice, Apple, 100%, 3 Liter bag. Actually the item listed under above stock number is Juice, Apple, 12/1 LT CO (12 LT CS). Please clarify.

**Ans.: The Go To War Catalog has been updated. The referenced CSN has been deleted.**

66. Reference the Go To War Catalog: \*\*CSN 8915-01-E12-2480 - Description provided is Juice, Pineapple, 100%, 3 Liter bag. Actually the item listed under above stock number is Juice, Pineapple, 12/1 LT CO (12 LT CS). Please clarify.

**Ans.: The Go To War Catalog has been updated. The referenced CSN has been deleted.**

67. Reference the Go To War Catalog: \*\*CSN 8905-01-E95-0062 - Description provided is Chicken, Breast, Raw. However, this is CSN duplicated in the spreadsheet and the above stock number is for Chicken, Cut-up, 8 pieces. Please clarify.

**Ans.: The Go To War Catalog has been updated to delete the duplicate item. Chicken Breast Raw - 8905-01-E95-0062 has been deleted.**

68. Reference the Go To War Catalog: \*CSN 8905-01-E60-3680 - This item is not listed in attachment-5. If we submit proposal for zone-2 and this item is not in our catalog, we will not be stocking this item. What quantities do we fill for this item in the spreadsheet?

**Ans.: The contractor should provide the maximum quantities that can be supplied. This information must be obtained from the product providers.**