

SOLICITATION/CONTRACT/ORDER FOR COMMERCIAL ITEMS OFFEROR TO COMPLETE BLOCKS 12, 17, 23, 24, & 30				1. REQUISITION NUMBER 1000009412	PAGE 1 OF 11		
2. CONTRACT NO. SPE300-15-D-3130	3. AWARD/EFFECTIVE DATE 2014 DEC 17	4. ORDER NUMBER	5. SOLICITATION NUMBER SPE300-14-R-0027	6. SOLICITATION ISSUE DATE 2014 MAY 30			
7. FOR SOLICITATION INFORMATION CALL:		a. NAME	b. TELEPHONE NUMBER (No collect calls)	8. OFFER DUE DATE/ LOCAL TIME			
9. ISSUED BY DLA TROOP SUPPORT DIRECTORATE OF SUBSISTENCE 700 ROBBINS AVENUE PHILADELPHIA PA 19111-5096 USA Local Admin: Elizabeth DiFrancesco PSPTAFC Tel: 215-737-3470 Fax: 215-737-3215 Email: ELIZABETH.DIFRANCESCO@DLA.MIL		CODE SPE300	10. THIS ACQUISITION IS <input checked="" type="checkbox"/> UNRESTRICTED OR <input type="checkbox"/> SET ASIDE: _____ % FOR: <input type="checkbox"/> SMALL BUSINESS <input type="checkbox"/> WOMEN-OWNED SMALL BUSINESS (WOSB) ELIGIBLE UNDER THE WOMEN-OWNED SMALL BUSINESS PROGRAM <input type="checkbox"/> HUBZONE SMALL BUSINESS <input type="checkbox"/> EDWOSB NAICS: <input type="checkbox"/> SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESS <input type="checkbox"/> 8 (A) SIZE STANDARD:				
11. DELIVERY FOR FOB DESTINATION UNLESS BLOCK IS MARKED <input type="checkbox"/> SEE SCHEDULE	12. DISCOUNT TERMS Net 10 days		<input type="checkbox"/> 13a. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 700)	13b. RATING			
15. DELIVER TO SEE SCHEDULE		CODE	14. METHOD OF SOLICITATION <input type="checkbox"/> RFQ <input type="checkbox"/> IFB <input checked="" type="checkbox"/> RFP				
17a. CONTRACTOR/ OFFEROR Y. HATA & COMPANY, LIMITED DBA 285 SAND ISLAND ACCESS RD HONOLULU HI 96819-2227 USA TELEPHONE NO. 8084474242		CODE 3H194	FACILITY CODE	16. ADMINISTERED BY SEE BLOCK 9 Criticality: PAS: None			
17b. CHECK IF REMITTANCE IS DIFFERENT AND PUT SUCH ADDRESS IN OFFER <input type="checkbox"/>		18a. PAYMENT WILL BE MADE BY DEF FIN AND ACCOUNTING SVC BSM P O BOX 369031 COLUMBUS OH 43236-9031 USA					
18b. SUBMIT INVOICES TO ADDRESS SHOWN IN BLOCK 18a UNLESS BLOCK BELOW IS CHECKED. <input type="checkbox"/> SEE ADDENDUM		CODE SL4701					
19. ITEM NO.	20. SCHEDULE OF SUPPLIES/SERVICES			21. QUANTITY	22. UNIT	23. UNIT PRICE	24. AMOUNT
See Schedule							
25. ACCOUNTING AND APPROPRIATION DATA					26. TOTAL AWARD AMOUNT (For Govt. Use Only) \$201,000,000.00		
<input type="checkbox"/> 27a. SOLICITATION INCORPORATES BY REFERENCE FAR 52.212-1, 52.212-4, FAR 52.212-3 AND 52.212-5 ARE ATTACHED. ADDENDA				<input type="checkbox"/> ARE <input type="checkbox"/> ARE NOT ATTACHED.			
<input checked="" type="checkbox"/> 27b. CONTRACT/PURCHASE ORDER INCORPORATES BY REFERENCE FAR 52.212-4. FAR 52.212-5 IS ATTACHED. ADDENDA				<input checked="" type="checkbox"/> ARE <input type="checkbox"/> ARE NOT ATTACHED.			
<input checked="" type="checkbox"/> 28. CONTRACTOR IS REQUIRED TO SIGN THIS DOCUMENT AND RETURN COPIES TO ISSUING OFFICE. CONTRACTOR AGREES TO FURNISH AND DELIVER ALL ITEMS SET FORTH OR OTHERWISE IDENTIFIED ABOVE AND ON ANY ADDITIONAL SHEETS SUBJECT TO THE TERMS AND CONDITIONS SPECIFIED				1. <input checked="" type="checkbox"/> 29. AWARD OF CONTRACT: REF. SPE30014R0027 OFFER DATED 2014-Nov-20 YOUR OFFER ON SOLICITATION (BLOCK 5), INCLUDING ANY ADDITIONS OR CHANGES WHICH ARE SET FORTH, HEREIN IS ACCEPTED AS TO ITEMS:			
30a. SIGNATURE OF OFFEROR/CONTRACTOR 				31a. UNITED STATES OF AMERICA (SIGNATURE OF CONTRACTING OFFICER) 			
30b. NAME AND TITLE OF SIGNER (Type or Print) Kurt Fey, COO		30c. DATE SIGNED 12-16-14		31b. NAME OF CONTRACTING OFFICER (Type or Print) Timothy B. Dlugocki		31c. DATE SIGNED 2014 DEC 16	

