

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT		1. CONTRACT ID CODE QP0022174	PAGE 1	OF 6	PAGES
2. AMENDMENT/MODIFICATION NO. P00175		3. EFFECTIVE DATE See Block 16B	4. REQUISITION/PURCHASE REQ. NO. PR201707210007		5. PROJECT NO. (If applicable)
6. ISSUED BY General Services Administration/FAS/ITC Office of Acquisition Operations 1800 F Street, NW, 4th Floor Washington DC 20405 Andrea Lane 703-306-6825		CODE	7. ADMINISTERED BY (If other than Item 6)		CODE
8. NAME AND ADDRESS OF CONTRACTOR Manhattan Telecommunications 55 Water Street, 32nd Floor New York, NY. 10041		(□)	9A. AMENDMENT OF SOLICITATION NO.		
			9B. DATED (<i>SEE ITEM 11</i>)		
		X	10A. MODIFICATION OF CONTRACT/ORDER NO. GS00Q17NSD3007		
			10B. DATED (<i>SEE ITEM 13</i>) 7/31/2017		
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 ____ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or electronic communication 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 DATA 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 letter or electronic communication, provided each letter or electronic communication makes reference to the solicitation and this amendment, and is received prior to the opening hour and data specified.

12. ACCOUNTING AND APPROPRIATION DATA (If required)

N/A


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

(□)	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).
X	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: Mutual Agreement of Both Parties (FAR 43.103(a)(3))
	OTHER (Specify type of modification and authority)

E. IMPORTANT: Contractor is not, **X** 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.)

SEE CONTINUATION PAGE

15A. NAME AND TITLE OF SIGNER (Type or print) Andoni Economou, COO/EVP		16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Andrea Lane Contracting Officer	
15B. CONTRACTOR/OFFEROR 	15C. DATE SIGNED 08/27/2020	16B. UNITED STATES OF AMERICA	16C. DATE SIGNED

1. The purpose of this modification is to:
 - a. Extend the base period performance from July 30, 2022 to July 31, 2022 and adjust the subsequent option periods accordingly.
 - b. Replace Clause H.19 in its entirety.
 - c. Replace the spreadsheet in Section J.15.
 - d. Update the wage rates in Section J.21 associated with the McNamara-O'Hara Service Contract Act (SCA).

2. The contract is modified as follows:

SECTION A

1. The base period of performance is extended from July 30, 2022 to July 31, 2022. Option period one will now be from August 1, 2022 to July 31, 2027, and option period two will be from August 1, 2027 to July 30, 2032.

SECTION H

1. Clause H.19 Economic Price Adjustment – Price Refreshment is replaced in its entirety with the following language:

The government intends to conduct price refreshment prior to the exercise of each contract option period. The price refreshment may result in price increases or decreases and will be conducted in accordance with the following process:

- a) The contractor shall submit revised prices electronically via GSA Systems for Option Period 1 or Option Period 2 for existing price tables six (6) months prior to the award date of the first or second option period.
- b) Revised prices shall not exceed the economically adjusted prices (EAP) to be determined as described below. Revised prices may be less than the EAPs at the contractor's discretion.
- c) Price adjustments will be effective on the first day of the first full month in each option period:

EAP effective dates:

Option Period 1: August 01, 2022

Option Period 2: August 01, 2027

d) EAPs shall be determined utilizing the following market indicators:

1. Annual Employment Cost Index: The Bureau of Labor Statistics (BLS) publishes the Employment Cost Index (ECI) for private industry workers (for total compensation, for private industry workers, by occupation and industry (not seasonally adjusted)) that shall be used to determine escalation factors for hourly labor rates on this contract (<http://www.bls.gov/ncs/ect>).

2. Annual Producer Price Index (PPI) for Wired telecommunications carriers, not seasonally adjusted NAICS 517311 shall be used for all non-catalog services. (<http://www.bls.gov/ppi/>).

e) Services and labor under this contract are mapped to the following indices:

1. Labor: Table B.2.11.7.2 Service Related Labor Pricing Instructions Table includes the Occupational Group category which determines the specific ECI indices to be utilized.
2. Services¹: The following service areas shall utilize the PPI for Wired telecommunications carriers, not seasonally adjusted PPI 517311:

Data Service
Voice Service
Contact Center Service
Collocated Hosting Service
Cloud Service
Wireless Service
Commercial Satellite Communications Service
Managed Services
Access Arrangements
Cable and Wiring
National Security and Emergency Preparedness

f) EAP determination:

NOTE: The EAP calculation shall be completed by the contractor using the spreadsheet provided in Section J.15. The procedure below is intended only to document the calculation performed by the spreadsheet.

The contractor shall use the official BLS final index values in publication at the time of proposal submittal for the month/year (PPI) or quarter (ECI) listed in the Relative Dates row of the Rates tab in the spreadsheet at Section J.15² and in the table below. The relative dates are as follows:

Relative Dates				
	Start Index		End Index	
Contract Period	PPI	ECI	PPI	ECI
Option Period 1	July 2017	3 rd Qtr 2017	July 2021	3 rd Qtr 2021
Option Period 2	July 2022	3 rd Qtr 2022	July 2026	3 rd Qtr 2026

If the BLS re-codes or renames an index, the successor index shall apply. If index data is not available from the BLS for a given month/year (PPI) or quarter (ECI), the most recently published final (not preliminary) index values shall be used for the End Index. In the event of such instance, the Start Index will be exactly four years prior to the alternate End Index month/year or quarter. The EAP calculation shall remain unchanged.

