

SOLICITATION/CONTRACT/ORDER FOR COMMERCIAL ITEMS
OFFEROR TO COMPLETE BLOCKS 12, 17, 23, 24, AND 30

1. REQUISITION NUMBER
W80YCG13148000

PAGE 1 OF 63

2. CONTRACT NO. HTC711-12-D-W002	3. AWARD/EFFECTIVE DATE 05-Apr-2012	4. ORDER NUMBER	5. SOLICITATION NUMBER HTC711-12-R-W002	6. SOLICITATION ISSUE DATE 13-Jan-2012
7. FOR SOLICITATION INFORMATION CALL:	a. NAME DOROTHY DAILEY		b. TELEPHONE NUMBER (No Collect Calls) 618-220-6728	8. OFFER DUE DATE/LOCAL TIME 04:00 PM 13 Feb 2012

9. ISSUED BY USTRANSCOM-AQ - HTC711 508 SCOTT DR SCOTT AFB IL 62225-5357 TEL: CONTACT BUYER FAX: CONTACT BUYER	CODE HTC711	10. THIS ACQUISITION IS <input type="checkbox"/> UNRESTRICTED <input checked="" type="checkbox"/> SET ASIDE: 100% FOR <input checked="" type="checkbox"/> SB <input type="checkbox"/> HUBZONE SB <input type="checkbox"/> 8(A) <input type="checkbox"/> SVC-DISABLED VET-OWNED SB <input type="checkbox"/> EMERGING SB	11. DELIVERY FOR FOB DESTINATION UNLESS BLOCK IS MARKED <input type="checkbox"/> SEE SCHEDULE	12. DISCOUNT TERMS Net 30 Days
		SIZE STD: 500 NAICS: 483111	13a. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 700) <input type="checkbox"/>	13b. RATING
			14. METHOD OF SOLICITATION <input type="checkbox"/> RFQ <input type="checkbox"/> IFB <input checked="" type="checkbox"/> RFP	

15. DELIVER TO SEE SCHEDULE SEE SCHEDULE SEE SCHEDULE IL SEE SCHEDULE	CODE SEE SCHEDULE	16. ADMINISTERED BY SEE ITEM 9	CODE
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17a. CONTRACTOR/OFFEROR TRANSATLANTIC LINES BRYAN ALIX 6 LINCOLN AVE GREENWICH CT 06830-5751 TEL. 203-625-5514	CODE 1MUZ1	18a. PAYMENT WILL BE MADE BY SYNCADA PAID BY SYNCADA VIA ELECTRONIC TRANSMISSION SCOTT AFB IL 62225	CODE PWRTRK
	FACILITY CODE 1MUZ1		

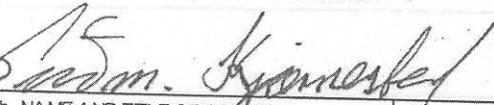
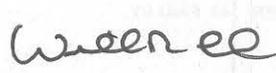
<input type="checkbox"/> 17b. CHECK IF REMITTANCE IS DIFFERENT AND PUT SUCH ADDRESS IN OFFER	<input type="checkbox"/> 18b. SUBMIT INVOICES TO ADDRESS SHOWN IN BLOCK 18a. UNLESS BLOCK BELOW IS CHECKED <input type="checkbox"/> SEE ADDENDUM
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19. ITEM NO.	20. SCHEDULE OF SUPPLIES/ SERVICES	21. QUANTITY	22. UNIT	23. UNIT PRICE	24. AMOUNT
SEE SCHEDULE					

25. ACCOUNTING AND APPROPRIATION DATA	26. TOTAL AWARD AMOUNT (For Govt. Use Only) \$1,151,912.40
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<input type="checkbox"/> 27a. SOLICITATION INCORPORATES BY REFERENCE FAR 52.212-1, 52.212-4, FAR 52.212-3, 52.212-5 ARE ATTACHED.	ADDENDA <input type="checkbox"/> ARE <input type="checkbox"/> ARE NOT ATTACHED
<input type="checkbox"/> 27b. CONTRACT/PURCHASE ORDER INCORPORATES BY REFERENCE FAR 52.212-4, FAR 52.212-5 IS ATTACHED.	ADDENDA <input type="checkbox"/> ARE <input type="checkbox"/> ARE NOT ATTACHED

28. CONTRACTOR IS REQUIRED TO SIGN THIS DOCUMENT AND RETURN COPIES TO ISSUING OFFICE. CONTRACTOR AGREES TO FURNISH AND DELIVER ALL ITEMS SET FORTH OR OTHERWISE IDENTIFIED ABOVE AND ON ANY ADDITIONAL SHEETS SUBJECT TO THE TERMS AND CONDITIONS SPECIFIED HEREIN.	29. AWARD OF CONTRACT: REFERENCE <input type="checkbox"/> OFFER DATED YOUR OFFER ON SOLICITATION (BLOCK 5), INCLUDING ANY ADDITIONS OR CHANGES WHICH ARE SET FORTH HEREIN, IS ACCEPTED AS TO ITEMS:
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30a. SIGNATURE OF OFFEROR/CONTRACTOR 	31a. UNITED STATES OF AMERICA (SIGNATURE OF CONTRACTING OFFICER) 	31c. DATE SIGNED 5 Apr 12
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30b. NAME AND TITLE OF SIGNER (TYPE OR PRINT) Gudmundur Kjaernested Vice President	30c. DATE SIGNED 4/5/12	31b. NAME OF CONTRACTING OFFICER (TYPE OR PRINT) WILLIAM R. LINDQUIST TEL: EMAIL:
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AUTHORIZED FOR LOCAL REPRODUCTION
PREVIOUS EDITION IS NOT USABLE

STANDARD FORM 1449 (REV 3/2005)
Prescribed by GSA
FAR (48 CFR) 53.212

**SOLICITATION/CONTRACT/ORDER FOR COMMERCIAL ITEMS
(CONTINUED)**

19. ITEM NO.	20. SCHEDULE OF SUPPLIES/ SERVICES	21. QUANTITY	22. UNIT	23. UNIT PRICE	24. AMOUNT
	SEE SCHEDULE				

32a. QUANTITY IN COLUMN 21 HAS BEEN
 RECEIVED INSPECTED ACCEPTED, AND CONFORMS TO THE CONTRACT, EXCEPT AS NOTED: _____

32b. SIGNATURE OF AUTHORIZED GOVERNMENT REPRESENTATIVE	32c. DATE	32d. PRINTED NAME AND TITLE OF AUTHORIZED GOVERNMENT REPRESENTATIVE
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32e. MAILING ADDRESS OF AUTHORIZED GOVERNMENT REPRESENTATIVE	32f. TELEPHONE NUMBER OF AUTHORIZED GOVERNMENT REPRESENTATIVE
	32g. E-MAIL OF AUTHORIZED GOVERNMENT REPRESENTATIVE

33. SHIP NUMBER <input type="checkbox"/> PARTIAL <input type="checkbox"/> FINAL	34. VOUCHER NUMBER	35. AMOUNT VERIFIED CORRECT FOR	36. PAYMENT <input type="checkbox"/> COMPLETE <input type="checkbox"/> PARTIAL <input type="checkbox"/> FINAL	37. CHECK NUMBER
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38. S/R ACCOUNT NUMBER	39. S/R VOUCHER NUMBER	40. PAID BY
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41a. I CERTIFY THIS ACCOUNT IS CORRECT AND PROPER FOR PAYMENT	42a. RECEIVED BY (<i>Print</i>)		
41b. SIGNATURE AND TITLE OF CERTIFYING OFFICER	41c. DATE	42b. RECEIVED AT (<i>Location</i>)	
		42c. DATE REC'D (YY/MM/DD)	42d. TOTAL CONTAINERS

Section SF 1449 - CONTINUATION SHEET

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
0001		1	Lot	\$889,412.40	\$889,412.40
	Azores Base Period-Perf IAW PWS				
	FP-EPA				
	Azores breakbulk and intemodal container service between points and port(s) in CONUS and Port of Praia. Period of Performance 01 May 2012 to 30 April 2013. Rates shall be entered into the CARES II System				
	FOB: Destination				
	PURCHASE REQUEST NUMBER: W80YCG13148000				
	SIGNAL CODE: K				

MAX NET AMT	\$889,412.40
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ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
0002		50	Container	\$4,750.00	\$237,500.00
	Azores Minimum Cargo Guarantee-Base Year				
	FP-EPA				
	Government Minimum Cargo Guarantee IAW PWS Paragraph 2.9 for Base Year. Period of Performance 01 May 2012 to 30 April 2013				
	FOB: Destination				
	PURCHASE REQUEST NUMBER: W80YCG13148000				
	SIGNAL CODE: K				

MAX NET AMT	\$237,500.00
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ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
0003		1	Lump Sum	\$25,000.00	\$25,000.00

Azores-Minimum Guarantee IDIQ BaseYear

FP-EPA

Government Minimum Guarantee IDIQ for Base Year. Period of Performance 01 May 2012 to 30 April 2013

FOB: Destination

PURCHASE REQUEST NUMBER: W80YCG13148000

SIGNAL CODE: K

MAX NET AMT	\$25,000.00
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ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
1001 OPTION	Azores Option Year 1-Perf IAW PWS	1	Lot	\$1,727,868.60	\$1,727,868.60 EST

FP-EPA

Azores breakbulk and intemodal container service between points and port(s) in CONUS and Port of Praia for Option Year 1. Period of Performance 01 May 2013 to 30 April 2014. Rates shall be entered into the CARES II System

FOB: Destination

SIGNAL CODE: K

MAX NET AMT	\$1,727,868.60 (EST.)
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ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
1002		50	Containe	\$4,750.00	\$237,500.00 EST

OPTION Azores Minimum Cargo Guarantee-Option 1

FP-EPA

Government Minimum Cargo Guarantee IAW PWS Paragraph 2.9 for Option Year 1. Period of Performance 01 May 2013 to 30 April 2014

FOB: Destination

SIGNAL CODE: K

MAX NET AMT \$237,500.00 (EST.)

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
2001		1	Lot	\$1,727,868.60	\$1,727,868.60 EST

OPTION Azores Option Year 2-Perf IAW PWS

FP-EPA

Azores breakbulk and intermodal container service between points and port(s) in CONUS and Port of Praia for Option Year 2. Period of Performance 01 May 2014 to 30 April 2015. Rates shall be entered into the CARES II System

FOB: Destination

SIGNAL CODE: K

MAX NET AMT \$1,727,868.60 (EST.)

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
2002		50	Container	\$4,750.00	\$237,500.00 EST

OPTION Azores Minimum Cargo Guarantee-Option 2
 FP-EPA
 Government Minimum Cargo Guarantee IAW PWS Paragraph 2.9 for Option Year 2. Period of Performance 01 May 2014 to 30 April 2015
 FOB: Destination
 SIGNAL CODE: K

MAX NET AMT \$237,500.00 (EST.)

INSPECTION AND ACCEPTANCE TERMS

Supplies/services will be inspected/accepted at:

CLIN	INSPECT AT	INSPECT BY	ACCEPT AT	ACCEPT BY
0001	Destination	Government	Destination	Government
0002	Destination	Government	Destination	Government
0003	Destination	Government	Destination	Government
1001	Destination	Government	Destination	Government
1002	Destination	Government	Destination	Government
2001	Destination	Government	Destination	Government
2002	Destination	Government	Destination	Government

DELIVERY INFORMATION

CLIN	DELIVERY DATE	QUANTITY	SHIP TO ADDRESS	UIC
0001	POP 01-MAY-2012 TO 30-APR-2013	N/A	SEE SCHEDULE SEE SCHEDULE SEE SCHEDULE SEE SCHEDULE IL SEE SCHEDULE SEE SCHEDULE FOB: Destination	SEE SCHEDULE

0002	POP 01-MAY-2012 TO 30-APR-2013	N/A	(SAME AS PREVIOUS LOCATION) FOB: Destination	SEE SCHEDU
0003	POP 01-MAY-2012 TO 30-APR-2013	N/A	(SAME AS PREVIOUS LOCATION) FOB: Destination	SEE SCHEDU
1001	POP 01-MAY-2013 TO 30-APR-2014	N/A	(SAME AS PREVIOUS LOCATION) FOB: Destination	SEE SCHEDU
1002	POP 01-MAY-2013 TO 30-APR-2014	N/A	(SAME AS PREVIOUS LOCATION) FOB: Destination	SEE SCHEDU
2001	POP 01-MAY-2014 TO 30-APR-2015	N/A	(SAME AS PREVIOUS LOCATION) FOB: Destination	SEE SCHEDU
2002	POP 01-MAY-2014 TO 30-APR-2015	N/A	(SAME AS PREVIOUS LOCATION) FOB: Destination	SEE SCHEDU

CLAUSES INCORPORATED BY REFERENCE

52.203-3	Gratuities	APR 1984
52.203-6	Restrictions On Subcontractor Sales To The Government	SEP 2006
52.203-6 Alt I	Restrictions On Subcontractor Sales To The Government (Sep 2006) -- Alternate I	OCT 1995
52.203-12	Limitation On Payments To Influence Certain Federal Transactions	OCT 2010
52.203-16	Preventing Personal Conflicts of Interest	DEC 2011
52.204-4	Printed or Copied Double-Sided on Postconsumer Fiber Content Paper	MAY 2011
52.204-7	Central Contractor Registration	FEB 2012
52.204-10	Reporting Executive Compensation and First-Tier Subcontract Awards	JUL 2010
52.209-6	Protecting the Government's Interest When Subcontracting With Contractors Debarred, Suspended, or Proposed for Debarment	DEC 2010
52.209-7	Information Regarding Responsibility Matters	FEB 2012
52.212-3	Offeror Representations and Certification--Commercial Items	FEB 2012
52.212-3 Alt I	Offeror Representations and Certifications--Commercial Items (FEB 2012) Alternate I	APR 2011
52.212-3 Alt II	Offeror Representations and Certifications--Commercial Items (FEB 2012) Alternate II	JAN 2012
52.212-4	Contract Terms and Conditions--Commercial Items	JUN 2010
52.212-5	Contract Terms and Conditions Required to Implement Statutes or Executive Orders--Commercial Items	MAR 2012
52.212-5 Alt I	Contract Terms and Conditions Required to Implement Statutes or Executive Orders--Commercial Items (Feb 2012) Alternate I	FEB 2000
52.212-5 Alt II	Contract Terms and Conditions Required to Implement Statutes or Executive Orders--Commercial Items (Feb 2012) Alternate II	DEC 2010

52.216-4	Economic Price Adjustment-Labor and Material	JAN 1997
52.216-19	Order Limitations	OCT 1995
52.219-6	Notice Of Total Small Business Set-Aside	NOV 2011
52.219-8	Utilization of Small Business Concerns	JAN 2011
52.219-9	Small Business Subcontracting Plan	JAN 2011
52.219-16	Liquidated Damages-Subcontracting Plan	JAN 1999
52.222-3	Convict Labor	JUN 2003
52.222-19	Child Labor -- Cooperation with Authorities and Remedies	JUL 2010
52.222-21	Prohibition Of Segregated Facilities	FEB 1999
52.222-26	Equal Opportunity	MAR 2007
52.222-35	Equal Opportunity for Veterans	SEP 2010
52.222-36	Affirmative Action For Workers With Disabilities	OCT 2010
52.222-37	Employment Reports on Veterans	SEP 2010
52.222-40	Notification of Employee Rights Under the National Labor Relations Act	DEC 2010
52.222-41	Service Contract Act Of 1965	NOV 2007
52.222-43	Fair Labor Standards Act And Service Contract Act - Price Adjustment (Multiple Year And Option)	SEP 2009
52.222-50	Combating Trafficking in Persons	FEB 2009
52.222-53	Exemption from Application of the Service Contract Act to Contracts for Certain Services--Requirements	FEB 2009
52.222-54	Employment Eligibility Verification	JAN 2009
52.223-3	Hazardous Material Identification And Material Safety Data	JAN 1997
52.223-18	Encouraging Contractor Policies To Ban Text Messaging While Driving	AUG 2011
52.225-5	Trade Agreements	NOV 2011
52.225-13	Restrictions on Certain Foreign Purchases	JUN 2008
52.225-19	Contractor Personnel in a Designated Operational Area or Supporting a Diplomatic or Consular Mission Outside the United States	MAR 2008
52.225-25	Prohibition on Engaging in Sanctioned Activities Relating to Iran--Certification.	NOV 2011
52.228-3	Worker's Compensation Insurance (Defense Base Act)	APR 1984
52.232-4	Payments Under Transportation Contracts and Transportation-Related Services Contracts	APR 1984
52.232-17	Interest	OCT 2010
52.232-34	Payment By Electronic Funds Transfer--Other Than Central Contractor Registration	MAY 1999
52.232-36	Payment by Third Party	FEB 2010
52.233-3	Protest After Award	AUG 1996
52.233-4	Applicable Law for Breach of Contract Claim	OCT 2004
52.247-5	Familiarization With Conditions	APR 1984
52.247-64	Preference for Privately Owned U.S. - Flag Commercial Vessels	FEB 2006
52.247-64 Alt I	Preference for Privately Owned U.S.-Flag Commercial Vessels (Feb 2006) - Alternate I	APR 2003
52.249-2	Termination For Convenience Of The Government (Fixed-Price)	MAY 2004
252.201-7000	Contracting Officer's Representative	DEC 1991
252.203-7000	Requirements Relating to Compensation of Former DoD Officials	SEP 2011
252.203-7003	Agency Office of the Inspector General	SEP 2010
252.203-7005	Representation Relating to Compensation of Former DoD Officials	NOV 2011