19. ITEM NO.	20. SCHEDULE OF SUPPLIES/SERVICES	21. QUANTITY	22. UNIT	23. UNIT PRICE	24. AMOUNT

32a. QUANTITY IN COLUMN 21 HAS BEEN

RECEIVED INSPECTED ACCEPTED, AND CONFORMS TO THE CONTRACT, EXCEPT AS NOTED: _____

32b. SIGNATURE OF AUTHORIZED GOVERNMENT REPRESENTATIVE	32c. DATE	32d. PRINTED NAME AND TITLE OF AUTHORIZED GOVERNMENT REPRESENTATIVE
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32e. MAILING ADDRESS OF AUTHORIZED GOVERNMENT REPRESENTATIVE	32f. TELEPHONE NUMBER OF AUTHORIZED GOVERNMENT REPRESENTATIVE
32g. E-MAIL OF AUTHORIZED GOVERNMENT REPRESENTATIVE	

33. SHIP NUMBER <input type="checkbox"/> PARTIAL <input type="checkbox"/> FINAL	34. VOUCHER NUMBER	35. AMOUNT VERIFIED CORRECT FOR	36. PAYMENT <input type="checkbox"/> COMPLETE <input type="checkbox"/> PARTIAL <input type="checkbox"/> FINAL	37. CHECK NUMBER
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38. S/R ACCOUNT NO.	39. S/R VOUCHER NUMBER	40. PAID BY
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41a. I CERTIFY THIS ACCOUNT IS CORRECT AND PROPER FOR PAYMENT	42a. RECEIVED BY (<i>Print</i>)	
41b. SIGNATURE AND TITLE OF CERTIFYING OFFICER	41c. DATE	
	42b. RECEIVED AT (<i>Location</i>)	
		42c. DATE REC'D (YY/MM/DD)
		42d. TOTAL CONTAINERS

Form**Hawaii Award D3130****DESCRIPTION OF SUPPLIES AND SCOPE OF WORK**

This contract constitutes the Government's acceptance of the Contractor's offer, including all revisions, under Request for Proposals SPE300-14-R-0027. All other terms and conditions from the solicitation, including all amendments, remain the same and are only changed when conflicting to the terms and conditions contained within this document.

This is a Fixed Price with EPA, Indefinite Quantity Contract under which the Contractor shall provide full line food and beverage distribution to Hawaii Navy Ship customers (Zone 2). These items include groceries, frozen food products, beverages (to include Bag-In Box, soft drinks), boxed meats/pork/poultry, primal and sub-primal meat cuts and further processed meat and seafood items, fresh fruits & vegetables, bakery products, dairy products and eggs.

The Prime Vendor will be required to perform inventory and warehouse management functions and to position a full line of food and beverages at its warehouse(s). The contractor will be required to maintain a minimum of 30 days of supply at all times at its Hawaii warehouse and is responsible for determining stocking needs by developing its own AMD (average monthly demands) for the contract per each product on the catalog over the entire customer base per zone. The Prime Vendor is also responsible for arranging ocean transportation and loading sea vans at its CONUS facility. The cost of "ocean transportation" shall be included in the distribution price and the cost of "standard freight" shall be included in the delivered price. Note: CONUS facility means the consolidation point in CONUS where sea vans will be loaded, whether it is owned and/or operated by the offeror.

The Prime Vendor must also provide all of the necessary material handling equipment (i.e. Forklifts, Pallet Jacks, and Lift Gates etc.) and labor to unload deliveries and trans-ship to the final delivery point.

CONTRACT PERIOD

The contract shall be for a term of 60 months with three separate pricing tiers. The first tier shall be for a 24-month period inclusive of a 54 day implementation period. The second tier shall be for the following 18 month performance period and the third and final tier shall be for another 18 month performance period.

The first tier shall commence on the date of award, 17 December 2014. The first 54 days will be the implementation period, ending no later than 9 February 2015. The performance period for the first tier will commence on 10 February 2015 and end on 16 December 2016. The second tier shall commence on 17 December 2016 and end on 16 June 2018. The third tier shall commence on 17 June 2018 and end on 16 December 2019.