¹ The Economic Price Adjustment shall not apply to catalog CLINs in accordance with Section B of this contract.

² The Producer Price Index is published on a monthly basis, while the Employment Cost Index is published quarterly.

If the market indicator (PPI/ECI) is discontinued or deemed unreliable by the government, the government and the contractor will mutually agree to a substitute.

The base price for the adjustment in each Option Period shall be the unit price in the final year of the preceding contract period: For Option Period 1, the base price shall be the year five (5) price. For Option Period 2, the base price shall be the year ten (10) price.

The following rounding conventions shall be observed:

- The economically adjusted unit prices shall be rounded in accordance with Section B.1.2.2. In order to maintain the integrity of the market indicators, BLS index values and the resultant escalation rates shall not be rounded.

The following procedure shall be used for Option Period 1:

1. Determine the escalation rate over four (4) twelve (12) month periods by dividing the value of the Option Period 1 End Index by the value of the Option Period 1 Start Index, then subtract one (1) to determine the percentage increase:

Escalation over (4) (12) month periods = (End Index/Start Index)

Example:

End Index: 129.1

Start Index: 117.7

$129.1/117.7 = 1.097$

Subtract one (1) to determine the percentage increase.

$1.097-1 = 0.097$ (or 9.7%)

2. Calculate the average annual escalation rate by dividing the percentage increase found in Step 1 by four (4), and then add one (1):

Average Annual Escalation Rate = (Escalation over (4) (12) month periods) /4 + 1

Example:

$0.097/4 = 0.024$ (or 2.4%)

$0.024+1 = 1.024$

Average Annual Escalation Rate = 1.024

3. Use the Average Escalation Rate found in Step 2 to determine EAP for years 6 - 10 of the contract as follows:

$$\begin{aligned}\text{Year 6 Price} &= (\text{Year 5 Price}) * (\text{Average Escalation Rate}) \\ \text{Year 7 Price} &= (\text{Year 6 Price}) * (\text{Average Escalation Rate}) \\ \text{Year 8 Price} &= (\text{Year 7 Price}) * (\text{Average Escalation Rate}) \\ \text{Year 9 Price} &= (\text{Year 8 Price}) * (\text{Average Escalation Rate}) \\ \text{Year 10 Price} &= (\text{Year 9 Price}) * (\text{Average Escalation Rate})\end{aligned}$$

Example Application:

$$\begin{aligned}\text{Year 5 Price} &= \$100 \\ \text{Year 6 Price} &= (\$100) * (1.024) = \$102.42 \\ \text{Year 7 Price} &= (102.42) * (1.024) = \$104.90 \\ \text{Year 8 Price} &= (104.90) * (1.024) = \$107.44 \\ \text{Year 9 Price} &= (107.44) * (1.024) = \$110.04 \\ \text{Year 10 Price} &= (110.04) * (1.024) = \$112.71\end{aligned}$$

The contractor shall use the base price and index values as stated in this clause to calculate the EAPs for Option Period 2. The calculation and methodology for Option Period 2 is unchanged from Option Period 1.

- g) The government reserves the right to exercise one of the following options:
1. Accept the contractor's price adjustments as requested when all conditions of this clause are satisfied;
 2. Negotiate more favorable prices when the total adjustment requested is not supported; or,
 3. Decline the price adjustment when the request is not supported.

Section J

1. The file in Section J.15 Calculation of Economically Adjusted Prices (EAP) is deleted and replaced.
2. The wages rates file in Section J.21 is deleted. All Standard and non-Standard wage rates for CY2020 for the entire United States can be found at:

<https://www.gsa.gov/buying-selling/purchasing-programs/gsa-schedules/selling-through-schedules/roadmap-for-new-schedule-offerors/1-get-ready/available-offerings-and-requirements>

[The wage rate files include the following:](#)

- Standard Wage Determinations 2015-4001 to 2015-4365 MAS Refresh #2 June 2020 [PDF - 24 MB]
- Standard Wage Determinations 2015-4366 to 2015-4731 MAS Refresh #2 June 2020 [PDF - 24 MB]
- Standard Wage Determinations 2015-4732 to 2015-5105 MAS Refresh #2 June 2020 [PDF - 24 MB]
- Standard Wage Determinations 2015-5106 to 2015-5485 MAS Refresh #2 June 2020 [PDF - 24 MB]
- Standard Wage Determinations 2015-5486 to 2015-5858 MAS Refresh #2 June 2020 [PDF - 24 MB]
- Non-Standard Wage Determinations 1967-0442 to 2017-0195 MAS Refresh #2 June 2020 [PDF - 17 MB]
- Non-Standard Wage Determinations 2017-0196 to 2020-0114 MAS Refresh #2 June 2020 [PDF - 15 MB]
- Unpublished Wage Determinations MAS Refresh #2 June 2020 [PDF - 213 KB]

3. The estimated dollar value of the contract remains unchanged.

4. Except as provided herein, all prices, terms and conditions of the document referenced in Item 10A remain unchanged and in full force and effect.