252.205-7000	Provision Of Information To Cooperative Agreement Holders	DEC 1991
252.209-7004	Subcontracting With Firms That Are Owned or Controlled By The Government of a Terrorist Country	DEC 2006
252.209-7999	REPRESENTATION BY CORPORATIONS REGARDING AN UNPAID DELINQUENT TAX LIABILITY OR A FELONY CONVICTION UNDER ANY FEDERAL LAW (DEVIATION 2012-O0004)	JAN 2012
252.219-7003	Small Business Subcontracting Plan (DOD Contracts)	SEP 2011
252.222-7002	Compliance With Local Labor Laws (Overseas)	JUN 1997
252.225-7036	Buy American--Free Trade Agreement--Balance of Payments Program	OCT 2011
252.225-7036 Alt I	Buy American--Free Trade Agreement--Balance of Payments Program (Oct 11) Alternate I	OCT 2011
252.225-7036 Alt II	Buy American Act--Free Trade Agreements--Balance of Payments Program (Oct 2011) Alternate II	OCT 2011
252.225-7993	PROHIBITION ON CONTRACTING WITH THE ENEMY IN THE UNITED STATES CENTRAL COMMAND THEATER OF OPERATIONS (DEV 2012-O0005)	JAN 2012
252.225-7994	ADDITIONAL ACCESS TO CONTRACTOR AND SUBCONTRACTOR RECORDS IN THE UNITED STATES CENTRAL COMMAND THEATER OF OPERATIONS (DEVIATION 2012-O0005) (JAN 2012)	JAN 2012
252.232-7010	Levies on Contract Payments	DEC 2006
252.247-7027	Riding Gang Member Requirements	OCT 2011

CLAUSES INCORPORATED BY FULL TEXT

52.204-8 ANNUAL REPRESENTATIONS AND CERTIFICATIONS (FEB 2012)

- (a)(1) The North American Industry Classification System (NAICS) code for this acquisition is 483111.
- (2) The small business size standard is 500.
- (3) The small business size standard for a concern which submits an offer in its own name, other than on a construction or service contract, but which proposes to furnish a product which it did not itself manufacture, is 500 employees.
- (b)(1) If the clause at 52.204-7, Central Contractor Registration, is included in this solicitation, paragraph (d) of this provision applies.
- (2) If the clause at 52.204-7 is not included in this solicitation, and the offeror is currently registered in CCR, and has completed the ORCA electronically, the offeror may choose to use paragraph (d) of this provision instead of completing the corresponding individual representations and certifications in the solicitation. The offeror shall indicate which option applies by checking one of the following boxes:
- (X) Paragraph (d) applies.
- () Paragraph (d) does not apply and the offeror has completed the individual representations and certifications in the solicitation.
- (c)(1) The following representations or certifications in ORCA are applicable to this solicitation as indicated:

- (i) 52.203-2, Certificate of Independent Price Determination. This provision applies to solicitations when a firm-fixed-price contract or fixed-price contract with economic price adjustment is contemplated, unless--
- (A) The acquisition is to be made under the simplified acquisition procedures in Part 13;
 - (B) The solicitation is a request for technical proposals under two-step sealed bidding procedures; or
 - (C) The solicitation is for utility services for which rates are set by law or regulation.
- (ii) 52.203-11, Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions. This provision applies to solicitations expected to exceed \$150,000.
- (iii) 52.204-3, Taxpayer Identification. This provision applies to solicitations that do not include the clause at 52.204-7, Central Contractor Registration.
- (iv) 52.204-5, Women-Owned Business (Other Than Small Business). This provision applies to solicitations that--
- (A) Are not set aside for small business concerns;
 - (B) Exceed the simplified acquisition threshold; and
 - (C) Are for contracts that will be performed in the United States or its outlying areas.
- (v) 52.209-2, Prohibition on Contracting with Inverted Domestic Corporations--Representation. This provision applies to solicitations using funds appropriated in fiscal years 2008, 2009, or 2010.
- (vi) 52.209-5, Certification Regarding Responsibility Matters. This provision applies to solicitations where the contract value is expected to exceed the simplified acquisition threshold.
- (vii) 52.223-5, Pollution Prevention and Right-to-Know Information (May 2011) (E.O. 13423) (Applies to services performed on Federal facilities).
- (viii) 52.215-6, Place of Performance. This provision applies to solicitations unless the place of performance is specified by the Government.
- (ix) 52.219-1, Small Business Program Representations (Basic & Alternate I). This provision applies to solicitations when the contract will be performed in the United States or its outlying areas.
- (A) The basic provision applies when the solicitations are issued by other than DoD, NASA, and the Coast Guard.
 - (B) The provision with its Alternate I applies to solicitations issued by DoD, NASA, or the Coast Guard.
- (x) 52.219-2, Equal Low Bids. This provision applies to solicitations when contracting by sealed bidding and the contract will be performed in the United States or its outlying areas.
- (xi) 52.222-22, Previous Contracts and Compliance Reports. This provision applies to solicitations that include the clause at 52.222-26, Equal Opportunity.
- (xii) 52.222-25, Affirmative Action Compliance. This provision applies to solicitations, other than those for construction, when the solicitation includes the clause at 52.222-26, Equal Opportunity.
- (xiii) 52.222-38, Compliance with Veterans' Employment Reporting Requirements. This provision applies to solicitations when it is anticipated the contract award will exceed the simplified acquisition threshold and the contract is not for acquisition of commercial items.

(xiv) 52.223-1, Biobased Product Certification. This provision applies to solicitations that require the delivery or specify the use of USDA-designated items; or include the clause at 52.223-2, Affirmative Procurement of Biobased Products Under Service and Construction Contracts.

(xv) 52.223-4, Recovered Material Certification. This provision applies to solicitations that are for, or specify the use of, EPA-designated items.

(xvi) 52.225-2, Buy American Act Certificate. This provision applies to solicitations containing the clause at 52.225-1.

(xvii) 52.225-4, Buy American Act--Free Trade Agreements--Israeli Trade Act Certificate. (Basic, Alternate I, and Alternate II) This provision applies to solicitations containing the clause at 52.225-3.

(A) If the acquisition value is less than \$25,000, the basic provision applies.

(B) If the acquisition value is \$25,000 or more but is less than \$50,000, the provision with its Alternate I applies.

(C) If the acquisition value is \$50,000 or more but is less than \$67,826, the provision with its Alternate II applies.

(xviii) 52.225-6, Trade Agreements Certificate. This provision applies to solicitations containing the clause at 52.225-5.

(xix) 52.225-20, Prohibition on Conducting Restricted Business Operations in Sudan--Certification. This provision applies to all solicitations.

(xx) 52.225-25, Prohibition on Contracting with Entities Engaging in Sanctioned Activities Relating to Iran--Representation and Certification. This provision applies to all solicitations.

(xxi) 52.226-2, Historically Black College or University and Minority Institution Representation. This provision applies to--

(A) Solicitations for research, studies, supplies, or services of the type normally acquired from higher educational institutions; and

(B) For DoD, NASA, and Coast Guard acquisitions, solicitations that contain the clause at 52.219-23, Notice of Price Evaluation Adjustment for Small Disadvantaged Business Concerns.

(2) The following certifications are applicable as indicated by the Contracting Officer:

(Contracting Officer check as appropriate.)

(i) 52.219-22, Small Disadvantaged Business Status.

(A) Basic.

(B) Alternate I.

(ii) 52.222-18, Certification Regarding Knowledge of Child Labor for Listed End Products.

(iii) 52.222-48, Exemption from Application of the Service Contract Act to Contracts for Maintenance, Calibration, or Repair of Certain Equipment Certification.

(iv) 52.222-52, Exemption from Application of the Service Contract Act to Contracts for Certain

Services—Certification.

(v) 52.223-9, with its Alternate I, Estimate of Percentage of Recovered Material Content for EPA—Designated Products (Alternate I only).

(vi) 52.227-6, Royalty Information.

(A) Basic.

(B) Alternate I.

(vii) 52.227-15, Representation of Limited Rights Data and Restricted Computer Software.

(d) The offeror has completed the annual representations and certifications electronically via the Online Representations and Certifications Application (ORCA) website accessed through <https://www.acquisition.gov>. After reviewing the ORCA database information, the offeror verifies by submission of the offer that the representations and certifications currently posted electronically that apply to this solicitation as indicated in paragraph (c) of this provision have been entered or updated within the last 12 months, are current, accurate, complete, and applicable to this solicitation (including the business size standard applicable to the NAICS code referenced for this solicitation), as of the date of this offer and are incorporated in this offer by reference (see FAR 4.1201); except for the changes identified below [offeror to insert changes, identifying change by clause number, title, date]. These amended representation(s) and/or certification(s) are also incorporated in this offer and are current, accurate, and complete as of the date of this offer.

FAR Clause	Title	Date	Change
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Any changes provided by the offeror are applicable to this solicitation only, and do not result in an update to the representations and certifications posted on ORCA.

(End of provision)

52.209-9 Updates of Publicly Available Information Regarding Responsibility Matters (JAN 2011)

(a) The Contractor shall update the information in the Federal Awardee Performance and Integrity Information System (FAPIIS) on a semi-annual basis, throughout the life of the contract, by posting the required information in the Central Contractor Registration database at <http://www.ccr.gov>.

(b)(1) The Contractor will receive notification when the Government posts new information to the Contractor's record.

(2) The Contractor will have an opportunity to post comments regarding information that has been posted by the Government. The comments will be retained as long as the associated information is retained, i.e., for a total period of 6 years. Contractor comments will remain a part of the record unless the Contractor revises them.

(3)(i) Public requests for system information posted prior to April 15, 2011, will be handled under Freedom of Information Act procedures, including, where appropriate, procedures promulgated under E.O. 12600.

(ii) As required by section 3010 of Public Law 111-212, all information posted in FAPIIS on or after April 15, 2011, except past performance reviews, will be publicly available.

(End of clause)

52.211-11 LIQUIDATED DAMAGES--SUPPLIES, SERVICES, OR RESEARCH AND DEVELOPMENT (SEP 2000)

(a) If the Contractor fails to deliver the supplies or perform the services within the time specified in this contract, the Contractor shall, in place of actual damages, pay to the Government liquidated damages of \$4,000.00 per calendar day of delay. If the Contractor fails to deliver a POV on or before the RDD, the Contracting Officer shall assess \$30.00 damages per diem against the Contractor. Per Diem damages shall be assessed for each day that the delivery exceeds the RDD, including the day of delivery, up to a maximum period of seven calendar days (maximum Contractor liability of \$210.00 per POV).

(b) If the Government terminates this contract in whole or in part under the Default--Fixed-Price Supply and Service clause, the Contractor is liable for liquidated damages accruing until the Government reasonably obtains delivery or performance of similar supplies or services. These liquidated damages are in addition to excess costs of repurchase under the Termination clause.

(c) The Contractor will not be charged with liquidated damages when the delay in delivery or performance is beyond the control and without the fault or negligence of the Contractor as defined in the Default--Fixed-Price Supply and Service clause in this contract.

(End of clause)

52.212-5 CONTRACT TERMS AND CONDITIONS REQUIRED TO IMPLEMENT STATUTES OR EXECUTIVE ORDERS--COMMERCIAL ITEMS (NOV 2011) (DEVIATION)

(a) Comptroller General Examination of Record. The Contractor shall comply with the provisions of this paragraph (a) if this contract was awarded using other than sealed bid, is in excess of the simplified acquisition threshold, and does not contain the clause at 52.215-2, Audit and Records-Negotiation.

(1) The Comptroller General of the United States, or an authorized representative of the Comptroller General, shall have access to and right to examine any of the Contractor's directly pertinent records involving transactions related to this contract.

(2) The Contractor shall make available at its offices at all reasonable times, the records, materials, and other evidence for examination, audit, or reproduction, until 3 years after final payment under this contract or for any shorter period specified in FAR Subpart 4.7, Contractor Records Retention, of the other clauses of this contract. If this contract is completely or partially terminated, the records relating to the work terminated shall be made available for 3 years after any resulting final termination settlement. Records relating to appeals under the disputes clause or to litigation or the settlement of claims arising under or relating to this contract shall be made available until such appeals, litigation, or claims are finally resolved.

(3) As used in this clause, records include books, documents, accounting procedures and practices, and other data, regardless of type and regardless of form. This does not require the Contractor to create or maintain any record that the Contractor does not maintain in the ordinary course of business or pursuant to a provision of law.

(b)(1) Notwithstanding the requirements of any other clause in this contract, the Contractor is not required to flow down any FAR clause, other than those in this paragraph (b)(i) in a subcontract for commercial items. Unless otherwise indicated below, the extent of the flow down shall be as required by the clause-

(i) 52.203-13, Contractor Code of Business Ethics and Conduct (APR 2010) (Pub. L. 110-252, Title VI, Chapter 1 (41 U.S.C. 251 note).

(ii) 52.219-8, Utilization of Small Business Concerns (DEC 2010) (15 U.S.C. 637(d)(2) and (3)), in all subcontracts that offer further subcontracting opportunities. If the subcontract (except subcontracts to small business concerns) exceeds \$650,000 (\$1.5 million for construction of any public facility), the subcontractor must include 52.219-8 in lower tier subcontracts that offer subcontracting opportunities.

(iii) Reserved.

(iv) 52.222-26, Equal Opportunity (MAR 2007) (E.O. 11246).

(v) 52.222-35, Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (SEP 2006) (38 U.S.C. 4212).

(vi) 52.222-36, Affirmative Action for Workers with Disabilities (JUN 1998) (29 U.S.C. 793).

(vii) 52.222-40, Notification of Employee Rights Under the National Labor Relations Act (DEC 2010) (E.O. 13496). Flow down required in accordance with paragraph (f) of FAR clause 52.222-40.

(viii) 52.222-41, Service Contract Act of 1965 (Nov 2007) (41 U.S.C. 351, et seq.).

(ix) 52.222-50, Combating Trafficking in Persons (FEB 2009) (22 U.S.C. 7104(g)).

— Alternate I (AUG 2007) of 52.222-50 (22 U.S.C. 7104(g)).

(x) 52.222-51, Exemption from Application of the Service Contract Act to Contracts for Maintenance, Calibration, or Repair of Certain Equipment--Requirements (Nov 2007) (41 U.S.C. 351, et seq.).

(xi) 52.222-53, Exemption from Application of the Service Contract Act to Contracts for Certain Services--Requirements (FEB 2009) (41 U.S.C. 351, et seq.).

(xii) 52.222-54, Employment Eligibility Verification (JAN 2009).

(xiii) 52.226-6, Promoting Excess Food Donation to Nonprofit Organizations. (MAR 2009) (Pub. L. 110-247). Flow down required in accordance with paragraph (e) of FAR clause 52.226-6.