CONTRACT LIMITATIONS

The total estimated dollar value is \$67,000,000.00.

The guaranteed minimum is 10% of the estimated dollar value or \$6,700,000.00.

The contract maximum, including all 3 price tiers and surge, is 300% of the estimated dollar value or \$201,000,000.00.

CONTRACT PRICING

NOTE: The cost of "ocean transportation" shall be included in the distribution price and the cost of "standard freight" shall be included in the delivered price. For the purposes of the Standard Freight Definition and FOB CONUS distribution priced items, Subsistence Prime Vendor (SPV) Contractor means the consolidation point in CONUS where sea vans will be loaded. The delivered price includes standard freight to the delivering warehouse. For FOB CONUS distribution priced items, the delivering warehouse is the consolidation point in CONUS where sea vans will be loaded, whether or not it is owned and/or operated by the offeror.

52.216-9064 Economic Price Adjustment (EPA) – Actual Material Costs for Subsistence
Delivered Price Business Model Economic Price Adjustment (EPA) - DLA Troop Support Subsistence Prime Vendor (SPV) Continuous United States (CONUS), Alaska, and Hawaii. (APR 2014)

Warranties. For the portion of the schedule that is covered by this EPA clause, the Contractor warrants that—

- (1) Contract unit prices covered by this contract do not include allowances for any portion of the contingency covered by this clause; and

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(2) Price adjustments invoiced under this contract shall be computed in accordance with the provisions of this clause.

(b) Definitions. As used throughout this clause, the term:

(1) "Private label holder" means:

A manufacturer or grower with whom the contractor holds an ownership and/or financial interest, or ownership and/or financial interest in a specific item(s) produced by a manufacturer or grower; or

An entity holding an intellectual property interest, whether by ownership or license, in the label under which product is being sold in the commercial marketplace; or

An entity holding exclusive marketing and/or sales authority of a product, or one holding property rights in a proprietary product formula.

(2) "Redistributor" means an entity independent of the contractor from which the contractor purchases product for purposes of consolidating quantities and/or obtaining a competitive delivered price.

(3) "Standard Freight" means the published list price or prevailing market rate for transportation of subsistence and food service operating supplies, i.e. the transportation charge for delivery from the manufacturer/grower/private label holder or redistributor to the SPV Contractor. This may include inter-division transfers between the SPV Contractor's warehouses provided the delivered price (inclusive of standard freight) of a product at a given time is identical to the delivered price of the same product at the same time to other commercial customers in the SPV Contractor's electronic purchasing system. NOTE: The Subsistence Prime Vendor (SPV) Contractor means the consolidation point in CONUS where sea vans will be loaded, whether or not it is owned by the offeror.

(i) In the event the SPV Contractor picks up product free on board (f.o.b.) origin from a manufacturer/grower/ private label holder, or arranges for delivery transportation from a third party source other than the manufacturer/grower/private label holder, the standard freight charge shall be based on market tariffs/conditions and shall not exceed the lesser of:

(A) The manufacturer/grower/private label holder's or manufacturer/grower/private label holder's carrier's freight price normally payable by the SPV Contractor for inbound shipments of such products and quantities to the Contractor's distribution point; or

(B) An average price based on market conditions for freight in the same market for the same type of freight service for like products, shipping methods and quantities.

(ii) In rare circumstances, and only with the Contracting Officer's written approval, the SPV Contractor may use drop shipments, i.e. the product is shipped directly from the manufacturer/grower / private label holder to the customer without the SPV Contractor taking possession. This may involve transportation charges using non-standard freight such as FedEx, United Parcel Service (UPS), or the United States (U.S.) Postal Service. In such instances the Contracting Officer will determine price reasonableness on the unit price inclusive of freight.

(4) "Contract unit price" means the total price per unit charged to DLA Troop Support for a product delivered to DLA Troop Support's customers. The Contract unit price consists of three components: delivered price plus distribution price less Government rebates and discounts. The unit price sum of the three component prices shall be rounded up or down as applicable, to the nearest cent to determine the final Contract unit price.

(5) Delivered price.

(i) Delivered price" means the most recent manufacturer, grower, or private label holder commercial price per unit to the Contractor, inclusive of all standard freight, that is input in the contractor's purchasing system as the starting basis for its pricing to customers prior to the application of any specific distribution fees, rebates, discounts, limited discounts, or other financial agreements with the Contractor's customers. The delivered price shall be based on f.o.b. destination delivered using standard freight. The delivered price shall exclude all costs that are to be covered in the distribution price. The SPV Contractor warrants that the delivered price to its delivering warehouse of a product sold at any given time by the SPV Contractor to DLA Troop Support customers is identical to the delivered price of such product sold at the same time to its other customers.

