

2. AMENDMENT/MODIFICATION NO. 0005	3. EFFECTIVE DATE 24 January 2003	4. REQUISITION/PURCHASE REQ. NO. ARS02-086-000101	5. PROJECT NO. (If applicable)
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6. ISSUED BY CODE SP0300  Defense Supply Center Philadelphia 700 Robbins Ave. Philadelphia, PA 19011-5092 Attn: DSCP-HRAA/Theodes M. Mullins (215) 737-3839	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)  ALL OFFERORS	(X)	9A. AMENDMENT OF SOLICITATION NO. SP0300-02-R-7055
	X	9B. DATED (SEE ITEM 11) 19 JUNE 2002
		10A. MODIFICATION OF CONTRACT/ORDER NO.
		10B. DATED (SEE ITEM 13)

CODE	FACILITY CODE	<b>11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS</b>
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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, 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.)

Amendment 0005 to the Solicitation for MRE Spread Components

I. The following changes are incorporated into Solicitation SP0300-02-R-7055, all terms and conditions of the Solicitation remain the same except for the following:

a. The following changes are incorporated into Solicitation SP0300-02-R-7055:

(See Page(s) 2-4)

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) THOMAS L. GORDON		
15B. CONTRACTOR/OFFEROR  (Signature of person authorized to sign)	15C. DATE SIGNED	16B. UNITED STATES OF AMERICA BY _____ (Signature of Contracting Officer)	16C. DATE SIGNED

The following changes are incorporated into solicitation SP0300-02-R-7055.

I. Under **Section B** – SUPPLIES/SERVICES the following will be added to and/or deleted.

1. Under **Section B** – SUPPLIES/SERVICES page 8, add the following item to the chart:

**OPTION YEAR 1                  OPTION YEAR 2**

Item No.	Item Description	Firm Fixed Price Portion	Portion Subject to EPA	Firm Fixed Price Portion	Portion Subject to EPA
0003	Peanut Butter, Smooth Texture, Stabilized NSN: 8930-00-149-1054		Peanuts =		Peanuts =

II. Under **Section B** – SUPPLIES/SERVICES the following will be added to and/or deleted.

1. Insert the following clause subsequent to the chart located on page 8:

**52.216-9P17 ECONOMIC PRICE ADJUSTMENT – ESTABLISHED MARKET PRICE  
(JUN 1995) ALTERNATE I (JUN 1995) DSCP**

(a) The Contractor warrants that the unit prices included in the Schedule do not include allowances for any portion of the contingency covered by this clause.

(b) An established market price is a price that is established in the course of ordinary and usual trade between buyers and sellers free to bargain and that can be substantiated by data from sources independent of the offeror(s). The established market price under this clause may reflect industry-wide and/or geographically based market price fluctuations for commodity groups or specific supplies. The established market price that shall be used for adjustments to contract prices under this clause, shall be the National Posted Price (NPP) per ton for Runner Peanuts as published weekly in the United States Department of Agriculture (USDA) Farm Agency Service (FSA) website at <http://www.fsa.usda.gov/dafp/psd/Peanut.htm> or <http://www.fsa.usda.gov/pas/news/default.htm>.

(1) The base unit price for the purpose of the adjustment calculations under this clause shall be the arithmetic average of the weekly NPP prices for the 12-week period for this commodity as published in the USDA FSA website immediately preceding (i) the closing date for proposals, if no discussions are held, (ii) the due date for final proposal revisions, if discussions are held, or (iii) the opening date, if sealed bidding is used.

(2) The adjusting unit price shall be the arithmetic average of the weekly NPP prices for the 12-week period for this commodity as published in the USDA FSA website one week prior to the date the option term is exercised.

(c) With respect to increases or decreases under this clause, no adjustment shall be made to the base term contract unit prices. One adjustment calculation shall be made annually to determine the unit prices applicable to the forthcoming option term (if exercised).

(d) Allowance Factor. For the purpose of price adjustment pursuant to this clause, it shall be conclusively presumed that the amount shown under "Portion Subject to EPA" for the item in the Schedule on DLAD Clause 52.217-9001, represents the cost of Peanut that is subject to adjustment. This allowance factor remains fixed throughout the life of the contract unless a Government authorized change is made to the contract, which affects this allowance.

(e) Adjustments shall be calculated as follows (rounded to 4 decimal places):

- (1) Compute the Adjusting Unit Price and the Base Unit Price.
- (2) Adjusting Unit Price – Base Unit Price / Base Unit Price = Market Price Change (+ or -)
- (3) Market Price Change X Allowance Factor = Contract Unit Price Adjustment (+ or -).
- (4) The original option unit price(s) for each option will be the sum of the firm fixed price portion and the portion subject to EPA (Allowance Factor). The adjusted unit price(s) for each option shall be determined by increasing or decreasing (as appropriate) the Allowance Factor by the Contract Unit Price Adjustment and adding that to the firm fixed price portion agreed to at the time of award for the option period being adjusted.

(5) Below is an example of adjustment calculation.

Contract Period	Firm Fixed Price Option	Portion Subject to EPA	Total Unit Price
Base Year	\$1.00	\$1.00	\$2.00
Option Year 1	\$1.10	\$1.00	\$2.10
Option Year 2	\$1.20	\$1.00	\$2.20

Calculate the Contract Unit Price Adjustment as follows:

Adjusting Unit Price {See (1)}	\$325.00
Less: Base Unit Price {See (2)}	\$300.00
Change in Price	<u>\$ 25.00</u>
Divide Change in Price by Base Unit Price $25.00/300.00 =$	.0833
Market Price Change	.0833
(X) Allowance Factor	\$ 1.00
(=) Contract Unit Price Adjustment	<u>\$ 0.0833</u>

Calculate the Adjusted Unit Price for Option Year 1 as follows:

Allowance Factor	\$1.00
Add: Contract Unit Price Adjustment	<u>\$0.0833</u>
	\$1.0833
Option Year 1 Firm Fixed Price Portion	<u>\$1.10</u>
Adjusted Unit Price	<u>\$2.1833</u>

(f) Price adjustments pursuant to this clause shall be made by contract modification showing the calculations used to derive the adjusted contract unit prices.

(g) Payment on this contract shall be at the current contract price pending issuance of an adjusting modification.

(h) Any pricing actions pursuant to the CHANGES clause or other provisions of the contract will be priced as though there were no provisions for economic price adjustment.

(i) No adjustment will be made under this clause unless the total change in the contract amount is \$500.00 or more.

(j) The total increase in any contract unit price shall not exceed 20% per annum of the original option unit prices agreed to at time of award. If at any time during the term of the contract, a proposed economic price adjustment will exceed this ceiling, either party may cancel the contract effective 60 days after receipt of written notice of the cancellation. There is no percentage limit on downward adjustments under this clause.

(k) In the event (i) any applicable market price indicator is discontinued or its method of derivation is altered substantially or (ii) the Contracting Officer determines that the market price indicator consistently and substantially fails to reflect market conditions, the parties shall mutually agree upon an appropriate and comparable substitute and the contract shall be modified to reflect such substitute effective on the date the indicator was discontinued, altered, or began to consistently and substantially fail to reflect market conditions. If the parties fail to agree on an appropriate substitute, the matter shall be resolved in accordance with the DISPUTES clause of the contract.

(l) The Contractor shall certify on the final invoice that amounts invoiced under this contract reflect all decreases required by this clause.