(xiv) 52.247-64, Preference for Privately Owned U.S.-Flag Commercial Vessels (FEB 2006) (46 U.S.C. Appx 1241(b) and 10 U.S.C. 2631). Flow down required in accordance with paragraph (d) of FAR clause 52.247-64.

(2) While not required, the contractor may include in its subcontracts for commercial items a minimal number of additional clauses necessary to satisfy its contractual obligations.

(End of clause)

52.216-18 ORDERING. (OCT 1995)

(a) Any supplies and services to be furnished under this contract shall be ordered by issuance of delivery orders or task orders by the individuals or activities designated in the Schedule. Such orders may be issued from date of contract award, through 30 April 2013. If Option Year 1 is exercised, 01 May 2013 through 30 April 2014. If Option Year 2 is exercised, 01 May 2014 through 30 April 2015.

(b) All delivery orders or task orders are subject to the terms and conditions of this contract. In the event of conflict between a delivery order or task order and this contract, the contract shall control.

(c) If mailed, a delivery order or task order is considered "issued" when the Government deposits the order in the mail. Orders may be issued orally, by facsimile, or by electronic commerce methods only if authorized in the Schedule.

(End of clause)

52.216-22 INDEFINITE QUANTITY. (OCT 1995)

(a) This is an indefinite-quantity contract for the supplies or services specified, and effective for the period stated, in the Schedule. The quantities of supplies and services specified in the Schedule are estimates only and are not purchased by this contract.

(b) Delivery or performance shall be made only as authorized by orders issued in accordance with the Ordering clause. The Contractor shall furnish to the Government, when and if ordered, the supplies or services specified in the Schedule up to and including the quantity designated in the Schedule as the "maximum". The Government shall order at least the quantity of supplies or services designated in the Schedule as the "minimum".

(c) Except for any limitations on quantities in the Order Limitations clause or in the Schedule, there is no limit on the number of orders that may be issued. The Government may issue orders requiring delivery to multiple destinations or performance at multiple locations.

(d) Any order issued during the effective period of this contract and not completed within that period shall be completed by the Contractor within the time specified in the order. The contract shall govern the Contractor's and Government's rights and obligations with respect to that order to the same extent as if the order were completed during the contract's effective period; provided, that the Contractor shall not be required to make any deliveries under this contract after 31 August 2015.

(End of clause)

52.217-8 OPTION TO EXTEND SERVICES (NOV 1999)

The Government may require continued performance of any services within the limits and at the rates specified in the contract. These rates may be adjusted only as a result of revisions to prevailing labor rates provided by the Secretary of Labor. The option provision may be exercised more than once, but the total extension of performance hereunder shall not exceed 6 months. The Contracting Officer may exercise the option by written notice to the Contractor within 30 calendar days.

(End of clause)

52.217-9 OPTION TO EXTEND THE TERM OF THE CONTRACT (MAR 2000)

(a) The Government may extend the term of this contract by written notice to the Contractor within 30 days; provided that the Government gives the Contractor a preliminary written notice of its intent to extend at least 45 days before the contract expires. The preliminary notice does not commit the Government to an extension.

(b) If the Government exercises this option, the extended contract shall be considered to include this option clause.

(c) The total duration of this contract, including the exercise of any options under this clause, shall not exceed 42 months.

(End of clause)

52.222-42 STATEMENT OF EQUIVALENT RATES FOR FEDERAL HIRES (MAY 1989)

In compliance with the Service Contract Act of 1965, as amended, and the regulations of the Secretary of Labor (29 CFR Part 4), this clause identifies the classes of service employees expected to be employed under the contract and states the wages and fringe benefits payable to each if they were employed by the contracting agency subject to the provisions of 5 U.S.C. 5341 or 5332.

THIS STATEMENT IS FOR INFORMATION ONLY: IT IS NOT A WAGE DETERMINATION

Employee Class	Monetary Wage-Fringe Benefits
Motor Vehicle Operator WG-8 Step 2	\$19.44 - \$5.44
Materials Handler WG-6 Step 2	\$16.75 - \$4.69
Crane Operator WG-7 Step 2	\$18.11 - \$5.07
Forklift Operator W-6 Step 2	\$16.75 - \$4.69

SOURCE: AC-0030R DoD Civilian Personnel Management Service (AW)

Issue Date: 8 March 2011

<http://www.cpms.osd.mil/wage/scheds/af/survey-sch/030/030R-08Mar2011.html>

(End of clause)

252.212-7001 CONTRACT TERMS AND CONDITIONS REQUIRED TO IMPLEMENT STATUTES OR EXECUTIVE ORDERS APPLICABLE TO DEFENSE ACQUISITIONS OF COMMERCIAL ITEMS (DEC 2010) (DEVIATION)

(a) In addition to the clauses listed in paragraph (b) of the Contract Terms and Conditions Required to Implement Statutes or Executive Orders--Commercial Items clause of this contract (FAR 52.212-5) (OCT 2010) (DEVIATION), the Contractor shall include the terms of the following clause, if applicable, in subcontracts for commercial items or commercial components, awarded at any tier under this contract:

- 252.237-7010 Prohibition on Interrogation of Detainees by Contractor Personnel (NOV 2010) (Section 1038 of Pub. L. 111-84).
- 252.237-7019 Training for Contractor Personnel Interacting with Detainees (SEP 2006) (Section 1092 of Pub. L. 108-375).
- 252.247-7003 Pass-Through of Motor Carrier Fuel Surcharge Adjustment to the Cost

252.247-7023
252.247-7024

Bearer (JUL 2009) (Section 884 of Public Law 110-417)
Transportation of Supplies by Sea (MAY 2002) (10 U.S.C. 2631)
Notification of Transportation of Supplies by Sea (MAR 2000) (10
U.S.C. 2631)

(End of clause)

252.243-7002 REQUESTS FOR EQUITABLE ADJUSTMENT (MAR 1998)

(a) The amount of any request for equitable adjustment to contract terms shall accurately reflect the contract adjustment for which the Contractor believes the Government is liable. The request shall include only costs for performing the change, and shall not include any costs that already have been reimbursed or that have been separately claimed. All indirect costs included in the request shall be properly allocable to the change in accordance with applicable acquisition regulations.

(b) In accordance with 10 U.S.C. 2410(a), any request for equitable adjustment to contract terms that exceeds the simplified acquisition threshold shall bear, at the time of submission, the following certificate executed by an individual authorized to certify the request on behalf of the Contractor:

I certify that the request is made in good faith, and that the supporting data are accurate and complete to the best of my knowledge and belief.

(Official's Name)

(Title)

(c) The certification in paragraph (b) of this clause requires full disclosure of all relevant facts, including--

(1) Cost or pricing data if required in accordance with subsection 15.403-4 of the Federal Acquisition Regulation (FAR); and

(2) Information other than cost or pricing data, in accordance with subsection 15.403-3 of the FAR, including actual cost data and data to support any estimated costs, even if cost or pricing data are not required.

(d) The certification requirement in paragraph (b) of this clause does not apply to----

(1) Requests for routine contract payments; for example, requests for payment for accepted supplies and services, routine vouchers under a cost-reimbursement type contract, or progress payment invoices; or

(2) Final adjustment under an incentive provision of the contract.

PERFORMANCE WORK STATEMENT

**Performance Work Statement
for
Azores Sealift**

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1.0 INTRODUCTION/BACKGROUND

1.1 Requirement

United States Transportation Command (USTC) has a requirement for regularly scheduled liner services from the continental United States (CONUS) to Azores.

2.0 SCOPE

2.1 GENERAL SCOPE

The general scope of services under this PWS includes:

Ocean Transportation
 Related Intermodal Movements and Services
 Management Expertise

2.2 CARGO

2.2.1 Types. Types of cargo to be carried are military cargo, mail, and any other cargo shipped by the Department of Defense (DOD) in the Defense Transportation System (DTS). All cargo shall be stowed in accordance with commercial shipping practices to prevent damage due to exposure to the elements.

2.2.2 Carriage. Cargo will be loaded and discharged by the carrier at terminal(s) at the carrier's CONUS port of call. The Carrier shall furnish all containers unless Government owned containers are to be transported. Consistent

with vessel safety, when on deck stowage is necessary, containers with mail and personal property will, to the maximum extent possible, be loaded on the bottom tier.

2.2.3 Mileage Rates. The Defense Table of Distances (DTOD) is the official source for calculating distances when applying mileage rates. DTOD distances will be used regardless of any variance of DTOD distances invoiced by the Carrier. In the absence of specified line haul rates between points within CONUS, inland charges are computed using mileage band rates, multiplied by the mileage found in the DTOD. Mileage rates are stated by container size and are only used where no specific door/door rate exists. Rates for drayage or inland service in connection with the transportation of refrigerated cargo are applied at an additional 5% of the basic general cargo drayage inland or mileage rate. See Appendix for city groups and zones that are part of this contract.

2.3 VOLUNTARY INTERMODAL SEALIFT AGREEMENT (VISA) PROGRAM

In compliance with the U.S. Cargo Preference Act of 1904 (10 U.S.C. 2631), U.S. flag Carriers will be given preference for award of contracts resulting from this solicitation. United States Transportation Command recognizes the continuing need for a formalized program for the acquisition of sealift augmentation under less than full mobilization. Enrollment of a Carrier's U.S. flag fleet in an authorized sealift readiness program establishes an award preference for participants under this procurement.

2.4 REGULATORY COMPLIANCE/APPLICABLE DOCUMENTS

The Carrier shall file all rates and terms of this Contract with the Federal Maritime Commission (FMC), the Surface Transportation Board (STB), and/or with other governmental agencies as may have jurisdiction over the services provided by the Contractor as set forth in this Contract. The Carrier agrees to comply with such regulations of the FMC, STB, and/or other governmental agencies as may be applicable for service to the Government in the carriage of military cargo as set forth in this Contract.

2.5 BUNKER ADJUSTMENT FACTOR (BAF)

2.5.1 Allowance

An allowance for fluctuations in marine fuel prices shall be paid to the Contractors or to the U.S. Government in accordance with the following:

The allowance shall be paid per freight payable unit of cargo. For containerized goods these units are 20-foot and 40-foot containers. For breakbulk cargo, they are measurement tons.

The Bunker Adjustment Factor is zero unless the one-month average fuel price is at least 20% higher or 20% lower (inclusive) than the baseline average fuel price.

The compensation per freight payable unit shall be calculated as follows:

$$\frac{[(\text{Monthly Avg fuel price of MDO} \times 5\% + \text{Monthly Avg fuel price IFO 380} \times 95\% - \text{Baseline fuel price}) \times \text{BAF Technical Factor}]}{6.50}$$
 (Conversion factor, metric tons to barrels)

2.5.2 Baseline Fuel Price

The baseline is \$225 for Norfolk. The baseline is for a bunker fuel mixture of IFO 380 (95%) and MDO (5%). This baseline will apply to the base year and all option years.

2.5.3 Calculations

2.5.3.1 BAF shall be calculated using Norfolk (ex-wharf) prices.

2.5.3.2 An average fuel price shall be computed by SDDC for Norfolk. This average price shall be calculated on or after the first of the month for the prior month and shall apply to shipments booked for sailings in the next month. The monthly computation of adjusted average fuel prices will be posted to the SDDC website no later than the 10th

of the month prior to the month in which it will be applied. Example: The average fuel prices for calculation of BAF charges for March shall be based on bunker prices for the month of January.

2.5.3.3 The scheduled month the vessel departs the load port at the time of booking shall determine the month for calculation of BAF charges.

2.5.3.4 The source for bunker prices is Bunkerworld; <http://www.bunkerworld.com/>, which calculates bunker average monthly prices by port and fuel type. These prices are quoted in metric tons and shall be converted to barrels by dividing by 6.50. The IFO 380 and MDO average quotes shall then be averaged to calculate the monthly average fuel prices for Norfolk.

Conversion Factors for fuel types identified above are per DESC FY 07 standard fuel conversions

Fuel Type	BBLs per MT
IFO 380	6.467
MDO	7.162

2.5.3.5 SDDC shall monitor, calculate and post BAF to the SDDC website.

2.6 Payment procedures.

2.6.1 For shipments paid using Freight Payment/U.S. Bank, the BAF shall be fixed at the time of booking and shall be based on the date the booked vessel is scheduled to sail. When BAF is payable, shippers shall include the applicable BAF amount (plus or minus) to all shipments paid to the Contractor via their own documentation and payment system at the time that the original transactions are sent to Freight Payment. Contractors using the Freight Payment invoice procedure shall include the applicable BAF amount (plus or minus) in their invoice.

2.6.2 For all shipments other than those paid using Freight Payment/U.S. Bank, Contractors are responsible for indicating on their shipment invoice whether a fuel payment is due them, whether no fuel payment is to be made, or whether a fuel payment is due SDDC. If a fuel payment is due the Contractor or SDDC, the Contractor shall compute the value of the payment (or credit) and indicate this on the shipment invoice. If there is no fuel payment, the Contractor shall indicate on the invoice "No Fuel Adjustment". BAF for authorized agent shipments shall be paid using this process.

2.7 Application

The bunker fuel adjustment applies to fuel purchased by the Contractor from normal commercial suppliers and does not apply when bunker fuel has been provided or subsidized by the U.S. Government or foreign Governments.

2.8 Technical Factors and Freight Payable Units

The technical factors and their freight payable units are shown in Table 1.

Route(s)	Payable Unit	Factor
Azores	20-foot container	2.99
	40-foot container	5
	Measurement Ton	0.11

2.9 Minimum Guarantee

2.9.1 The Government shall guarantee 50 twenty-foot equivalent units (TEUs) tendered per round trip voyage. The total number of TEUs per round trip voyage will be the sum of all tendered cargo between CONUS and Azores. In

the event a more frequent service is accepted by the Government and Carrier, such guarantee shall be adjusted proportionally.

2.9.2 At the completion of the voyage, if the amount of cargo tendered is less than 50 TEU, the COR will certify to the CO the actual cargo tendered for the voyage. The Government shall compensate the Carrier for each whole TEU below the 50 TEU minimum. For each whole TEU that falls below the 50 TEU minimum, the rate for payment shall be the Outbound 20 Foot Dry Container Rate from CONUS to Azores. The Carrier shall submit an invoice with the COR certification to the designated paying activity under this Contract if the minimum is below 50 TEU.

2.9.3 Determining Volume of Cargo. The Government shall sum the total number of all containers tendered by the Government for each round trip voyage. Breakbulk cargo shall be added to that total by converting the manifest measure of all such cargo using a conversion of one TEU per 21 measurement tons of cargo tendered. Vehicles shall be added to that total by converting the manifest measure of all such cargo using a conversion of one TEU per 10.5 measurement tons of cargo.

3.0 MARITIME CLAUSES

3.1 APPLICATION OF COGSA

3.1.1 Containers. For containers, the United States Carriage of Goods by Sea Act 46 U.S.C. 1300 et seq. (hereinafter "COGSA" or "the Act") is incorporated and shall apply to the ocean transportation of all goods, including goods in containers stowed on deck, under any Shipping Order with the same force and effect as if the Act applied to such carriage by express provision therein; For the purpose of interpreting Section 4 of the Act, "Limitation of Liability", the act of loading cargo into, or upon, a container shall not transform such containerized cargo into a single COGSA "package" (as defined herein). For example, the act of loading multiple boxes, bundles, or pieces of cargo into a container does not convert all boxes, bundles, or pieces of cargo into a single COGSA "package." The limitation of liability set out in Section 4 of the Act shall apply to each package in a container and the government packing list itemizing the cargo in the container is prima facie the controlling document for determining how many "packages" are in a container. The Government packing list is the document completed by the origin shipper listing the items in a container.

3.1.2 Breakbulk. For breakbulk, COGSA is incorporated and shall apply to the ocean transportation of all goods, including goods stowed on deck, under any Shipping Order with the same force and effect as if the Act applied to such carriage by express provision therein; The COGSA limitation of liability for cargo not in packages is to each measurement ton of cargo. If the Government through its booking system (currently IBS) indicates an order is being shipped "breakbulk," the COGSA limitation of liability will be valued by the measurement ton of breakbulk cargo regardless of whether other shipping documents (i.e. shipping manifest, etc) refer to the breakbulk cargo as a single "piece," "unit," or, "other single item." The IBS booking document indicating "breakbulk" is the controlling document between the parties and will determine whether cargo is valued as a "package" or by the measurement ton.