(A) Exception: For mandatory source items, the delivered price shall be limited to the nonprofit agency's price for product as set in accordance with applicable law, plus standard freight.

(B) Exception: A redistributor's price for a specific manufacturer/grower/private label holder's product (or stock keeping unit (SKU)) may be used as long as the redistributor's price for the quantity ordered is equal to or lower than the manufacturer's/ grower's/ private label holder's current price inclusive of Government rebates and discounts (as defined below). Supporting documentation (published price list, manufacturer letter/email, or similar proof of price comparison)

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may be required. The determination that the supporting documentation is sufficient to establish the manufacturer's/ grower's/ private label holder's current price rests solely with the Contracting Officer.

(C) Exception: Standard freight may not apply to drop shipments and f.o.b. origin pickups.

(ii) The Contractor shall utilize best commercial practices in purchasing its food items under this contract, to include seeking and using competition to the maximum extent practicable for all purchases and purchasing in the most economical order quantities and terms and conditions.

(6) "Distribution Price(s)" means the firm fixed price portion of the Contract Unit price, offered as a dollar amount per unit of issue, rounded up or down to the nearest cent. The distribution price is the only method for the Contractor to bill the Government for all aspects of contract performance other than delivered price; including but not limited to, the performance requirements of the statement of work (SOW) for the applicable SPV solicitation and resulting contract. As detailed above in paragraph (5), delivered price is distinct from and not to be included in the distribution price. For both drop shipments and Government pick-ups, the Contracting Officer may negotiate a reduced distribution price with the Contractor since the Contractor is not handling the product.

(7) "Government rebates and discounts" means all rebates, discounts, and limited discounts designated for the Government, including National Allowance Pricing Agreements (NAPA) discounts, food show discounts, early payment discounts (other than qualifying early payment discounts as defined in the Rebates, Discounts and Price Related Provisions section of the solicitation), and any other rebates, discounts, or similar arrangements designated by the manufacturer/grower/ private label holder or redistributor to be passed to the Government or passed to all customers without specific designation. In accordance with other provisions of the contract (and subject to any applicable exceptions in those provisions), all Government rebates and discounts shall be passed to the Government via a reduced catalog price (i.e. "off invoice"). Any Government rebates and discounts that must be passed to the Government and which cannot be applied as an up-front price reduction must be submitted via check payable to the U.S. Treasury, with an attached itemized listing of all customer purchases by line item to include contract number, call number, purchase order number and contract line item number (CLIN).

(8) "Ordering catalog" means the electronic listing of items and their corresponding Contract unit prices available for ordering under this contract.

(9) "Ordering Week" means from Sunday at 12:01 AM through the following Saturday until midnight (Eastern Time ET, standard or daylight as applicable).

(c) Price adjustments.

(1) General.

(i) All Contract unit prices shall be fixed and remain unchanged until changed pursuant to this clause or other applicable provision of the contract. Only the delivered price component of the Contract unit price is subject to adjustment under this clause. After the first ordering week, if the Contractor's delivered price changes for any or all Contract unit prices, the Contract unit price shall be changed in the next week's ordering catalog upon the Contractor's request, submitted in accordance with paragraph (iii) below, by the same dollar amount of the change in the delivered price, subject to the limitations in paragraph (d). The price change shall be effective at the beginning of the next ordering week. All ordering catalog unit prices computed in accordance with this clause and in effect when an order is placed shall remain in effect for that order through delivery. DLA Troop Support will be charged the Contract unit price in effect at the time of each order regardless of any changes in the unit price occurring in any subsequent ordering week.

(ii) Catalog delivered prices must be reflective of the prime vendor's last receipt price (the price of the stock most recently received into SPV contractor's inventory).

(iii) Updates to the delivered price: All notices and requests for new item delivered prices and price changes shall be submitted weekly, no later than 12:00pm Eastern Time on Wednesday, to be effective in the following ordering week's ordering catalog prices. The delivered price shall have any and all Government rebates and discounts subtractions made prior to presenting the delivered price to DLA Troop Support. The Contractor shall notify the Contracting Officer of its notice/request in the form of an electronic data interchange (EDI) 832 transaction set. The change notice shall include the Contractor's adjustment in the delivered price component of the applicable Contract unit price. Upon the Contracting Officer's acceptance of such EDI 832 price changes in accordance with paragraph (v) below, the price change transaction sets will post in the next week's ordering catalog and each Contract unit price shall be changed by the same dollar amount of the change in the delivered price in the next week's ordering catalog.

