

2. AMENDMENT/MODIFICATION NO. SP0300-00-R-4040/ 0001	3. EFFECTIVE DATE 04 Oct 00	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. (If applicable)
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6. ISSUED BY DSCP-HFOP 700 ROBBINS AVE. PHILA, PA. 19111-5092 Maryann DiMeo (215)737-3726	CODE SP0300	7. ADMINISTERED BY (If other than Item 6)	CODE
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8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code)	(X)	9A. AMENDMENT OF SOLICITATION NO. SP0300-00-R-4040
	X	9B. DATED (SEE ITEM 11) 20 SEP 00
		10A. MODIFICATION OF CONTRACT/ORDER NO.
		10B. DATED (SEE ITEM 13)

CODE	FACILITY CODE	11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS
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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 _____ 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, 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.)

SOLICITATION SP0300-00-R-4040 IS HEREIN AMENDED TO INCLUDE THE ATTACHED PROVISIONS. ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED. THE CLOSING DATE HAS NOT BEEN EXTENDED.

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) MARYANN DIMEO CONTRACTING OFFICER		
15B. CONTRACTOR/OFFEROR	15C. DATE SIGNED	16B. UNITED STATES OF AMERICA BY 	16C. DATE SIGNED 4 Oct 00
<small>(Signature of person authorized to sign)</small>		<small>(Signature of Contracting Officer)</small>	

Performance Based Distribution Fees

The awardee under this solicitation will be expected to maintain at least a 97% fill rate for the life of the resultant contract, including any options. This solicitation incorporates provisions for "performance based distribution fees" (PBDF's). Exclusively for the purpose of administering these PBDF's, a range in which performance may fall will be used for the application of fees. The use of this range for administration should not be taken to imply any deviation to the requirement to perform at 97% or above. The PBDF structure detailed herein is based on the contractor maintaining a fill rate between 96.5% and 97.5%, inclusive. If a higher range is proposed by the awardee and accepted by the Government, that range will be incorporated into the contract and will become the basis for subsequent fill rate based fee adjustments. The vendor will be responsible to invoice at the proper, applicable, distribution fee. Adjustments can be made if it is later determined that fees were paid in error.

Distribution fees negotiated for each category at the time of award, will be called the "standard contract distribution fees." The actual distribution fees paid, however, have the potential to be greater or lesser based on the performance of the vendor as measured by the product fill rate. Fill rate calculation will be based on the total number of cases shipped and accepted divided by the total number of cases ordered. Fill rate will be calculated on a per order basis within each zone as well as an overall zone calculation (includes all orders for all customers within that zone). For the purpose of calculating the fill rate, the vendor should detail at least two decimal places without rounding. Refer to pages 35 and 41 for additional information regarding fill rates. Because of the difference in the missions between Zone 1 (Shore Based Customers) and Zone 2 (Tactical-Auxiliary Fleet Supply Ships [T-AFS]), the performance based distribution fees will be structured differently for each zone.

Distribution Fees for Zone 1 Land Based Customers

The prime vendor is required to maintain a cumulative quarterly (running total) fill rate (total cases shipped and accepted during the quarter divided by the total number of cases ordered during the quarter) of between 96.5% and 97.5% inclusive, before substitutions, for all customers. For the purpose of determining the quarterly rate, the vendor should detail at least two decimal places without rounding. For orders completed during implementation and during the first quarter of the contract, the vendor will be paid the standard contract distribution fee. The first quarter will commence the first calendar day of the first month following the completion of contract implementation. On the last day of the first quarter (the last day of the third full calendar month following the start of the quarter), the vendor will calculate its' cumulative quarterly fill rate. This fill rate will be the basis for the next quarter's Zone 1 distribution fees and will be effective on the first calendar day of the next quarter. Subsequent quarter's distribution fees will be calculated in the same manner, with the second quarter's fill rate becoming the basis for the distribution fees in the third quarter and so on. If the vendor achieves a fill rate of between 96.5% and 97.5% inclusive, before substitutions, it will be paid the standard contract distribution fees. If the vendor achieves a fill rate of 97.51% or above, before substitutions, the standard contract distribution fees will be increased by 10%. If the vendor achieves a fill rate of 96.49% or less, the standard contract distribution fees will be decreased by 10%. However, the standard contract distribution fee will not be increased if an order in either zone is less than 90% during the determining quarter. For example, a vendor supplying a 98.5% fill rate during the first quarter would not be eligible to receive the 10% increase in the standard contract distribution fee for the second quarter if even one order from either zone during the first quarter is supplied at 90% or less.

This method will be continuously applicable to the base contract as well as options. For example: the cumulative quarterly fill rate for the last quarter of the base period will serve as the basis for the new option year's first quarter distribution prices.

Any premiums paid for performance in the final quarter of a contract or option that will not be renewed will be subject to recoupment if the contractor's performance during that quarter falls below a fill rate of 97%.

Distribution Fees for Zone 2 T-AF

The fill rate achieved for the actual load-out will determine the distribution fee paid for that order. The vendor will calculate the fill rate for each individual load-out and adjust the distribution fees accordingly. If the vendor achieves a fill rate of between 96.5% and 97.5% inclusive, before substitutions, the vendor will be paid the standard contract distribution fee for each category incorporated into the contract. If the vendor achieves a fill-rate of 97.51% or greater for the load-out, before substitutions, the standard contract distribution fees will be increased by 10%. If the vendor achieves a fill rate of 96.49% or less for the load-out, before substitutions, the standard contract distribution fees will be decreased by 10%. If the fill rate for any order from either zone falls below 90% from the date of T-AFS order placement, up to and including the final receipt date for the individual load-out or top-off, the standard contract distribution fee will not be increased by 10% for the load-out or top-off. For example, a vendor that is supplying a load-out with a 99% fill rate would not be eligible to receive the standard contract distribution fee increase of 10% if any order from either zone received a fill rate of 90% or lower from the date of order placement (at least 45 days) up to and including the final date of loading.

Insert the following provision in Section 4. Transportation:

Radio Frequency Identification Tags (RF Tags)

An RF Tag is a small radio transceiver that can store user defined data in nonvolatile, read/write memory, and can be monitored and controlled by other devices. RF tags are typically attached to individual ocean containers.

It is the objective of the U. S. Government to use RF Tags for overseas subsistence shipments in order to maintain total asset visibility (TAV) and enhance contingency operations. As a result, the Contractor may be required to utilize RF Tags from their CONUS facility to their overseas storage facility.

If required to use these Tags, the Contractor must have telephone lines with access to a toll free number, dedicated un-switched electrical outlets, and a dedicated PC. This would be required at both locations--CONUS and overseas. Currently, the dedicated PC will only be needed at the CONUS facility. All RF Tag equipment and software, except for the PC, will be Government Furnished Material (GFM) as provided in Clause 52.245-2, "Government Property."