3.1.3 Carriage of Cargo. For all cargo, container and breakbulk, the carriage of cargo under any Shipping Order issued pursuant to this contract shall not be deemed or construed to be the carriage of cargo pursuant to special terms and conditions as provided for in Section 6 of the Act; and nothing in this Performance Work Statement is intended to relieve the contractor or the vessel from liability for loss or damage to, or in connection with the goods arising from negligence, fault or failure in the duties and obligations provided by the Act or to lessen such liability otherwise than as provided therein. COGSA shall apply from the point of delivery to the Contractor to the point of delivery to the Consignee whether in connection with intermodal or ocean-only transportation under this Contract. Accordingly, COGSA shall apply in determining the limits of a Contractor's liability, as set forth above, for loss or damage to cargo booked under this Contract arising at any time in the custody of the Contractor.

3.1.4 Limitation on Liability. When the application of COGSA would not result in a limitation on liability, this contract also excludes any limitation on liability.

3.1.5 UNCITRAL. Upon U.S. Senate ratification of the United Nations Commission on International Trade Law (UNCITRAL) Convention on the Carriage of Goods Wholly or Partly by Sea (the Convention) or entry into force of the Convention (whichever event occurs first), the package limitation provisions of the Convention shall substitute for, or otherwise stand in the place of the COGSA package limitation for the purpose of determining the limits of a Contractor's liability for loss or damage to US Government cargo arising at any time in the custody of the Contractor.

3.1.6 Application of COGSA for Non-Government Owned Containers. For containers, the United States Carriage of Goods by Sea Act 46 U.S.C. 30701 et seq. (hereinafter "COGSA" or "the Act") is incorporated and shall apply to the ocean transportation by the Contractor of all goods, including goods in containers stowed on deck, owned by a non-government cargo owner under any Shipping Order with the same force and effect as if the Act applied to such carriage by express provision therein. For the purpose of interpreting Section 4 of the Act, "Limitation of Liability", the act of loading cargo into, or upon, a container shall not transform such containerized cargo into a single COGSA "package" (as defined herein) For example, act of loading multiple boxes, bundles, or pieces of cargo into a container does not convert all boxes, bundles, or pieces of cargo into a single COGSA "package." The limitation of liability set out in Section 4 of the Act shall apply to each package in a container and the shipper or government packing list itemizing the cargo in the container is prima facie the controlling document for determining how many "packages" are in a container. The shipper packing list is the document completed by the origin shipper listing the items in a container.

3.1.7 Application of COGSA for Non-Government Owned Breakbulk. For breakbulk, COGSA is incorporated and shall apply to the ocean transportation of all goods, including goods stowed on deck, under any Shipping Order with the same force and effect as if the Act applied to such carriage by express provision therein. The COGSA limitation of liability for cargo not in packages is to each measurement ton of cargo. If the shipper through its booking system indicates an order is being shipped "breakbulk," the COGSA limitation of liability will be valued by the measurement ton of breakbulk cargo regardless of whether other shipping documents (i.e. shipping manifest, etc) refer to the breakbulk cargo as a single "piece," "unit," or other single item. The shipper booking document indicating "breakbulk" is the controlling document between the parties and will determine whether cargo is valued as a "package" or by the measurement ton.

3.1.8 Carriage of Non Government Cargo. For all cargo, container and breakbulk, the carriage of cargo under any Shipping Order issued pursuant to this contract shall not be deemed or construed to be the carriage of cargo pursuant to special terms and conditions as provided for in Section 6 of the Act; and nothing in this solicitation is intended to relieve the contractor or the vessel from liability to the non-government cargo owner for loss or damage to or in connection with the goods arising from negligence, fault or failure in the duties and obligations provided by the Act or to lessen such liability otherwise than as provided therein. COGSA shall apply from the point of delivery to the Contractor to the point of delivery to the Consignee whether in connection with intermodal or ocean-only transportation under this Contract. Accordingly, COGSA shall apply in determining the limits of a Contractor's liability, as set forth above, for loss or damage to cargo booked under this Contract arising at any time in the custody of the Contractor.

3.1.9 Limitation on Liability for Non-Government Owned Cargo. When the application of COGSA would not result in a limitation on liability, this contract also excludes any limitation on liability.

3.1.10 UNCITRAL for Non-Government Owned Cargo. Upon U.S. Senate ratification of the United Nations Commission on International Trade Law (UNCITRAL) Convention on the Carriage of Goods Wholly or Partly by Sea (the Convention) or entry into force of the Convention (whichever event occurs first), the package limitation provisions of the Convention shall substitute for or otherwise stand in the place of the COGSA package limitation for the purpose of determining the limits of a Contractor's liability for loss or damage to non-government cargo arising at any time in the custody of the Contractor .

3.2 SCOPE OF VOYAGE (LIBERTIES).

U.S. Government cargo, by its very nature, may require special diligence in the prosecution of a voyage at sea. In some cases, the highly sensitive nature of military cargo may require extraordinary handling to ensure the safety and security of the cargo as well as that of our warfighters in the field. Accordingly, the diversion of U.S. Government cargo at sea requires the unique conditions set forth below.

3.2.1 Diversion of Cargo. In any situation, whatsoever or wheresoever occurring and whether existing or anticipated before commencement of or during the voyage, which in the judgment of the contractor or master of the vessel is likely to give rise to capture, seizure, detention, damage, delay or disadvantage to or loss of the vessel or any part of her cargo, or to make it unsafe, imprudent, or unlawful for any reason to begin or continue the voyage or to enter or discharge the goods at the port of discharge; or to give rise to delay or difficulty in arriving, discharging at or leaving the port of discharge or the usual place of discharge in such port, the master, whether or not proceeding toward or entering or attempting to enter the port of discharge or reaching or attempting to reach the usual place of discharge therein or attempting to discharge U.S. Government Cargo (the Cargo) may, upon notification to the Contracting Officer (CO) as described at Section 3.3.1.1 below, discharge the Cargo into another port, depot, lazarette, craft, or other place, or retain the goods on board until the return trip or until such other time as would be prudent in the ordinary course of the Contractor's business.

3.2.1.1 Notice of Diversion. The Notice described at Section 3.3.1 above shall include, at a minimum, a description of the cargo to be diverted (container number, Transportation Control Number, etc.), the conditions giving rise to the Contractor's planned diversion of the Cargo, the diversion planned and any other measures deemed necessary by the Contractor to protect the Cargo. The Contractor or his designated representative shall provide such Notice in a manner and place consistent with the provisions of this agreement (eg., electronic mail), but it is understood that such notice may be delayed if it would put the vessel, her crew or cargo at risk of loss, damage or injury.

3.2.1.2 Equitable Adjustment, Carrier Proposed Course of Action. After notification to the CO and approval by the CO of the contractor's proposed course of action, the contractor may submit a request for an equitable adjustment to the contract for the reasonable, allocable, incurred costs to implement the approved course of action. It is understood that the contractor may be required to act before CO approval to prevent risk of loss, damage or injury to the vessel, her crew or cargo. If the contractor acts before notice to and approval by the CO, the contractor shall nonetheless be entitled to reasonable, allocable, incurred costs if the CO finds that the actions were prudent and necessary for the security and protection of government cargo. In no case shall an equitable adjustment duplicate compensation provided in a rate, accessorial charge or similar charge or otherwise reimburse the Contractor for costs chargeable (by the Contractor) to or otherwise allocable to a non-contract shipper. If the contractor has been paid for delivery to destination, the CO will consider this fact in evaluating any request for an equitable adjustment or potential government claim for a windfall to the contractor.

3.2.1.3 Mutual Agreement. Where the CO determines that the Contractor's planned diversion of the Cargo is not in the best interest of the U.S. Government, the CO shall so advise the Contractor as soon as practicable. Thereafter, the CO and the Contractor shall, with all due diligence and good faith, endeavor to mutually agree upon the prudent disposition of the Cargo.

3.2.1.4 Responsibility for the Cargo. Where the Contracting Officer determines that the contractor's planned diversion of the Cargo is not in the best interest of the U.S. Government and the Contracting Officer and the Contractor cannot timely agree upon the disposition of the Cargo, the Contractor shall comply with the CO's direction to the contractor to divert the cargo to a port of the U.S. Government's choice, and to make any other arrangements for the cargo the Contracting Officer deems necessary to protect the Government's interest.

3.2.1.5 Equitable Adjustment for US Government Directed Course of Action. The contractor may submit a request for an equitable adjustment to the contract for reasonable, allocable costs incurred to carry out the CO's direction if such costs are caused by the need to respond to the special situation and would not have been incurred in performing the contract of carriage except for the special situation. This equitable adjustment includes costs associated with cargo on the vessel that is not transported under this contract to the extent these costs exceed costs allocable to any non-contract shipper under any Scope of Voyage (Liberties) or similar clause in any contract

between the contractor and a non-contract shipper. In no case shall an equitable adjustment duplicate compensation provided in a freight rate, accessorial charge, similar charge, or otherwise reimburse the Contractor for costs chargeable (by the Contractor) to or otherwise allocable to a non-contract shipper. If the contractor has been paid for delivery to destination, the CO will consider this fact in evaluating any request for an equitable adjustment or any government claim for a windfall to the contractor.

3.2.1.6 In any event, the contractor shall at all times be responsible to assure the security and protection of the cargo until relieved of such responsibility by the U.S. Government or its designated agent.

3.2.2 Liberties. The Contractor, the master and the vessel shall have liberty to comply with any orders or directions as to loading, departure, arrival, routes, ports of call, stoppages, discharge, destination, delivery or otherwise howsoever given by the Government of any nation or department thereof, or any person acting or purporting to act with the authority of such Government or of any department thereof (or by any committee or person having, under the terms of the war risk insurance on the vessel, the right to give such orders or directions). Delivery or other disposition of the goods in accordance with such orders or directions shall excuse delay in performance to the extent that such order or direction persists in prevention of performance. (See compensable Delay Clause below in Para 6.) The vessel may carry seized contraband, explosives, munitions, warlike stores, hazardous cargo, and may sail armed or unarmed and with or without convoy.

3.2.3 The vessel shall have the liberty to deviate for the purpose of saving life and property, to tow or to be towed, to sail with or without pilots, or to go into dry dock or into ways with or without cargo on board. However, in no case shall the contractor be entitled to extra compensation for such a deviation, and the contractor shall not be relieved of responsibility for delivery of cargo to the destination named in the Shipping Order.

3.3 STRIKES

3.3.1 Loading Port—In the event the vessel or the loading of the vessel is delayed by reason of strikes or stoppage of work, the contractor may, at the loading port dispatch the vessel with such portion of the cargo as may then be on board.

3.3.2 Discharge Port—In the event the vessel or discharge of the vessel is delayed by reason of strikes or stoppage of work, the contractor at the discharge port may discharge the cargo still on board or with the approval of the U.S. Government dispose of the cargo or any part of it at the U.S. Government's risk and expense.

3.4 AMENDED JASON CLAUSE

In the event of accident, danger, damage, or disaster, before or after commencement of the voyage resulting from any cause whatsoever, whether due to negligence or not, for which, or for the consequence of which, the contractor is not responsible, by statute, contract, or otherwise, the goods, Shippers, consignees, or owners of the goods shall contribute with the contractor in general average to the payment of any sacrifices, losses or expenses of a general average nature that may be made or incurred, and shall pay salvage and special charges incurred in respect of the goods. If a salvaging vessel is owned or operated by the contractor, salvage shall be paid for as fully as if such salvaging vessel or vessels belonged to strangers.

3.5 LIENS

3.5.1 Seizure of Cargo: The contractor agrees that it will not assert any type of lien, including a maritime lien, on any cargo shipped by the U.S. Government under this Contract. The contractor further agrees that it will not take any action to seize, arrest, hold, or otherwise detain such cargo through any judicial process in the U.S. or any foreign country. The contractor agrees to insert this clause in all subcontracts at any level and to expend any resources necessary to expeditiously enforce the provisions of this clause against such subcontractors.

3.5.2 Freight: There shall be no liens, including maritime liens, asserted on any freights payable by the U.S. Government under this contract. The Contractor agrees to insert this clause in all subcontracts at any level and to expend any resources necessary to expeditiously enforce the provisions of this clause against such subcontractors.

3.6 FORCE MAJEURE

The act of God, enemies, fire, restraint of princes, rulers of people, and all dangers and accidents of the seas, rivers, machinery, boilers and steam navigation, and errors of navigation throughout this Contract are mutually excepted. In other words, such situations excuse delay in performance (similar to paragraph (f) of FAR 52.212-4) by either party to this contract to the extent that the situation persists in preventing performance. This clause does not address liability for loss/damage to cargo (see, instead, the applicable "Application of COGSA clause"), liability for costs/damages resulting from delay in performance, or matters other than excusable delay.

3.7 WAR RISK

3.7.1 Compensation

In the event it is necessary for the Contractor to pay additional premiums to extend the coverage of crew, hull and machinery, protection and indemnity insurance and insurance covering the loss and damage of cargo while aboard the vessel at sea (not applicable to inland cargo) to include war risks, or to pay crew war risk bonuses as a result of the vessel entering the war risk area, the U.S. Government shall reimburse the Contractor for its actual increased costs which may be based on published tariffs. For Contractors that do not have filed commercial tariffs for such War Risk charges, the U.S. Government shall reimburse the Contractor for a percentage of such extra premium and bonus payments based on the ratio existing between the cargo carried for the account of SDDC and the total cargo aboard the vessel which is loaded or discharged at ports within the War Risk area. War risk will only be paid if the vessel actually enters or travels through war risk areas. War risk is not paid by destination regardless of whether a contractor's tariffs include war risk insurance premiums based on destination. Contractors will provide copies of War Risk Insurance policies and the applicable tariffs to the Contracting Officer within 10 days of award.

3.7.2 Alternatives

If Commercial Marine, War Risk, and Liability Insurance is not available, or if Marine, War Risk, and Liability Insurance through the Secretary of Transportation under Sections 1202-1205 of the Merchant Marine Act of 1936, 46 App. U.S.C. 1282-1285, is available at a lesser rate, the Contracting Officer (CO) reserves the right to require Contractors to obtain the necessary Marine, War Risk, and Liability Insurance from the Secretary of Transportation. Further, in the event that the Secretary of Defense, or his/her authorized designee, is authorized to provide and does provide indemnification to the Secretary of Transportation under Section 1205 of the Merchant Marine Act, 1936, 46 App. U.S.C. 1285, for Marine, War Risk, and Liability coverage without premium, the Contracting Officer reserves the right to require the Contractor to obtain such insurance from the Department of Transportation and no premiums as set forth in Paragraph 3.1 above will be paid to the Contractor by the U.S. Government.

3.7.3 Limitation of U.S. Government Liability

No payments shall be made until the Contractor also assess such charges against commercial cargo loaded or discharged in the war risk area.

3.7.4 U.S. Government-Additional Assured

The Contractor agrees to add the U.S. Government as an additional assured on its War Risk Policy with waiver of subrogation noted, for which the U.S. Government has agreed to reimburse the extra premium under this Section.

3.8 EXCEPTED CATEGORY CARGO

Excepted category cargoes are listed below. Pursuant to FAR 52.212.4, Contract Terms and Conditions – Commercial Items (Jun 2010), rates for their carriage may be negotiated by the Contracting Officer prior to booking. (The Contracting Officer is not required to ship excepted category cargo with the Carrier). The Carrier shall not accept excepted category cargo for shipment unless a rate for its carriage has been negotiated with the Contracting

Officer, or the Contracting Officer has issued an unpriced change order pursuant FAR 52.212.4, Contract Terms and Conditions – Commercial Items (Jun 2010). Cargo categories not excepted below and for which specific rates do not appear herein shall be carried at the applicable General Cargo rate.

- Aircraft (unboxed)
- Bulk Cargo (not containerized in tank cars, vehicles, or containers)
- Boats over 40 feet in length
- Oversize Cargo (single shipment quantity in excess of 50,000 pounds or 30 measurement tons.)