(iv) All price changes, and catalog contract prices, are subject to review by the Government. The Contracting Officer may at any time require the submission of supporting data to substantiate any requested price change or the requested

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continuation of the pre-existing price for any item, including prices applicable to prior ordering weeks. Upon notice from the Contracting Officer that supporting data is required, the Contractor shall promptly furnish to the Government all supporting data, including but not limited to, invoices, quotes, price lists, manufacturer/grower/private label holder documentation regarding Government rebates and discounts, and any other substantiating information requested by the Contracting Officer.

(v) Price change requests that the Contracting Officer questions or finds to be inconsistent with the requirements of this clause shall not be posted until the Contracting Officer specifically authorizes the posting. If the Contracting Officer does not notify the Contractor by close of business Eastern Time each Wednesday that a price or a price change request is being questioned or has been found to be erroneous, the price change(s) will post to the ordering catalog effective the beginning of the following ordering week. The posting of updated prices in the ordering catalog, calculated in accordance with this clause, constitutes a modification to this contract. No further contract modification is required to effect this change. Any changes that post to the ordering catalog do not constitute a waiver of any of the rights delineated elsewhere in the contract.

(vi) Should the Contracting Officer determine that, or question whether a price change request contained an erroneous unit price or price change, or cannot otherwise determine the changed price(s) to be fair and reasonable, such as when the changed price(s) is(are) higher than lower delivered prices for items of comparable quality which are reasonably available to the Government or Contractor from other sources, the Contracting Officer will so advise the Contractor, prior to close of business Eastern Time on Wednesday. If the Contracting Officer cannot determine a price fair and reasonable, and the Contracting Officer and the Contractor cannot negotiate a fair and reasonable price, the Contracting Officer may reject any price change and direct in writing that the item in question be removed from the Contractor's ordering catalog, without Government liability. The Contracting Officer may subsequently remove any such item from the ordering catalog if the Contractor fails to remove it. The Government has the right to procure such removed items from any alternate source of supply, and the failure of the Contractor to supply such item may be considered negatively in any evaluation of performance.

(vii) In the event of a price change not posting or an ordering catalog contract unit price not computed in accordance with this clause, resulting in an incorrectly increased or decreased Contract unit price, upon discovery of such event the Contractor shall promptly notify the Contracting Officer in writing and promptly thereafter correct its ordering catalog and submit a refund including interest for any amounts paid to the Contractor resulting from the erroneous price. In the event of an erroneous price decrease in the ordering catalog, if the contractor can demonstrate to the satisfaction of the Contracting Officer that the error did not result from the fault or negligence of the Contractor, the Contractor may submit a request for equitable adjustment for consideration by the Contracting Officer.

(2) Limitations. All adjustments under this clause shall be limited to the effect on contract unit prices of actual increases or decreases in the delivered prices for material. There shall be no upward adjustment for—

(i) Supplies for which the delivered price is not affected by such changes;

(ii) Changes in the quantities of materials; and

(iii) Increases in unit prices that the Contracting Officer determines are computed incorrectly (i.e. not adhering to the Contract unit price definition in this clause) and/or increases in unit prices that the Contracting Officer determines are not fair and reasonable.

(3) If the Contracting Officer rejects a proposed adjustment for an item because the adjusted unit price cannot be determined fair and reasonable, the Contractor shall have no obligation to fill future orders for such item as of the effective date of the proposed adjustment unless such item is subsequently added to the contract at a Unit Price that is determined fair and reasonable. Alternately, the item may be retained on the catalog at the prior (unadjusted) price for as long as both parties agree to do so.

(d) Upward ceiling on economic price adjustment. The aggregate of contract delivered price increases for each item under this clause during the contract period inclusive of any option period(s) shall not exceed 30 percent (%) for all items except fresh fruits and vegetables (FF&V) and 30 percent (%) for fresh fruits and vegetables (FF&V) of the initial contract delivered price, except as provided below:

(1) If at any time the Contractor has reason to believe that within the near future a price adjustment under the provisions of this clause will be required that will exceed the current contract ceiling price for any item, the Contractor shall promptly notify the Contracting Officer in writing of the expected increase. In the event the latest actual market price for an item would result in a contract unit price that will exceed the allowable ceiling price under the contract, then the Contractor shall immediately notify the Contracting Officer in writing or via its EDI 832 price change request and separate email no later than the time specified in paragraph (c)(1)(iii) above. With either such notification the Contractor shall include a revised ceiling the Contractor believes is sufficient to permit completion of remaining contract performance, along with appropriate explanation and documentation as required by the Contracting Officer.

(2) If an actual increase in the delivered price would raise a contract unit price for an item above the current ceiling, the Contractor shall have no obligation under this contract to fill

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future orders for such items, as of the effective date of the increase, unless the Contracting Officer issues a contract modification to raise the ceiling. If the contract ceiling will not be raised, the Contracting Officer shall so promptly notify the Contractor in writing. After evaluation of a requested actual price increase, if the Contracting Officer authorizes the change in the Contract unit price, the Contractor shall submit an EDI 832 price change. The price change shall be posted for the following week's ordering catalog.

