

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT			1. Contract ID Code N/A	Page of Pages 1 2
2. Amendment/Modification No. A03	3. Effective Date 02/29/2016	4. Requisition/Purchase Reg. No. N/A	5. Project No. (if applicable) N/A	
6. Issued By United States Department of Agriculture Agricultural Marketing Service, Commodity Procurement Staff 1400 Independence Avenue, S.W. Room 3522-S, STOP 0239 Washington, D.C. 20250-0239		7. Administered By (If other than Item 6) See block 6		
8. Name and Address of Contractor (No., Street, County, and Zip Code)			(X)	9A. Amendment of Solicitation No. 2000003838
			X	9B. Date (See Item 11) 2/11/2016
				10A. Modification of Contract/Order No.
				10B. Date (See Item 13)
Code	Facility Code			

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

The above numbered solicitation is amended as set forth in item 14. The hour and date specified for receipt of Offers is extended is not extended. Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing items 8 and 15, and returning 1 copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment 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)
N/A

**13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACT/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.)
	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 1 copies to the issuing office.

14. Description of Amendment/Modification (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)

The purpose of this amendment is to make changes to the solicitation as follows:

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)	
		James D. Sprandel Contracting Officer	
15B. Contractor/Offeror	15C. Date Signed	16B. United States of America	16C. Date Signed
_____ (Signature of person authorized to sign)		_____ (Signature of Contracting Officer)	

1. The **Example of Economic Price Adjustment Calculation** in section B.3, is changed to the following:

“A contract was awarded on Tuesday, January 12, 2016 for CLIN D, Turkey Roasts FRZ CTN-32-48 LB (100125), at a base price of \$2.50 per pound with the contractor indicating that turkey represents 25% of the unit price. A delivery order for this product is to be issued on Wednesday, January 20, 2016.

The Base Index (Z), for the Friday before award (Friday January 8, 2016), is calculated as follows:

$$\begin{aligned} A &= 558.00 \text{ (see Exhibit 1)} \\ B &= 110.70 \text{ (see Exhibit 1)} \\ Z &= (558.00 \times .58) + (110.70 \times .42) = \mathbf{370.13} \end{aligned}$$

The index for the delivery order (Y), the Friday before the delivery order is issued (Friday, January 15, 2016), is calculated as follow:

$$\begin{aligned} A &= 550.00 \text{ (see Exhibit 1)} \\ B &= 109.89 \text{ (see Exhibit 1)} \\ Y &= (550.00 \times .58) + (109.89 \times .42) = \mathbf{365.15} \end{aligned}$$

$$\text{Adjusted Unit Price} = [(Y/Z) \times S(P)] + [(1-S) \times (P)]$$

Where

$$\begin{aligned} Z &= \text{Base Index} = \mathbf{370.13} \\ Y &= \text{Index for the Friday before delivery orders are placed} = \mathbf{365.15} \\ S &= \text{Percentage of Price Subject to Adjustment (identified by the contractor)} = 25\% \\ P &= \text{Base Unit Contract Price} = \text{Awarded Unit Contract Price} = \$2.50 \end{aligned}$$

Calculation of Adjusted Unit Price:

$$\begin{aligned} &= [(Y/Z) \times .25(P)] + [(1-.25) \times (P)] \\ &= [(\mathbf{365.15/370.13}) \times .25(2.50)] + [(1-.25) \times (2.50)] \\ &= (.9865 \times .6250) + (.7500 \times 2.5000) \\ &= \mathbf{.6166} + 1.8750 \\ &= \mathbf{\$2.49159} \text{ per pound} \end{aligned}$$

The adjusted unit price for the delivery order is **\$2.4916/lb**. The economic price adjustment is a **.0084** decrease per pound.

2. The sentence under Paragrah C.3 that describes **The Economic Price Adjustment - Labor and Material** is changed to the following:

“This clause shall be carried out as described in Section **B.3** upon issuance of each Delivery Order (PO).”