3.9 OPERATIONAL SHORTFALLS

The Carrier shall provide notice within eight (8) hours to the Contracting Officer, Contracting Officer Representative and the Ordering Officer (OO) of any operational shortfall that occurs relative to the service. Examples of operational shortfalls include sailing delays, container unavailability, strikes, receiving delays, port backlogs and equipment failures such as ship cranes etc.

4.0 PERFORMANCE REQUIREMENTS

4.1 Performance Assessment

The expectation of the U.S. Government is that all cargo booked under this contract shall successfully move in accordance with the terms of the contract. There are three Performance Objectives and they will be measured using the Performance Measures and Standards below.

Performance Objective No. 1: On-Time Delivery: The Contractor shall deliver the cargo not later than the Required Delivery Date (RDD) specified in the accepted booking.

Performance Objective No. 2: In-Transit Visibility: The Contractor shall provide accurate and timely shipment status reports using the Electronic Data Interchange (EDI), or the Ocean Carrier Interface (OCI).

Performance Objective No. 3: Good Order & Condition: Cargo shall be delivered to the consignee in the same order and condition as when turned over to the Contractor for shipment.

The Government will monitor the Carrier’s performance through the Government Performance Assessment (see Table below) during the performance period of this contract. Other Performance Objectives not addressed in the Performance Assessment will be monitored by exception. This Performance Assessment is to be used for administrative purpose only and does not reflect a change in the contract requirements. To the extent any conflict may arise between the use of the Performance Assessment and the substantive provisions of this contract shall apply.

	Performance Objective	Performance Measure	Performance Standard
1	On-Time-Delivery	On-Time Delivery: The Contractor shall deliver the cargo not later than the Required Delivery Date (RDD) specified in the accepted booking.	Exceed: 100% of cargo delivered by RDD Very Good: 95% of cargo delivered by RDD Satisfactory: 90% of cargo delivered by RDD Unsatisfactory: Less than 90% of cargo delivered by RDD
2	In-Transit Visibility	In-Transit Visibility: The Contractor shall provide accurate and timely shipment status reports using the Electronic Data Interchange (EDI), or the	Exceed: 100% Reporting Very Good: 90% Reporting Satisfactory: 80% Reporting Unsatisfactory: Less than 80% Reporting

		Ocean Carrier Interface (OCI).	
3	Good Order & Condition	Good Order & Condition: Cargo shall be delivered to the consignee in the same order and condition as when turned over to the Contractor for shipment.	Exceed: 100% of booked cargo arrives without damage Very Good: 98% of booked cargo arrives without damage Satisfactory: 95% of booked cargo arrives without damage Unsatisfactory: Less than 95% of booked cargo arrives without damage

4.1.1 Service Commitments

4.1.2 Service Frequency

The Carrier shall maintain a regularly scheduled and consistent commercial liner service conforming to the services required in the contract and offered in the Contractor’s technical proposal and schedule as specified in Integrated Booking System (IBS). The Carrier shall reserve vessel capacity as specified for the booking of Government Cargo on each vessel sailing from CONUS to Azores.

4.1.3 Vessel Schedule

The carrier shall provide an updated sailing and arrival schedule to USTC every 45 days through the life of the Contract. Any change to the projected schedule must be reported within seven (7) days of the next scheduled port call. Further, the Carrier shall notify the Government activity having cognizance over each port where Government cargo is to be discharged under this contract of the impending arrival of the vessel. Such notice shall be given at least 48 hours prior to arrival indicating any variation from or correction to information previously furnished.

4.2 Electronic Commerce / Electronic Data Interchange (EDI)

The Contractor shall use Electronic Data Interchange (EDI) or Ocean Carrier Interface (OCI) module (or successor system) as the primary means for interfacing with SDDC for all CONUS and OCONUS bookings.

The Contractor shall use the Defense Transportation Electronic Data Interchange (DTEDI) approved Implementation Convention for the ANSI X 12 300, 301, 303, 304 and 315 transaction sets in compliance with their approved concepts of operations. Versions 3060, 4010 or later are required. The Contractor shall implement changes to business processes contained in revisions to Transaction Set Implementation Conventions and their controlling concepts of operations as may be approved by the Defense Transportation Electronic Board (DTEB). These changes shall be implemented in accordance with schedules approved by the DTEB.

The Contractor shall receive or transmit, as appropriate, the following transactions sets:

- Contractor receiving order data, 300 (Delivery order, the booking, including increases and decreases)
- Contractor ordering confirmation data, 301 (Confirmation of order, Contractor to Ordering Officer/COR)
- Cancellation data from Ordering Officer, 303 (Ordering Officer cancellation)
- Shipping Instructions, 304
- Contractor shipment status reporting data, 315

4.2.1 Shipment Status Reporting: The Contractor shall provide accurate shipment status reports using the 315 transaction sets. Transactions shall be submitted in ANSI X-12 EDI standard or OCI to SDDC. Table 4.2.2 identifies specific events that require reporting. The Contractor shall submit all reports within 24 hours of accomplishment.

4.2.2 Table of Reportable Shipment Status Events

CODE	DEFINITION	NOTES
EE	Empty spotted	Empty container out gate in lieu of actual spot is acceptable for shippers having container pools. Required for other than pool locations (NOT REQUIRED FOR BREAKBULK)
W	Pickup of Loaded Container/ Breakbulk	This transaction is required at the time customer turns over possession to Contractor
I	In-gate at Port of Embarkation (POE)	This transaction is required at the POE
AE	Loaded on Vessel	This transaction is required at the POE and required at all transshipment ports
VD	Vessel departure	This transaction is required at POE and required at all transshipment ports
VA	Vessel arrival	This transaction is required at the POD and required at all transshipment ports
UV	Vessel discharge	This transaction is required at the POD and required at all transshipment ports
OA	Out gate from POD	This transaction is required at the final POD (Port and Door bookings)
AV	Available for Delivery	This transaction is situational at POD or inland locations. This transaction may be submitted when situations arise from delays in local delivery caused by the U. S. Government, when local delivery can be made within the next business day
X1	Deliver to consignee	This transaction is required when shipment is delivered to customer, or possession is turned over to the U.S. Government
EC	Empty container pick-up	This transaction is required (NOT REQUIRED FOR BREAKBULK)
RD	Return of empty containers to terminal	This transaction is required when the empty container is returned to the commercial terminal (NOT REQUIRED FOR BREAKBULK)
TBD	Release of empty not to Contractor's terminal	When an empty container is released to the Contractor but not returned empty to the Contractor's terminal, the Contractor shall report an alternate event that shows that the Detention/Free Time clock has stopped. Contractor shall report this using codes approved by the Ocean ACI Committee.
TBD	In-transit position report	Required only for shipments to Central Asia that transit the Northern GLOC, locations in AFRICOM and other austere locations designated by the Contracting Officer. Reporting shall be by email until reporting requirements are established and included in Transaction Set Implementation Conventions and their controlling concepts of operations approved by Ocean ACI Committee.

4.2.3 Monthly Revenue Report. The contractor shall provide a monthly revenue report to the USTRANSCOM Contracting Officer that includes all payments received in performance of the contract for each calendar month. The report shall include:

- a. All payments received from the DoD for performance of transportation services paid through the 3rd party payment system (currently US Bank's Freight Payment©) under this contract for each calendar month.
- b. Report format shall include at a minimum:

1. Month
2. Contract Number
3. Contractor Name
4. Total dollars of monthly payments received
5. Individual Shipments: Unique Shipper Identifier (Bill of Lading, etc) and associated dollar value of payments received
6. Aggregated Shipments: Contractor Number entered in the 3rd party payment system and total dollar value of payment received

c. Reports for each month are to be delivered by the 20th day of the following month. If this day falls on a Saturday, Sunday, or Federal Holiday, delivery by the next workday will be considered on-time.

4.3 Equipment

4.3.1 Reefer Equipment

The Carrier shall provide self-sustaining refrigerated (reefer) containers. The Carrier shall provide required refrigerated containers to the stuffing activity. Temperature must be maintained within three (3) degrees Fahrenheit of the in-transit temperature specified for controlled atmosphere and straight, chill, and five (5) degrees Fahrenheit for frozen. Refrigerated containers meet booking instructions, including pre-cooling to the prescribed temperatures. Internal Temperature shall be continuously measured using one (1) Ryan type recorder or equivalent that is capable of measuring any one (1) degree Fahrenheit or more variation during transit. Receiving activities shall be provided a copy of the printed temperature record upon request.

Refrigerated containers breakdown and spoilage. If while in the possession of the carrier, a container does not maintain the proper setting and/or malfunctions causing cargo loss, the carrier will be liable for the total amount of the cargo loss, spoilage and transportation. If the Government deems the cargo to be urgent and therefore must replace the cargo by airlift shipment prior to the next vessel arriving under the contract, the carrier will be responsible for the cost of the air shipment.

4.3.2 Container Standards

The Carrier shall provide clean, dry, empty, odor-free, rust-free, and undamaged containers on chassis to the Government. The equipment shall be United States Coast Guard approved at the beginning of the contracting period and remain in good working condition throughout contract period. To help increase the efficiency of the tally process and container handling at staging/disposition process at port, containers shall have legible Van Owner codes and container numbers stenciled on all four sides of the container. The Carrier shall provide stuffing services, which consist of receiving at its terminal cargo suitable for containerization, and the consolidating, segregating, tallying and stuffing the cargo into containers and sealing the containers. The integrity of cargo units delivered to the carrier for stuffing shall be maintained throughout the shipment consistent with the stowage capability of the carrier's containers. The Government will pay for such services at the rate set forth in CARE-SM II System, per measurement ton of cargo stuffed into a container. The carrier shall spot empty containers at least 3 working days prior to vessel cutoff date within a delivery window of not later than or prior to one hour of the stated time in the notice.

4.3.3 High Cube Containers

A container (dry or reefer) in excess of 8'6" in height shall be paid at the same rate as an 8'6" container.

4.4 Containers Pickup/Delivery

4.4.1 The Carrier shall remove empty containers from Government facility within 72 hours of notification that the container is ready to be transported.

4.4.2 The Carrier shall pickup/remove a stuffed container within 24 hours following receipt of notification that the container is ready to be transported.

4.4.3 The Carrier shall pickup/remove from previous sailing all released containers after discharging inbound containers.

4.4.4 The Carrier shall deliver inbound and inland cargo, no later than (NLT) one day after port/customs clearance. Vehicles in containers shall be delivered within forty-eight (48) hours after the container has been discharged from the vessel.

4.4.5 When the Carrier is of the opinion that the cargo is unsuitable for shipment to the specified destination, the Carrier shall immediately advise the OO of such condition, and request a written decision regarding inspection of the container.

4.5 Detention Invoices

The Carrier shall submit detention invoices or vouchers to the COR no later than thirty (30) days from the date the empty container is returned to the Carrier.

4.6 Payment

The Carrier shall have MRM-15 alternate payment system. MRM-15 Payment Procedures shall be implemented 30 days from the effective date of the contract.

5.0 NOTES/GUIDANCE

5.1 Limitation of Government Liability

5.1.1 Dead Freight. The Government shall not be liable for payment of dead freight.

5.1.2 Required Delivery Dates. Notwithstanding any other provisions of this Contract, the Government may make alternative transportation arrangements, without notice to the Carrier, for any cargo that the Carrier cannot deliver by the Required Delivery Date (RDD) provided by the OO for that cargo.

5.2 Limitation of Carrier's Obligation

5.2.1 Cargo Rejection. Notwithstanding any other provisions of this Contract, the Carrier shall have the right to reject explosives (other than Class 1); dry or liquid bulk cargo (i.e., not packaged, containerized or in vehicles); any species of live animals and other cargo deemed by the Carrier to be dangerous or obnoxious in character. Any such cargo accepted for carriage shall be freighted at the General Cargo rate.

5.2.2 Unsafe Operation. The Carrier shall not be required to receive or deliver containers at points or places where it is impracticable or unsafe to operate tractors and chassis due to conditions of roads, streets, or alleys or when prevented from doing so because of fire, acts of God, acts of war, riots, civil commotion, strikes, lockouts, stoppages or restraints of labor or other labor disturbances.

5.2.3 Hazardous Cargo. The transportation and handling of hazardous cargo for shipment shall be subject to Title 49 of the Code of Federal Regulations, Part 171, et seq. (49 CFR) in force at the time of shipment. The Carrier shall refuse to transport hazardous cargo, either by land or by ocean, which does not conform in all aspects to these regulations and any other applicable U.S. governmental regulations.

- (a) When the Carrier refuses to pick up a container based on non-compliance with appropriate regulations as stated herein, the Government shall reimburse the Carrier the actual line-haul/drayage charge for such container if the Carrier has made a futile trip in connection with such circumstances as a result of Government failure to comply with applicable hazardous cargo regulations.

- (b) Hazardous Cargo known as Dangerous Goods in Limited Quantities. Merchandise classified as such, as defined in Volume I, The International Maritime Dangerous Goods Code (IMDG) w/amendments 25-89) as specified in par. 18.6-18.9, p. 135 and containerized for shipment under this contract will not require additional special labeling, documentation or other restrictions unless specified in future amendments to the IMDG. Cargo moving under this commodity category shall not be entitled to a hazardous cargo surcharge. This cargo may include, but is not limited to items in (Dangerous Goods in Limited Quantities as specified: ormd cargo (70dz9), charcoals, cigarette lighters, cleaning compounds, cosmetics, disinfectants, hypochlorite solution (bleach), insecticides, and polishing compounds.
- (c) Hazardous Waste Material. When transporting hazardous waste material, the carrier must obtain an Environmental Protection Agency identification number (40 C.F.R.263.11). Carrier should accept only those hazardous wastes that have been manifested in accordance with 40 C.F.R. 262.20 and 262.20(b). The manifest shall stay with the shipment to its destination. 40 C.F.R. 263.20 (c). Carrier must deliver the waste to the designated TSD facility on the manifest or to its designated alternate facility in case of an emergency. 40 C.F.R. 263.21(a) and (b).
- (d) Spill Reporting – In the event of an accidental discharge of the hazardous material during transporting the carrier is required to take immediate action to protect human health and the environment as defined in 49 C.F.R. 171.15 and must be reported verbally and in writing to the National Response Center, Office of Hazardous Material Regulations Department of Transportation, Washington, DC 20590. See 33 CFR 153.203, 40 C.F.R. 263.31, State and local laws may require additional notifications. Carrier is liable for spills and discharges of cargo while being transported and is responsible for the cleanup. 40 C.F.R. 263.30 and 31.
- (e) Storage – Carrier may store material en-route up to ten (10) days at each transfer facility as defined by 40 C.F.R. 260.10, 263.12 and 268.50 (a) (3) without becoming a TSD facility. If storage exceeds the ten days at any transfer facility, then the carrier must issue a new manifest and sign and return to the initial shipper its original manifest. Carriers transporting hazardous waste material into the United States from abroad or who mix hazardous wastes of different DOT shipping descriptions into the same container must also meet the standards applicable to hazardous wastes shippers.
- (f) Upon an order for services to transport HAZMAT (not Hazardous Cargo Dangerous Goods in Limited Quantities) under this contract, the OO shall provide to the Carrier, the class, flask point and UN number of the cargo, including any placards/labeling and special handling instructions of such cargo. Cargo moving under this category shall be entitled to the applicable lump-sum hazardous cargo surcharge as set forth in CARE-SM II System. The cargo may include, but not is limited to the following items listed: batteries (wet filled with acid), engine starting fluid, flammable liquid (toxic, n.o.s.), gases (liquefied), hypochlorite solution (bleach), lighters, oxygen (compressed), petroleum distillates n.o.s., petroleum, and windshield washer solvent.
- (g) Explosives. Explosives, other than small arms ammunition, are excluded from the scope of this Contract and shall not be carried hereunder.

5.3 USE OF GOVERNMENT TERMINALS

5.3.1 Services

When the Carrier calls to load or discharge containers or break-bulk cargo at government facilities, if requested by the Carrier, the Government shall make available such services and materials as may be required to permit the Carrier to perform with dispatch its responsibilities under this Contract in connection with the loading or discharging of cargo. The Government shall provide necessary husbanding services to the vessel while it is at the facilities. The

Carrier shall pay the Government, represented by the agency operating the facilities, for such services or materials in accordance with schedules established by that agency.