(e) Downward limitation on economic price adjustments. There is no downward limitation on the aggregated percentage of decreases that may be made under this clause.

(f) Examination of records. The Contracting Officer or designated representative shall have the right to examine the Contractor's books, records, documents and other data, to include commercial sales data, that the Contracting Officer deems necessary to verify Contractor adherence to the provisions of this clause. Such examination may occur up to twice a year (except as provided for below) until the end of 3 years after the date of final payment under this contract or the time periods specified in Subpart 4.7 of the Federal Acquisition Regulation (FAR), whichever is earlier. These will normally involve Government selection of a statistically significant sample size of invoices/records to examine based on the number of line items on the specific contract catalog. If an examination of records reveals irregularities, further examinations and/or a larger sample size may be required. In addition to normal examination, the Government may conduct additional examinations at the Contracting Officer's discretion.

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

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

CONTRACT DISTRIBUTION PRICES

This contract has two distribution prices for each category. The first distribution price is "FOB CONUS" which shall include over-ocean transportation fees. The second is "FOB Hawaii" which shall include distribution prices for items that are either procured locally on Hawaii or have national delivered pricing to Hawaii. During contract performance, the contractor shall indicate whether a catalog add is FOB Hawaii or FOB CONUS. Once an item is added to the catalog, the contractor may not switch the FOB location without first obtaining Contracting Officer approval. This change will be treated as a catalog add/change/delete as detailed on solicitation page 88-89.

Contract distribution prices are set for the term of the contract. Contract distribution prices and categories are listed in "Attachment 1 – Zone 2 Distribution Prices."

SHELF LIFE REQUIREMENTS

Milk (fresh), Whipping Cream (fresh), Cream (fresh), and Half and Half (fresh), Ice Milk Mix, Fresh (soft serve), Milk Shake Mix, Fresh (direct draw) must have minimum 7 days product shelf life remaining upon delivery.

Half and Half (ultra-pasteurized) and Buttermilk must have a minimum 45 shelf life days remaining upon delivery.

Whipping Cream (ultra-pasteurized), Cream (ultra-pasteurized) and Eggnog (ultra-pasteurized) must have a minimum 21 days product shelf life remaining upon delivery.

Cottage Cheese, cultured, or acidified, normal shelf life, and Cottage Cheese, cultured or acidified, extended shelf life, must have a minimum 21 days product shelf life remaining upon delivery.

Sour Cream must have a minimum 21 days product shelf life remaining upon delivery.

Yogurt must have a minimum 21 days product shelf life remaining upon delivery.

Ice Cream must have a minimum 7 months shelf life remaining upon delivery.

ORDER LEAD TIMES

Routine lead times (in-port ships): Deliveries will be made with a 7-day turnaround (orders placed Monday will be delivered the following Monday.) The customer shall submit their orders by 2:00 p.m. for delivery the same day of the following week. Orders with less than a 7-day lead time up to and including same day delivery will be treated as either "emergency orders", or the order will be filled, without the guarantee of receiving a fill rate of 98%.

Other lead times for special circumstances for Navy Ships:

For in-port Navy Ships loading out for deployment, the order lead-time shall be 14 days, providing a fill rate of at least 98%.

For Visiting Navy Ships (i.e. Ships underway and ordering from other than their home port Contractor catalog) the order lead time shall be 21 days. In the event the visiting Navy Ship cannot provide a 21 day lead-time, the Visiting Ship(s) shall submit orders with the greatest lead-time possible. Customers will receive a 98% fill rate regardless of the number and types of ships ordering consistent with the required lead time.

Emergency Orders

The Contractor shall fulfill emergency orders, i.e. orders for same-day delivery, as needed. The Contractor is responsible for providing the ordering facilities with the name of the Contractor representative responsible for notification of receipt and handling of such emergency service and his/her phone number and/or pager number.

The Contractor shall be responsible for completing no more than two Emergency orders per customer, per month, without additional charge.

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ORDER CHANGE AND CANCELLATION TIMES

Purchase orders may be revised, i.e. the required quantity for a line-item(s) may be increased, reduced, or cancelled in its entirety (zero amount). Customers shall notify the Contractor no later than 24 hours prior to the required delivery date. Orders may be cancelled at the customers' discretion including but not limited to the following reasons:

Change in requirement
Change in troop location
Change in troop mission
User error on original order

LINE ITEM FILL RATE (Navy Ships Customers Only)

Contractor quantity performance will be measured by the number of filled line items accepted by the customer as compared to line items ordered by the customer. The Contractor will provide the customer's signed invoice or receipt document to their local NAVSUP Fleet Logistics Center STORES operator the same day the order was delivered and accepted by the customer.

