

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT		1. CONTRACT ID CODE	PAGE OF PAGES 1 3
2. AMENDMENT/MODIFICATION NO. PS 00X	3. EFFECTIVE DATE May 6, 2005	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. (If applicable)
6. ISSUED BY GSA/FSS/SBGWAC Center (6FGC) 1500 E. Bannister Rd. Kansas City, MO 64131	CODE	7. ADMINISTERED BY (If other than Item 6) same as block 6	CODE
8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code)		(√)	9A. AMENDMENT OF SOLICITATION NO.
Company Name			9B. DATED (SEE ITEM 11):
Company Address			
City, State Zip		√	10A. MODIFICATION OF CONTRACT/ORDER NO. GS-06F-XXXXZ
CODE	FACILITY CODE		10B. DATED (SEE ITEM 13) Award Date

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 _____ 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)
AS SPECIFIED ON INDIVIDUAL TASK ORDERS**

**13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS,
IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.**

<input type="checkbox"/>	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.
<input type="checkbox"/>	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).
<input checked="" type="checkbox"/>	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: FAR 43.103(a)
<input type="checkbox"/>	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 above referenced contract is hereby modified per the attached.

All other terms and conditions remain unchanged.

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) HOWARD L. INNIS CONTRACTING OFFICER	
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

PURPOSE OF THIS MODIFICATION:

1. To add Section B.3.1.1 “Applying ODCs and Handling Rates”

B.3.1.1 Applying ODCs and Handling Rates

8(a) STARS is a “Solutions Contract” encompassing pre-established fully burdened labor line items and two additional line items (two line items) introduced in Section B, those being:

- Travel
- Other Direct Costs (i.e., additional skill categories, supplies/hardware and software)

ODC line items (not travel) are explicitly required to be fixed price items/fully definitized up front in every order. Travel has adequate controls in the applicable travel regulation options to permit it to not be fully definitized up front in each task order, but it shall at least be monetarily capped in each order.

With the flexibility to have the two line items in task orders and to receive handling compensation for them comes the added responsibility on the awardees and the Government of ensuring the value of pre-competing their ceiling handling rates is carried forward into task orders. This is accomplished by showing the applied handling rate for each of the two items in quotes or proposals for task order work and by the Ordering Contracting Officer making sure that base costs plus applied handling rates (capped at the ceiling rates) are fair and reasonable. In determining that the two additional items are ultimately fair and reasonable, the Government may use a range of techniques including price analysis, and other than cost or pricing data from the contract holder in the form of the breakdown of the base cost + the applied handling rate.

Since the ceiling handling rate is competed up front and certain, the offeror shall demonstrate its application (at the ceiling or less) at the order level/when pricing task order opportunities. If the offeror doesn't show the application of the handling rate (at the ceiling or less) in its pricing of the two line items, then the Government does not have adequate assurance it is being applied properly/that it is receiving the benefits of the predetermined ceiling handling rates – something it must receive. The requirement for full base cost and handling rate breakdown in quotes or proposals for task order work, and ultimate definitization as fixed price items in issued task orders (except for travel) is an absolute standard. Failing that, other direct costs are not permitted under the Contract.

8(a) STARS terms and conditions apply to the two line items. It is essential that the use of any of those two line items be deemed by the ordering contracting officer as within the overall scope of the services based contract, bearing in mind the particulars of the applicable task order's requirements, or they shall not be included in a task order.

The predominant work in terms of total dollar value for each task order shall consist of services from the pre-established labor category line items. The two line items must be related to the provision of services that are within contract scope and are not separately orderable. No order may ever consist solely of one or more of the two additional line items.

While hardware and/or software are permitted to come in as ODCs under task orders, they must be subordinate to a services-based solution for each task order they are included on.

The ceiling handling rates do not serve as a mechanical measure of the multipliers to be quoted or proposed at the order level.

2. All other terms and conditions remain unchanged.