5.3.2 Shifting Docks

Within a vessel's port of call, the COR may require the vessel to call at, or shift to a particular dock wharf, place or open roadstead at which the vessel can lie always safely afloat at any time of tide, or at which, in the judgment of the Master, the vessel may lie safely aground, and to and from which the vessel may safely proceed when the aggregate of the cargo to be loaded or of the cargo to be discharged at such location is 300 measurement tons or more. If the COR orders such a call or shift and less than 300 measurement tons of cargo are loaded or discharged, the direct costs of such shift shall be reimbursed by the Government. Nothing herein shall be construed as a warranty by the Government of berth, or approaches thereto, at facilities owned or operated by or for the Carrier or at other commercial facilities normally utilized by ships of the size as the Carrier's vessel to load and discharge cargo.

5.3.3 Custom of the Trade

Wherever the standard of performance by either party is not provided under the provisions of this Contract, the "Custom of the Trade" shall be used as a standard of performance. This phrase shall mean the established practice generally accepted by the trucking, rail and marine shipping industries providing transportation services in the geographic trade covered by this Contract.

5.3.4 Security

If the Government notifies the Carrier that the employment or the continued employment of the Master or any member of the crew is prejudicial to the interests or endangers the security of the United States of America, the Carrier shall make any changes necessary in the appointment(s) at no additional cost to the Government.

5.3.5 Safety in Loading and Discharging of Cargo

The Carrier shall comply with all applicable provisions of Public Law 91-596, 84 Stat. 1590 (approved December 29, 1970) known as the Occupational Safety and Health Act of 1970 (29 USC 655, ex. Seq.) and with the standards promulgated there-under by the Secretary of Labor for Safety in loading and discharging of cargo.

5.3.6 Substitution

If the Carrier wishes to materially change its service or to substitute another vessel or other equipment for the vessel or equipment initially offered for service, the Carrier must submit to the Contracting Officer NLT 60 calendar days of the anticipated change a written request detailing such change and the impact on the service provided. The Carrier shall not implement such a change without the written consent of the Contracting Officer.

5.4 DAMAGE TO EQUIPMENT

5.4.1 Damage to Carrier Equipment. Should a container, chassis, or any other piece of Carrier equipment be damaged by act of the Government, its agents, employees, or Contractors while such Carrier equipment is in the custody of the Government, its agents, employees or Contractors, the Carrier may submit a claim to the Government for reimbursement which will be acted upon by the contracting officer. The contracting officer may consider such facts such as: the reasonable costs of repairs; the fair market value immediately prior to the damage; or the depreciated value on the Carrier's books. The Carrier will assign to the Government any rights, causes of action, or other claims, which the Carrier may have against third parties with respect to such damage. The Government shall not be liable for the repair of any damage under this Section unless written notice specifying such damage shall have been given to and acknowledged by the Government or its authorized representative at the time custody of the container or other equipment is returned to the Carrier. Claims submitted under Section 5.6.2 below shall be filed to the United States Transportation Command, Staff Judge Advocate/TCJA, 508 Scott Drive, Scott AFB, IL 62225

5.4.2 Damage to Carrier Vessel or Vessel Equipment. Should the vessel or its equipment be damaged by act, neglect or failure of equipment of the Government, its agents, employees, or Contractors in loading or discharging the vessel, the Carrier may submit a claim to the Government for reimbursement which will be acted upon by the contracting officer. The Carrier will assign to the Government any rights, causes of action, or other claims which the Carrier may have against third parties with respect to such repairs. In the event that any damage should occur to the vessel or its equipment as a result of the joint fault of the Carrier and the Government, liability for such damage shall be apportioned pro rata in accordance with the respective degrees of fault. The Government shall not be liable for the repair of any damage under this Section unless notice specifying such damage and the name(s) of the party or parties causing such damage shall have been given to and acknowledged by the Government or its authorized representative as soon as possible after the occurrence of such damage, or in any event before the vessel leaves the berth or anchorage where the damage occurred, and provided, further, that the Government shall not be liable for the repair of any damage under this Section if such damage is caused by a Contractor of the Government unless demand first is made upon such Contractor by the Carrier and payment therefore has been refused.

5.4.3 Damage to Government Equipment. The Carrier shall be liable for loss of or damage to Government containers and chassis while in the Carrier's custody.

5.5 GOVERNMENT FURNISHED CONTAINERS

From time to time the Government may book cargo for carriage in Government-owned or leased containers or may book carriage of empty Government owned or leased containers. It is contemplated that such containers will be 20 and/or 40 closed top, dry ISO cargo containers, although other types and sizes of containers may be used. The Carrier will furnish any additional equipment, including chassis, necessary for the carriage of cargo in Government containers in accordance with the provisions of this Contract and the requirements of particular Shipping /Delivery Orders. All provisions of this Contract shall apply to the carriage of cargo in Government containers in the same manner that they apply to the carriage of cargo in the Carrier's container.

5.6 CARGO RECEIPT

Any receipt signed by or on behalf of the Master shall be without prejudice to the terms, conditions, and exceptions of this Contract, and subject to all of them. The Government fully warrants the accuracy and completeness of all papers and documents relevant to the shipment of all cargo tendered under this contract.

5.6.1 Improper Documentation. If the Government does not provide the Carrier with the correct container documentation at the time and location of Carrier acceptance, the Carrier may refuse to accept the container. If the Carrier chooses to pick-up or accept the container, the Carrier shall provide the cognizant SDDC manifesting activity with all the missing receipt or lift data in order that the container can be completely identified for onward movement. This information must be provided within one (1) working day of receipt or lift or earlier if necessary to meet the scheduled vessel sailing. The Government shall hold harmless the Carrier, the Master, and the vessel of and from all consequences or liabilities that may arise from any irregularity in the papers supplied by the Government, and shall reimburse the carrier the direct cost of any fines or charges incurred as a result thereof in accordance with Rate Rules Section of the Contract.

5.7 FAILURE TO SPOT

5.7.1 Remedies. When the Carrier fails to spot an empty container by the designated date and time, and as a result there is not reasonable time to allow stuffing and release of the container in sufficient and reasonable time to meet the scheduled sailing date of the vessel to which the container is booked, the Carrier shall be liable either for the payment of liquidated damages or for the reimbursement of expenses incurred by the Government to obtain alternate transportation of the container. The Government shall also be entitled to cancel the booking of such cargo at no cost to the Government.

5.7.2 Liquidated Damages. Liquidated damages for failure to spot shall be equal to the detention charges as stated in the Appendix and/or clause, Container Detention Charges, until the container is spotted or a new spotting date and time are agreed upon by the OO. Further, if the failure to spot does not allow for Government stuffing and release of the container in sufficient reasonable time to meet the scheduled sailing date of the vessel to which the container is booked, liquidated damages equal to detention charges for each 24-hour period, or part thereof, will apply from the completion of loading of the vessel to which the container was originally booked to the time of commencement of loading of the Carrier's next scheduled vessel to the port of destination to which the container was booked. If the Government cancels the booking, the Carrier's liability for liquidated damages shall be limited to the period ending with cancellation.

5.8 DELAY IN SPOTTING

When the Carrier fails to spot an empty container by the designated date and time, and as a result the Government must incur overtime expenses to enable stuffing and release of the container by the Government prior to the scheduled sailing date of the vessel, the Carrier shall be liable for payment of liquidated damages equal to the total overtime expense incurred by the Government.

5.9 OVERWEIGHT CONTAINERS

If the Government stuffs a container with cargo weighing in excess of the container's standard maximum weight carrying capacity or in excess of any lesser weight of which it has been given notice under this Section, it shall remove, or pay the expenses of the Carrier in removing or handling the excess weight of cargo. All consequences or liabilities that may result from excessive weight of containers stuffed by the Carrier shall be the responsibility of the Carrier. All fees or other costs incident to weighing containers shall be the responsibility of the Carrier.

The Carrier shall not refuse to carry a container that weighs in excess of the local maximum weight allowed by U.S. Federal, state, or local governments if the container can be discharged from the vessel and the excess weight of cargo can be removed without violation of the applicable law, regulation, or ruling that established the maximum weight.

5.10 GOVERNMENT FAILURE TO TIMELY RELEASE CONTAINERS

5.10.1 Occurrence. When a container which has been positioned at a Government stuffing facility is not released, by the Government within a reasonable time, to meet the scheduled sailing time, and date of the Carrier's vessel to which it is booked, thereby, precluding the container from being loaded on the vessel, the Government shall have the alternatives set forth below. In no event will the Government be liable for vessel demurrage or dead freight as a result of failure to release a container in time to meet a specified vessel sailing.

5.10.2 Load on the Next Vessel. The Government may allow the Carrier to load the container on the next vessel scheduled to the booked port of debarkation and pay the Carrier detention charges as set forth in the contract from the time of completion of loading of the vessel to which the container was originally booked to the time of the commencement of loading of the Carrier's next scheduled vessel.

5.10.3 Unstuff the Container. The Government may order the Carrier to move the container to another place for unstuffing. The Government shall bear all costs of such movement and shall pay detention charges set forth in the contract, between the time of completion of loading of the vessel to which the container was booked and the release of the empty container.

5.10.4 Move to Another Shipping Place. The Government may order the Carrier to move the cargo to another place, including another Carrier's terminal, and the Government shall bear all cost of such movement. The Carrier shall be liable for freight, and any other expenses, paid by the Government for movement of the cargo over that freight which would have been paid to the Carrier if it had been loaded as originally booked.

5.11 CARRIER FAILURE TO LOAD CONTAINERS

5.11.1 Occurrence. When a stuffed container is released by the Government within reasonable time to meet the scheduled sailing time and date of the Carrier's vessel to which it is booked and the container is delayed, through fault of the Carrier, thereby precluding the container from being loaded on the vessel, the Government shall have the remedies set forth below.

5.11.2 Load on the Next Vessel. The Government may order the Carrier to load the container on the next vessel scheduled to the same port of debarkation and hold the Carrier liable for liquidated damages equal to detention charges from time of completion of loading of the vessel to which the container was originally booked to the time of completion of loading of the Carrier's next scheduled vessel.

5.11.3 Move to Another Shipping Place. The Government may take possession of the container and transport it by any means available to the Government. The Government shall return the container to the Carrier at the port of debarkation. The Carrier shall be liable for liquidated damages equal to detention charges commencing at the time of completion of loading of the vessel to which the container was originally booked and ending when the vessel on which the container is loaded sails. The Carrier shall also be liable for freight, and any other expenses, paid by the Government for movement of the container over that freight which would have been paid to the Carrier if it had been loaded as originally booked.

5.11.4 Return the Cargo. The Government may elect to return the cargo, in which case the Carrier shall move the container to a place designated by the OO for un-stuffing and shall bear all costs for such movement and un-stuffing. The Government shall not be obligated to pay for use of the container. The Carrier shall be liable for liquidated damages in an amount equal to detention charges, commencing at the time of completion of loading of the vessel to which the container was originally booked and ending when the OO Officer notifies the Carrier of this course of action.

5.12 NO FAULT FAILURE TO MEET SAILING

5.12.1 Occurrence. If a container stuffed with cargo misses the sailing due to no fault of the Government or the Carrier, the Government shall have the remedies set forth below.

5.12.2 Load on the Next Vessel. The Government may order the Carrier to load the container on the next vessel scheduled to the same port of debarkation. The Government shall pay only for freight and usual charges

5.12.3 Move to Another Shipping Place. The Government may order the Carrier to move the container to another place, including another Carrier's terminal. The Government shall bear all costs for such movement, and shall return the container to the Carrier at the port of debarkation.

5.12.4 Return the Cargo. If the Government elects to order the return of the cargo, the Carrier shall move the container to a place designated by the Ordering Officer for unstuffing. The Government shall bear all costs of such movement.

5.13 DELAY OF SCHEDULED SAILINGS

5.13.1 Occurrence. If the scheduled sailing to which container cargo is booked is delayed more than forty-eight (48) hours, the Government shall have the alternatives set forth below.

5.13.2 Container Release. The Government may allow the container to move on the delayed sailings.

5.13.3 Move to Another Shipping Place. The Government may order the Carrier to move the containers to another place, including another Carrier's terminal. The Carrier shall bear all costs for such movement, including the removal of the containers from the vessel and placement on a chassis. The Government shall return the containers to the Carrier at the port of debarkation.

5.13.4 The Carrier is entitled to compensation for expenses incurred in the movement of the cargo prior to the ordered release to another ocean carrier. Carrier shall be responsible for submitting and supporting these expenses.

5.14 STORAGE CHARGES

When the Carrier fails to pick-up a container from the Government facility within the time period specified in paragraph 4.4, Container Pickup/Delivery, the Carrier shall be liable for payment of storage charges computed at the detention rates for each 24-hour period, or pro-rata portion thereof, from expiration of the time.

5.15 COMMENCEMENT AND TIME STANDARD OF DELIVERY TRANSPORTATION

When the Carrier fails to commence or meet the time standard of inland delivery transportation within the specified time period, the Carrier shall be liable for payment of liquidated damages, computed at the rates for detention charges for each 24-hour period, or pro-rata portion thereof, in excess of the time period specified at paragraph 4.4, Container Pickup/Delivery, in the contract, excluding time lost due to delay in commencing delivery pursuant to a request by the OO, labor disturbances, or fault or failure of the Government.

5.16 TRANSSHIPMENT OR RELAY

5.16.1 Policy. The Carrier shall not transship or relay cargo, containerized or break-bulk, unless it has received written permission to do so from the OO at the time of booking. The Carrier's request for permission shall include notice of the extent to which it will transship or relay the container between vessels (whether its own or other Carriers') and of the flag of the vessels involved. Transshipped or relayed containers shall be loaded aboard the first available vessel sailing from the port of transshipment or relay. The Carrier shall immediately notify the SDDC representatives at the ports of loading, transshipment or relay, and destination of the name of the vessel and/or Carrier and estimate time of arrival at destination.

5.16.2 Foreign Flag Vessels. No foreign flag vessel will be used for any portion of the carriage between the ports of loading and discharge unless the use of such vessel has been disclosed to and approved by the Chief of Global Distribution International at SDDC Scott AFB or his/her designee prior to booking, or unless delivery to the port of discharge on the U.S. flag vessel scheduled to carry the container to the port is prevented by a casualty to the vessel that precludes its call at the port of discharge within a reasonable time and the Chief of Global Distribution International or his/her designee has approved transshipment to the foreign flag vessel.

5.16.3 Notification of Arrival. When delivery of cargo is made by a transshipment or relay vessel, the Carrier will notify the COR of the impending arrival of the cargo at the port of final destination, and will include in such notification, the name, estimated time of arrival, and flag or registry of the ship in which it will arrive; the Carrier's name, the ship and voyage document number to which the cargo was originally manifested; the container number, if applicable; and the names and flags of registry of any ship utilized for intermediate transshipment or relay.

5.17 DIVERSION FOR THE CONVENIENCE OF THE GOVERNMENT

Upon written direction by the Contracting Officer, the Carrier may route or divert its vessel, for the convenience of the Government, to a port of loading or discharging not on the route for which rates are quoted in CARE-SM II System. The written direction shall reflect the special routing or diversion and state the agreed additional freight, if any, to be paid by the Government for such special routing or diversion.

5.18 TRANSFER OF CONTAINERIZED CARGO

The Carrier shall not transfer or trans-load cargo from one container to another without the authorization of the OO, except when such transfer is required to safeguard the cargo during the continuation of the movement. When cargo is transferred from the original container, the Carrier shall immediately so notify the SDDC activities having cognizance over the loading and discharge ports. Such notice shall contain the serial number and seal number of the original container and of the container to which cargo was transferred, the place where the transfer occurred and the

reason for the transfer. When the container to which the cargo was transferred differs in internal cubic capacity from the original container, freight shall be based upon the cubic capacity of the original container.

5.19 GOVERNMENT DRAYAGE/LINE-HAUL

If the booking terms require delivery of the container to the Government at the Carrier's terminal at the CONUS port of discharge, the Carrier's obligation under this Contract shall terminate at the time the container with chassis is hooked to the Government tractor or at 0001 hours after the container has been discharged from the vessel, placed on a chassis, cleared for line-haul or drayage by all applicable agencies of the local Government, including Customs, and the OO has been notified that the container is ready for line-haul or drayage, whichever occurs first.