For catch weight items, the Contractor will meet or exceed the requisition required weight.

**A line item and stock numbered item are the same for the purposes of calculating fill rates.

Line Item Fill Rate= ((Quantity Accepted)/(Quantity Ordered)) x 100

The Contractor will provide a line item fill rate of 98% without substitutions. This is measured by the quantity of each line or stock numbered item accepted divided by the quantity of each line or stock numbered item ordered, all within one order opportunity. It is not necessary to propose a higher fill rate, nor will we evaluate a proposed higher fill rate. During contract performance, higher fill rates may result in a higher Past Performance and Experience rating for option determinations and future acquisitions. Fill rates will be documented in the Contractor Performance Review System (CPARS) and low fill rates may impact past performance evaluations on subsequent acquisitions. If a Contractor delivers less than 98% of the customer ordered quantity, the affected line item will be considered not filled for performance reporting purposes only (i. e. Contractor still receives payment for quantity accepted based on submitted invoice, even if line item fill is below 98%).

A fill rate below 98% is considered unacceptable and will be counted against the vendor's performance rating.

No single line item will be credited for more than 100% fill-rate.

The Contractor's performance will be verified against the Subsistence Total Order Requisitioning Electronic System (STORES) for accuracy.

The Contractor shall promptly inform the Acquisition Specialist or Contracting Officer of any specific instances that would absolve or excuse its failure to deliver an order, or individual line item(s), in full; e.g. customer cancelled line or quantity without adjusting STORES, customer ordered incorrect quantity, item being discontinued, etc. If the Government agrees with the justification, the Government will post the exception into its in-house system which will result in the order or line(s) either being excluded from the Government fill-rate calculation or the correct order and receipt quantities being included in the calculation. These excusable instances represent Fill-Rate Exceptions, and are shown below.

Non-conforming cases, e.g. incorrect items (mis-picks) and damaged cases will not be accepted and receipted.

The Contractor shall submit its fill-rate report (to include a line by line fill rate) to the DLA Troop Support Contracting Officer. The reports shall be based on order required delivery dates (RDD), not order placement dates. The Government will compare and attempt to reconcile the Government and Contractor's report. The Government's fill-rate report will be the official government record for contract performance evaluation.

The Contractor shall submit its hard-copy fill-rate report grouped and sorted by customer DODAAC (first 6 positions of the PO), and then sorted by PO within each DODAAC grouping. Only POs whose Required Delivery Date (RDD) falls within the report period, should be included on the report. In addition to the hard-copy fill rate report, and the aforementioned Vendor Fill Rate Exception Spreadsheet, the Contractor is required to submit an additional spreadsheet which is an electronic version of their hard-copy fill rate data. The Contractor shall use the provided, pre-formatted DLA Troop Support Vendor Fill Rate Line by Line Spreadsheet. Contractors are not permitted to reformat the spreadsheet. Column totals are not desired on this spreadsheet.

The Government fill rate will be the official fill rate.

RIM OF THE PACIFIC EXERCISE ("RIMPAC")

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RIMPAC is the world's largest international maritime warfare exercise. RIMPAC is held biannually during June and July of even-numbered years from Honolulu, HI, under the leadership of the United States Pacific Command, headquartered at the Nimitz-MacArthur Pacific Command Center at Camp H.M. Smith near the Honolulu subdivision of Salt Lake.

During this exercise the visiting Ships will order from the Prime Vendor causing more quantity to be ordered during the months of June and July. The Contractor will be required to support this bi-annual increase. During RIMPAC years, it is estimated that the annual dollars for Hawaii Navy Ships Customers will surge by \$3,000,000. Therefore, during RIMPAC years the estimated annual Dollars for Hawaii Navy Ships Customers will be \$16,000,000.00.

WAR READINESS MATERIAL (“WRM”)

WRM Overview

The contractor shall maintain a maximum of three “battle packs” of War Readiness Materiel. Customers will often require that the contractor maintain fewer than three battle packs, depending on current needs. A battle pack is a selected group of catalog items. The current list comprises approximately 150 catalog items with associated quantities between one and 90 cases per battle pack. In a battle pack, the average number of cases per item is eight. Each battle pack contains about 1300 cases. Thus, for three battle packs, the contractor must have 3900 cases ready for delivery. During the implementation period, DLA shall inform the contractor which items shall be included in a battle pack and shall inform the contractor of item changes, during contract performance, in a timely manner. DLA will also inform the contractor of the number of battle packs required at a given time. The contractor shall maintain a 100% fill rate for these items and must be able to deliver a battle pack to the required customer within 24 hours of the order. The contractor shall deliver these requirements to piers in Pearl Harbor, HI.