5.20 TIME

5.20.1 Free Time Allowed. The total amount of free time in CONUS will be ten (10) days. Total free time shall be the time between delivery of a container and arrival of the Carrier's next vessel.

5.20.2 Commencement of Free Time. Time shall commence to run at 0001 hour local time after the container is physically tendered for delivery.

5.20.3 Running of Time. Time shall not run during any Saturday, Sunday, or locally observed holiday at the place the container is located. Time shall run during any period when clearance by local government agencies is delayed due to the non-availability of documents required for such clearances which are furnished by the Government, provided, that the container is otherwise ready for line-haul/drayage and the OO has been notified of the unavailability of such documents. Time shall, when the Government requests such delay, run during the period of delay prior to commencement of inland delivery.

5.20.4 No Running of Time. Time shall not run during any period containers are held due to local labor disturbances.

5.20.5 Cessation of Time. Time shall cease to run at 2400 hours on the day the Carrier is notified that the container is released or when the container is returned to the Carrier, whichever is earlier.

5.20.6 Delivery at Carrier's Terminal. When the OO elects to take delivery of containers at the Carrier's Terminal at the port of discharge, time shall start to run when the container with trailer is hooked to the Government tractor.

5.20.7 Refrigerated Containers. The Carrier is responsible to deliver the reefer with a full tank of fuel, if the consignee does not get the container unloaded and shut-down prior to the tank running dry, the consignee will be responsible for maintaining the reefer.

5.21 DETENTION

5.21.1 Incurrence. In the event the Government holds the Carrier's container longer than the free time allowed, the Government shall pay detention charges as set forth in the Rate Rules.

5.21.2 Computation of Detention. Detention charges will be paid at the rates set for each 24 hours period of time, or pro-rata portion thereof, beyond the total allowed free time that the containers are held by the Government. No detention charge will be incurred for time spent in stuffing containers. Rates are expressed in dollars and cents and apply for containers with or without chassis.

5.21.3 Refrigerated Containers. When Government caused delay of a refrigerated container results in payment of detention, the Carrier shall be reimbursed for fuel consumed during the detention period. The compensation payable by the Government will be at the Carrier's actual cost including labor and materials.

5.22 CONTAINER DETENTION CHARGES

Detention Invoices. Detention invoices must be submitted to the OO's representative designated to certify such invoices no later than thirty (30) days from the date the empty container is returned to the Carrier.

A. DRY CARGO CONTAINER

(Includes closed containers, open top containers, flat racks, car carriers, any of the above with chassis, and chassis alone). Rates apply per day.

Under 40 foot	\$11.00 per day
40 foot and Over	\$15.00 per day

B. REFRIGERATED CONTAINER (Includes container with chassis)

Under 40 foot	\$30.00 per day
40 foot and Over	\$41.00 per day

6.0 QUALITY COUNCIL

Council Meetings will be held, to identify and resolve potential operational problems and to achieve continuous process improvement. The Government will establish a Quality Council consisting of members who may include representatives of the Carrier, Ocean Cargo Booking Office (OCBO), Ocean Cargo Clearance Authority (OCCA) effected Shipper services, as well as the Administrative Contracting Officer (ACO) and Ordering Officer (OO).

The Quality Council shall meet on a semi-annual basis or as needed, to identify, monitor, and recommend solutions to operational problems arising during the term of the contract. Recommendations for process improvement will be elevated to the Procuring Contracting Officer or his/her designated representative and the designated Carrier representatives for consideration, approval, and negotiation of contract modifications as applicable. Carrier representatives will participate through teleconference or may attend in person at no cost to the Government.

7.0 MISCELLANEOUS

7.1 SHIPPING/DELIVERY ORDERS

When transportation services are ordered under this Contract, a booking will be issued by the Government. The Government or representative will prepare all necessary papers including shipping instructions or manifests listing the cargo stowed in containers aboard the vessel. Such papers, including vessel papers or government's manifests, shall be receipted by the Carrier or his agent, and shall be evidence of ownership. These documents and the Shipping/Delivery Order shall be deemed to be an Order within the meaning of the Ordering Clause (FAR 52.216-19). The Contracting Officer shall provide the Carrier with written notice of the Government activities authorized to issue Shipping/Delivery Orders.

7.2 CONTAINER SIZE ORDERED/PROVIDED

When ordering containers from the Carrier, the OO will specify the size and type of the container required. The Carrier shall not furnish a container of a different type or size than ordered without authorization from the OO. If the OO allows the Carrier to substitute a larger size container than booked, and the loaded shipment does not exceed the cubic capacity of the size container originally ordered, the Government shall pay for the size ordered only. If the loaded shipment exceeds the cubic capacity of the size container originally ordered, the Government will pay for the size container actually furnished.

7.3 APPLICATION OF RATES

7.3.1 Expression of Rates. All rates appearing in CARE-SM II System are stated in U.S. dollars and cents per the applicable unit of measure.

7.3.1.1 Acceptance of Booking. The application of rates for the movement of cargo will be detailed in the Integrated Booking System (IBS). Upon acceptance of the booking, the Carrier agrees to freight cargo based on the requirements in IBS at the time of acceptance. Carrier may consolidate and mix cargo at the Carrier's convenience, but will freight based on the IBS booking.

7.3.2 Containerized Cargo. Containers stuffed with general cargo (including mail/mail equipment), refrigerated cargo, vehicles, controlled atmosphere cargo; hazardous material cargo, flat rack service and recyclable cargo shall be freighted at the appropriate rate(s) stated in CARE-SM II System. Containers stuffed by the Carrier shall not exceed 30,000 pounds in load weight.

7.3.3 Vehicles. The Carrier will be compensated for the carriage of vehicles at the applicable rate as requested in the booking offered by the OO in IBS.

7.3.3.1 Vehicles offered as Break-bulk cargo in IBS shall be containerized and freighted at the applicable measurement ton rate stated in CARE-SM II System applicable to the manifest measure of the vehicles. Vehicles shall be freighted on the basis of extreme dimensions as offered for shipment not to exceed the maximum inside cubic capacity of the container.

7.3.3.2 Vehicles offered as Containerized cargo in IBS shall be stuffed with a mixture of both vehicles and general cargo and freighted at the general cargo per container rate.

7.3.4 Stripping, Sorting and Consolidation Charges - When ordered by the OO, or their designated representative, stripping, sorting and consolidation services performed by the Carrier shall be paid in accordance with the rates set forth in CARE-SM II System.

7.3.5 Break-bulk Cargo. Break-bulk cargo shall be freighted by applying the applicable rate to the manifested measurement tonnage (MTON) of the cargo.

7.4 EXCEPTIONS TO GENERAL APPLICATION OF RATES

7.4.1 Carrier imposed weight restrictions. When a container is precluded from being utilized to its maximum capacity because of Carrier imposed restrictions which limit the weight carrying capacity below the maximum weight carrying capacity of the container, the cargo shall be freighted at the applicable measurement ton basic rate applied to the manifest measure of the cargo applied pro-rata to useable carrying capacity (e.g., if the maximum capacity of the container is 20,000 lbs., but the restricted capacity is 15,000 lbs., the container will be freighted at 75% of its usual measurement ton rate). Container weight shall not exceed 30,000 pounds.

7.4.2 Government Furnished Containers. The Carrier's charges for through transportation of commercially acceptable Government containers will be ninety-five (95) percent of the appropriate rate for that cargo commodity. In the event the Government at its own cost elects to procure new reefer/controlled atmosphere containers and provide them to the Contractor as Government furnished equipment (GFE), the Carrier's charges for through transportation of such GFE will be fifty (50) percent of the appropriate rate for that cargo commodity. The Carrier's charges for empty Government containers shall be one-half the appropriate rate for that container type.

7.5 PAYMENT

7.5.1 Freight Payment. Payment of outbound containers will be paid in Freight Payment; all inbound, outbound break-bulk and excepted cargo shall be paid IAW paragraph 7.5.6.

7.5.2 Submission of Invoices. Invoices shall be submitted in accordance with the Standard Billing Instructions. The Carrier shall submit properly certified invoices or vouchers for outbound/inbound shipments, detention and other authorized charges to Military Surface Deployment and Distribution Command, HQ, SDDC, 1 Soldier Way, Bldg 1900W, ATTN: SDDC-RMM-AP, Scott AFB, IL 62225. 618-220-5326. Invoices shall be submitted within six (6) months from date of shipment.

7.5.3 Determination of Delivery. Delivery of the stuffed container or break-bulk cargo, if inland delivery service required, at ultimate destination and accomplishment of the Shipping/Delivery Order may, for purposes of payment of freight, be established either by a copy of a receipt signed by the consignee or its agent, or upon certification of delivery by the Ordering Officer based on information available within the Government. For purposes of payment of freight, delivery of container/break-bulk cargo shall be deemed to occur upon placement of the stuffed container at ultimate destination or upon expiration of two working days after the Carrier tenders the stuffed container/break-bulk cargo for delivery at the ultimate destination whichever occurs earlier. The Carrier may notify the paying activity of the date and time of the container arrival at ultimate destination for determination of the two working day basis for payment of freight.

7.5.4 Withholding of Payment. If after delivery and/or unstuffing of the cargo or container should the Government discover there is any damage to or shortage of cargo not definitely known to be the fault of the Government or its agents, upon notification to the Contracting Officer, the Contracting Officer shall consider withholding certain monies if necessary to protect the interests of the Government pending final determination of the amount of shortage or damage. If found liable, the Carrier will be held responsible for the dollar amount of such shortage or damage estimated and funds will be withheld from sums owed to the Carrier by the Government under any Shipping/Delivery Order. Likewise, the Government may recover overpayments of freight, and may recover charges paid to the Carrier for services and supplies.

7.5.5 Reimbursement. All charges and expenses incurred for the account of the Government as provided in this Contract, and which are not paid directly by the Government, or by the consignee, shall be paid by the Carrier which shall be reimbursed upon the presentation of properly supported invoices, including, but not limited to, Carrier's Interchange Receipt and COR certified invoices.

7.5.6 Payment. In accordance with the Prompt Payment Act, all payments earned on shipments will be made after (a) receipt of a proper invoice, in accordance with the procedures outlined above, or (b) evidence of delivery as described above, whichever occurred later. The failure of the Government to provide a proper manifest in a timely manner shall not preclude the Carrier from submitting a proper invoice upon delivery of cargo as set forth above.

7.5.7 Line-haul/Drayage - All inland rates are stated in dollars and cents per manifested container size regardless of type and are applicable for drayage or line-haul services furnished by the carrier in conjunction with basic services provided.

7.5.8 Electronic Payment – Carriers will be paid through Automated Fund Transfer (AFT) using the Freight Payment System, a product of US Bank, Inc. Payment will be made after cargo has been lifted. A satisfactory comparison of shipping instructions and Carrier lift reports will be the basis for approving payment to Carrier. Carrier shall have an agreement with US Bank and be Freight Payment certified for the electronic payment of transportation services See Attachment Freight Payment Rules for details of Sealift Carrier Payment via Freight Payment). Carrier not yet authorized AFT must provide bank and account information necessary to implement AFT.

7.5.9 MRM-15 alternate payment procedures - During the term of this contract, the (Freight Payment), shipping instruction (EDI 304), plus carrier lift (EDI 315) reports will be the basis for effecting payment to Carriers. Electronic Carrier Payment, MRM15 Payment Procedures will be implemented 30 days from the effective date of the contract. The automated payment procedures require the awardee to become a certified Freight Payment carrier. For questions regarding this, please call US Bank at 1-800-417-1844.

7.6 REFUNDS, REBATES AND CREDITS

The Carrier agrees that any refunds, rebates, credits or other amounts (including any interest thereon) accruing to or received by the Carrier under this Contract shall be paid by the Carrier to the Government to the extent that they are properly allocable to costs, expenses or reimbursements for which the Carrier has been reimbursed by the Government under the terms of this Contract.

7.7 AGREED COST RESPONSIBILITY

7.7.1 General. As a means of facilitating the administration of this Contract, the parties have agreed that certain items of cost anticipated as likely to arise in the performance of their respective duties under this Contract shall be listed. Determinations of responsibility for items of cost agreed by the parties under this Section are intended to be consistent with the substantive clauses of this Contract; provided however, in the event of conflict, the substantive clauses of the Contract shall prevail.

7.7.2 Responsibility of the Carrier. The Carrier is responsible for the costs associated with the following services:

7.7.2.1 Furnishing and maintaining containers and chassis.

7.7.2.2 For CONUS only, drayage of containers including: furnishing and maintaining tractors; furnishing drivers; CONUS delivery costs of movement of containers, including tractors and driver; highway, ferry, tunnel and bridge tolls; and user taxes.

7.7.2.3 All costs of the vessel operation and all CONUS port charges and other expenses charged to the carrier's vessel in CONUS ports.

7.7.2.4 The carrier is responsible for terminal handling, all stevedoring, loading and discharging in CONUS, port operations are provided by government contractors OCONUS.

7.7.2.5 All CONUS container terminal costs including receipt of containers; marshaling of containers; and cleaning containers before stuffing and after un-stuffing.

7.7.2.6 Taxes, dues, fees and other charges (including storage charges levied by governments, ports authorities, or wharfingers) on break-bulk cargo, on the containers, and on their contents, if any, except those charges which are payable by the Government.

7.7.2.7 Handling charges including terminal tariff handling charges according to the custom of the port; agency fees in connection with port clearance of cargo.

7.7.2.8 Compiling and reconciling the cargo documentation the Friday, prior to the sailing of the vessel with the Government.

7.7.3 Responsibility of the Government. The Government is responsible for the cost of the following services:

7.7.3.1 Respot of containers within a Government facility; supply point or vendor's plant.

7.7.3.2 Except when ordered from the Carrier, container stuffing and un-stuffing including: labor employed; packing material and/or dunnage employed; preparing documentation; sealing the container; removal of packing material, dunnage and placards; and sweeping.

7.7.3.3 Miscellaneous dues, fees and charges including: cargo surveyor fees when services are ordered by the Government or when resulting from dispute between the Government and the Carrier resolved in favor of the Carrier; drayage or line-haul charges listed under paragraph 7.7.3.2 above when performed by the Government.

7.7.3.4 Any vessel fees or port charges as they relate to any container and cargo charges.

7.7.3.5 Any direct costs of any fines or charges incurred by the Carrier as a result of irregularities in papers supplied by the Government.

7.7.3.6 Additional personnel ordered by the Government including: Transportation and travel time of stevedore personnel when ordered by the Government for its account; overtime for customs, agriculture or public health officers provided for the convenience of the cargo, when requested by the Government.

7.7.3.7 Contaminated cargo costs, other than contamination resulting from action of the carrier, including: Fumigation required solely because of contaminated Government cargo, including related costs and detention; crew overtime in connection with standby security watch when required by the OO during loading and discharging; crew wages, fringe benefits and related payroll tax when ship's crew are performing longshore work in cargo operations at the request of the terminal or by custom of the port including members of the steward's department required to prepare additional meals.

7.7.3.8 Handling charges including customs and other fees, dues and/or taxes charged to the cargo; harbor and quay dues charged to cargo based on local tariffs.

7.7.3.9 Cargo landing and wharfage charges including: Landing charges against cargo in accordance with the regulations of the port, including those billed by port authorities to the ship; and wharfage charged to military cargo.

7.7.3.10 Compiling and reconciling the cargo documentation every Friday, prior to the sailing of the vessel with Carrier.

7.8 SUBMISSION OF OPERATIONAL REPORTS

7.8.1 Load Report

The Carrier shall provide (by mutually agreeable means) the cognizant SDDC activity and the activity responsible for cargo documentation (including the COR/ACOR) with the following information in connection with cargo loaded at each port.

7.8.2 On terminal in-gate information (CONUS/OCONUS). Cargo on terminal in-gate information shall consist of carrier name, port of loading, date cargo received at port, container number with ALPHA prefix, TCN, and seal and/or keyless lock number. This data shall be provided within four working hours of cargo receipt by the Carrier to the QAE.