The contractor shall be compensated for maintaining these battle packs through an additional distribution category (#39) that will be measured on a per case basis. The items within a battle pack shall be priced, on an individual level, through the normal method: $\text{Delivered Price} + \text{Distribution Price} = \text{Unit Price}$. The contractor will not be compensated for these items until the customer places an order. The contractor will be compensated, however, for storing each case as part of a battle pack regardless of whether the customer places an order. The compensation will occur on a monthly basis and will be calculated as follows: number of total cases (in all required battle packs) multiplied by the per case battle pack distribution price. Thus, if DLA requires one battle pack of 1300 cases, the contractor shall be paid $1300 \times \text{Category \#39 price per month}$.

WRM Particulars

Time frame for Order Placement. The contractor shall deliver all WRM requests within 24 hours of a customer order. Further, the contractor must have the capability to process a WRM order 24 hours per day, 7 days per week, including weekends and holidays. The contractor must possess this capability by the end of the implementation period, with the ability to receive a WRM request on the day of first orders.

Contractor Contacts. The contractor shall provide, as part of its proposal, a point of contact, including telephone/fax number and e-mail address, for the person(s) responsible for accepting WRM orders. During contract performance, the contractor shall notify the Contracting Officer, in writing, within two business days of any changes to this point of contact. WRM orders may be placed electronically, through the contractor's STORES account, or directly with the listed point of contact.

Ordering Facilities. NAVSUP-FLC will be the primary ordering activity. DLA Troop Support may also place WRM orders.

Changes to WRM Requirements. DLA reserves the right, at any time, to add, delete or change WRM items and quantities. Within 30 calendar days of a change notification, the contractor shall be able to deliver all new items and quantities.

Expiration Date/Shelf Life. All battle pack items shall have the maximum practicable shelf life remaining upon delivery to the customer. As such, the contractor shall adhere to the following guidelines:

ORIGINAL MANUFACTURER SHELF LIFE	REMAING UPON DELIVERY
Greater than nine months	three months
Less than nine months	two months
90 days	14 days
Less than 14 days	freshest available

Fill-Rate and substitutions. The contractor shall provide a 100% fill-rate on each battle-pack order. In the event that the fill rate is not 100%, the contractor will not be paid the additional WRM distribution amount for that month. Further, the contractor will not be paid the WRM distribution amount in any subsequent month until it can demonstrate that future orders will comply with the 100% fill rate. The contractor shall nevertheless be paid the appropriate contract unit price as would occur on a normal order.

In the rare situation where the contractor cannot comply with the 100% fill rate, the contractor may substitute items. These substitutions, however, must have prior written approval from the contracting officer. While awaiting verification from the contracting officer concerning discrepancies or substitutions, the contractor should continue to make progress in filling the WRM order, so as not to jeopardize the preparation of the order or the delivery date. Once verified, the contractor shall fill the

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order using specific materiel required. WRM deliveries containing substitutions shall not be considered having a 100% fill rate and will, therefore, not entitle the contractor to the additional WRM distribution amount.

WRM Paper Testing. The Government may test the contractor's ability to comply with WRM requirements by placing simulated orders against the contract, with or without prior notification. This is called a "paper test." When a paper test is conducted, the contractor shall provide projected materiel availability results of the simulation, without the physical movement of the materiel in accordance with the required delivery timeframes. Paper testing will be limited to twice a year. Paper tests will be conducted at no additional cost to the Government.

WRM Materiel Testing. The Government may test the contractor's ability to comply with WRM requirements by placing actual orders against the contract, with or without prior notification. This is called a "materiel test." When a materiel test is conducted, the contractor shall provide materiel in accordance with the required delivery timeframes for the order. The Government will take possession of the materiel and will pay the contractor for the order.

WRM Administration

Subsequent to the delivery of WRM, the contractor shall replenish stock within 30 calendar days and, therefore, be ready to make another WRM delivery at that time.

The Government shall have the right to inspect at the contractor's storage location and materiel specifically stocked by the contractor in its inventory to meet this contract's Government WRM requirements. The contractor will be given 24 hours' notice by the Government before inspection. The contractor agrees to provide the inspection team(s) with reasonable and timely access to the materiel at no additional cost to the Government.

In the situation where a WRM item becomes unavailable (i.e. manufacturer discontinued), the contractor shall notify the contracting officer within seven business days.

The contractor shall submit an invoice for payment at the end of each month, outlining the total number of cases reserved for WRM multiplied by the per case WRM distribution price.

Funding

The WRM requirement is conditional upon fiscal year funding. Distribution Category #39 shall be used to calculate the contractor's compensation so long as the requirement remains.

Part 12 Clauses

52.247-9034 POINT OF CONTACT FOR TRANSPORTATION INSTRUCTIONS (JUN 2013) DLAD