7.8.3 Cargo Receipt. The Ship Master shall sign the Vessel Papers or receipt acknowledging receipt of the cargo in apparent good order and condition or he/she shall record thereon any apparent damage to or shortage of such cargo or any other specific exception to the cargo as listed on the manifest or receipt. For containerized cargo both received by the Carrier and delivered at destination under seal, the Master's receipt acknowledges only the apparent good order of the container.

7.8.4 Cargo Lift Information (CONUS/OCONUS). Cargo lift information shall consist of: name of vessel and voyage document number, container number with ALPHA prefix, TCN, port of discharge, final destination, general description of cargo (i.e., general cargo, mail/mail equipment, POV, other vehicles, refrigerated cargo, and seal and/or keyless lock number). This data shall be provided within eight working hours after vessel departure to the COR/ACOR.

Note: If a seal on any container has been broken and/or replaced while in the Carrier's custody, the Carrier shall notify the COR/ACOR and the designated Government representative (e.g. QAE) at the Port with a complete report as to the circumstances and the reasons therefor.

7.8.5 Voyage Reconciliation. The Carrier shall provide both the cognizant SDDC activity and local activity responsible for cargo documentation a listing of cargo to include container number and TCN of cargo which were

booked but not loaded, or loaded but not booked, and the reasons why the cargo missed their designated scheduled sailing. Such notification shall not relieve the Carrier of its obligations under this Contract to fulfill the original cargo booking commitments. Reports shall be furnished within eight hours after vessel departure to the COR/ACOR.

7.8.6 Discharge Report.

The Carrier shall provide either the Supply Officer's agent at GTMO or designee at SDDC (including the COR/ACOR) with a discharge report. This report shall be provided for cargo discharged as soon as practicable after discharge, but not later than twenty-four (24) hours after discharge. Information must indicate the following for each shipment/TCN: name and voyage number of vessel, date and time cargo was discharged, date and time cargo is available for commencement of drayage or linehaul, and date, time and mode of commencement of drayage or linehaul.

7.8.7 Situation Report.

The Carrier shall provide written notice within four (4) hours to the Contracting Officer, the OO and the COR/ACOR and any other designated representatives of the Government of any operational shortfall that occurs relative to the services described in this contract. Examples of operational shortfalls include sailing delays, container unavailability, strikes, receiving delays, port backlogs and equipment failures.

7.8.8 Vessel Position Reports.

The Carrier shall report via e-mail specifying longitude and latitude, and distance to go at 0600 and 1800 to the distribution list provided by the Government.

APPENDIX I AZORES

APPENDIX I Azores

Transportation Service

Description of the Azores

Transit Time

Hazardous Waste Container

Equipment Pools

Chassis Requirement

High Cube Containers

Over Dimensional and Unusual Size Cargo Service

Definition of City Groups and Zones

APPENDIX I (AZORES)

TRANSPORTATION SERVICE

Azores Transportation Service

The Contractor, a vessel owner, operating ocean Carrier, shall provide transportation of lawful cargo by U.S. flag ships between points in the Continental United States of America (CONUS) as specified in CARE-SM II System and the commercial terminal in Port of Praia, Azores. The Carrier shall maintain regularly scheduled liner term service on this route throughout the period of the Contract.

The services being procured by this contract provide the primary logistical support for the American Forces

stationed in the Azores and the sole means of surface transportation between the U.S. and the Azores. The Carrier will transport over 90% of all supplies used at the base, including food, other necessities, and amenities providing quality of life. Reliability of service in all weather conditions is paramount. Sea State 4 or higher is frequent on the annual schedule. Maintenance of the schedule has allowed the Air Base to move to a just-in-time delivery system, resulting in significant savings, including being able to eliminate the requirement to maintain redundant/spare equipment. The Government seeks a teamwork relationship with the Carrier that will minimize the government's overall exposure to costs and risk associated with this transport, including both Carrier and non-carrier related costs and time element problems. Reliability of the schedule is paramount in shortening the supply chain and in minimizing exposure to re-acquisition costs.

The Carrier shall provide both break-bulk and intermodal container service, including terminal handling, all stevedoring, loading and discharging in CONUS. At Port of Praia the designated U.S. Government contractor shall provide all port handling and stevedoring unless the Government directs the Carrier to implement such services.

The frequency of service shall be a vessel call at Azores at intervals not to exceed twenty-five (25) days between deliveries. Actual cargo transit time shall not exceed eleven (11) days from the last loading port in CONUS to Port of Praia and eleven (11) days from Port of Praia to the first discharge port in CONUS. For inbound cargo, inland cargo delivery transit after port clearance (commencement of delivery) shall not exceed one day for every 300 miles of the shortest road distance from the port of discharge. For outbound cargo, if inland cargo delivery is required by the Government, transit after commencement of delivery shall not exceed three (3) days by the shortest road distance from the port of discharge. The Carrier shall carry any and all cargoes offered by the Government up to the capacity of the vessels offered for use in this trade, with the exception of those limitations of the Carrier's obligations specified in Section 2.5. The minimum space available to the Government for each outbound (CONUS to Azores) or inbound (Azores to CONUS) sailing shall be no less than 59 – 40' containers, of which 20 spaces must be capable of accepting 40' refrigerated containers; and 2000 square feet of protected break-bulk/vehicle stowage. Each of the 40' spaces offered must be able to accommodate 2 – 20' containers or the vessel(s) must have additional space to accommodate the 20' container shortfall.

Description of Azores

Physical Characteristics: The Azores Islands are located in the Atlantic Ocean, about two hours flying time and 930 miles (1500 Km) from Lisbon, and about five hours flying time and 2422 miles (3900 Km) from the eastern coast of North America.

Port operations: Lajes Field is a Portuguese Air Base (PAB) No. 4, where the 65th Air Base Wing is stationed by agreement with the Republic of Portugal. Lajes Field is the home of all U.S. Air Force, Army, and Navy military forces in the Azores. In 1953, the U.S. Forces Azores Command was organized as subordinate Unified Command under the Command-in-Chief Atlantic. In peacetime, the U.S. Forces Commander (COMUSFORAZ) is assisted by a small joint staff responsible for contingency planning.

Transit Time for the Azores

The Carrier transit time shall not exceed 11 days from CONUS port of loading to Azores. Vessel must sail on the assigned scheduled day as stated in the contract.

Hazardous Waste Containers

Carrier shall provide both 40ft and over and under 40ft empty containers at the Port of Praia for hazardous waste material required to be shipped inbound to CONUS (Newport News, VA).

The material may consist of, but is not limited to, antifreeze, soil, asbestos, corrosive liquid and solids, polychlorinated biphenyl (PCB)'s, regulated and non-regulated flammables, and oils and lubricants. The Carrier shall provide to designated Government and/or Government contractor personnel access to its port terminal facility to implement CONUS disposal operations.

The Carrier will be compensated for this service in accordance with the rates set forth in CARE-SM II System.

Equipment Pools (container only)

The Contractor shall establish and maintain equipment pools as requested by the Contracting Officer at CONUS locations. All expense for operating equipment pools shall be borne by the Contractor to include establishing, managing and dissolving pools.

Chassis Requirements

Carrier must provide a minimum of twenty (20) 40' FEU chassis's with four pins and six (6) 40' FEU eight pin chassis's (these chassis's can fit either one 40' or two 20' containers) and (4) 20' TEU four pin chassis.

Over Dimensional and Unusual Size Cargo Service

(1) Over dimensional cargo is defined as cargo that when booked to be shipped as a unit of cargo in/on a single container does not exceed the following maximum weight and dimensions:

- Weight: 48,000 lbs.
- Length: 40'0" (480")
- Width: 11'0" (132")
- Height: 11'6" (138")

In addition, over dimensional cargo is considered to be cargo within the above maximum dimensions and weight which has a dimension (length, width, or height) that exceeds any external dimension of the container most suitable to the cargo when loaded and measured in/on such container. Selection of the equipment used for ocean transportation shall not result in over length dimensions when the cargo is loaded on a 40-foot flatrack, not a 20-foot flatrack.

(2) Charges for over dimensional cargo stowed on a vessel in containers shall equal the additional ocean rate for equivalent displaced standard dry container(s) by size, in accordance with the following formula (which includes use of a flatrack container):

In gauge: $\frac{BOF \text{ (Basic ocean freight)} + FRS \text{ (Flat rack surcharge)}}{TC \text{ (Total charge)}}$



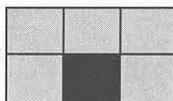
Over height: $\frac{BOF + (BOF \times 60\%) + FRS}{TC}$



Over width: $\frac{BOF + ((BOF \times 2) \times 60\%) + FRS}{TC}$



Over height and over width: $\frac{BOF + ((BOF \times 5) \times 60\%) + FRS}{TC}$



A 40 percent discount shall be applied for displaced slots in any configuration.

If other than flatracks are used to ship over dimensional cargo, the flatrack surcharge shall not be applied to the formula.

Flatrack surcharges shall not apply to Government owned flatracks in the rate computation for over dimensional cargo.

Displaced slots for which charges are assessed will be counted toward the minimum cargo guarantee.

Cargo that cannot be loaded on or in an intermodal container (closed, open top, flatrack) prior to stevedoring is not covered by this formula.

The over dimensional formula is limited to port to port terms only.

This formula can be applied to cargo exceeding either the weight and/or the dimensions defining over dimensional cargo when the Government and the carrier mutually agree to do so at the time of cargo booking.

Vacant slots for which charges are assessed will be counted toward the average minimum cargo guarantee stated at 2.4 of this section.

The Government reserves the right to ship oversized/over dimensional cargo on breakbulk terms. The Carrier, at its discretion, may elect to containerize the cargo, but at no additional cost to the Government above those breakbulk rates set forth in the CARE-SM II System.

Spotting Empty Containers. The Ordering Officer (OO) will provide the Carrier at least two working days notice as to where to spot an empty container unless a shorter notice is agreed upon by the carrier. The notice will include the type, size (LxWxH), and capacity of container required, the name and address of the shipper, the date and a specific time for spotting the container, which will not be later than three working days prior to the vessel cut-off date unless a shorter period is agreed upon by the carrier, and will specify the categories of cargo to be stuffed in container (i.e., General Cargo, Mail/Mail Equipment, Vehicles, or Refrigerated Cargo).

Definitions of City Groups and Zones

ATLANTA GROUP - -This group shall include the points of Atlanta, Duluth, Palmetto, Ellenwood, Forest Park, Riverdale, Roswell, Scottdale, Smyrna, Stone Mountain, Suwanee, Tucker, Union City, Lilburn, Lithia Springs, Mableton, Marietta, Morrow, Norcross, Rex, Fairburn, Lawrenceville, Alpharetta, Austell, Avondale Estates, Clarkston, Conley, Decatur and Douglasville, Georgia.

BOX SPRINGS GROUP - This group shall include the points of Upland, Sun City, San Bernardino, San Dimas, San Jacinto, Riverside, Rialto, Redlands, Pomona, Perris, Ontario, Nuevo, Norco, Montclair, Mira Loma, Mentone, Loma Linda, La Verne, Homeland, Highland, Fontana, Corona, Colton, Claremont, Chino, Chino Hills, Calimesa, Brea, Bloomington, Beaumont, Anaheim, Alta Loma, Yucaipa, Yorba Linda, Moreno Valley, Rancho Cucamonga and Diamond Bar, California.

CORYDON GROUP - This group shall include the point of New Salisbury, New Middleton, Depauw, Crandall, Central, and Corydon, Indiana.

DISNEY GROUP - This group shall include Tavares, Sanford, Plymouth, Oviedo, Orlando, Ocoee, Oakland, Mount Dora, Montverde, Maitland, Longwood, Lake Monroe, Lake Mary, Kissimmee, Killarney, Howey In The Hills, Gotha, Goldenrod, Clermont, Casselberry, Astatula, Apopka, Altamonte Springs, Zellwood, Yalaha, Winter Garden, Winter Park, Windermere, and Winter Springs, Florida.

HICKORY GROUP - This group shall include the points of Valdese, Union Grove, Troutman, Terrell, Taylorsville, Stony Point, Statesville, Sherrills Ford, Olin, Newton, Moravian Falls, Maiden, Lenoir, Hudson, Hiddenite, Hickory, Harmony, Granite Falls, Connellys Springs, Conover, Collettsville, Claremont, Catawba, and Boomer, North Carolina.

HIGH POINT GROUP - This group shall include the points of Thomasville, Lexington, Trinity, Spencer, Sophia, Salisbury, Linwood, Jamestown, and High Point, North Carolina.

KANSAS CITY GROUP - This group shall include Platte City, Oak Grove, Liberty, Kearney, Lees Summit, Dearborn, Edgerton, Excelsior Springs, Grain Valley, Grandview, Greenwood, Holt, Independence, Kansas City, Belton, Blue Springs, Buckner, Camden Point, Trimble, Smithville, Sibley, and Raymore, Missouri. This group shall also include Olathe, Leavenworth, Linwood, Kansas City, Lansing, Fort Leavenworth, Basehor, Bonner Springs, Stilwell, Spring Hill, and Shawnee Mission, Kansas.

MARTINSVILLE GROUP - This group shall include Bassett, Stanleytown, Martinsville, Fieldale, and Collinsville, Virginia.

MECHANICSBURG GROUP - This group shall include New Cumberland, Middletown, Mechanicsburg, Marysville, Lewisberry, Lemoyne, Hummelstown, Highspire, Harrisburg, Grantville, Etters, Enola, Dillsburg, Dauphine, Camp Hill, and Boiling Springs, Pennsylvania.

NEW YORK COMMERCIAL ZONE - This zone shall include places within the New York Commercial Zone as defined by the Surface Transportation Board (STB) CFR 49 paragraph 1048.20.

NORFOLK ZONE 1 - This zone shall include places south of the James River Estuary within the Norfolk Commercial Zone, including Norfolk and Portsmouth, Virginia.

NORFOLK ZONE 2 - This zone shall include places north of the James River Estuary in the Norfolk Commercial Zone, including Hampton Roads, Newport News, and Williamsburg, Virginia.

PHILADELPHIA GROUP - This group shall include Claymont, and Wilmington, Delaware; Atco, Audobon, Barrington, Bellmawr, Berlin, Beverly, Blackwood, Bordentown, Bridgeport, Burlington, Camden, Cherry Hill, Clarksboro, Clayton, Clementon, Collingswood, Columbus, Cookstown, Crosswicks, Florence, Gibbsboro, Gibbstown, Glassboro, Glendora, Gloucester City, Haddon Heights, Haddonfield, Jobstown, Lambertville, Lawnside, Lumberton, Magnolia, Mantua, Maple Shade, Marlton, Medford, Merchantville, Mickleton, Monroeville, Moorestown, Mount Ephraim, Mount Holly, Mount Laurel, Mount Royal, Mullica Hill, National Park, Oaklyn, Palmyra, Paulsboro, Pedricktown, Pennington, Penns Grove, Pennsauken, Pennsville, Pitman, Riverside, Riverton, Roebling, Rosemont, Runnemede, Sewell, Sicklerville, Somerdale, Stratford, Swedesboro, Thorofare, Titusville, Trenton, Voorhees, Waterford Works, Wenonah, West Berlin, Westville, Willingboro, Woodbury, Woodbury Heights, and Woodstown, New Jersey; Abington, Ambler, Ardmore, Aston, Bala Cynwyd, Bensalem, Berwyn, Blue Bell, Bridgeport, Bristol, Brookhaven, Broomall, Bryn Mawr, Carversville, Chadds Ford, Chalfont, Cheltenham, Chester, Cheyney, Clifton Heights, Collegeville, Colmar, Conshohocken, Croydon, Crum Lynne, Darby, Devon, Doylestown, Dresher, Drexel Hill, Dublin, Essington, Fairless Hills, Feasterville, Flourtown, Folcroft, Folsom, Fort Washington, Fountainville, Furlong, Gladwyne, Glen Mills, Glenolden, Glenside, Gwynedd, Harleysville, Hatboro, Hatfield, Haverford, Havertown, Hilltown, Holmes, Horsham, Huntingdon Valley, Jamison, Jenkintown, King Of Prussia, Lafayette Hill, Langhorne, Lansdale, Lansdowne, Levittown, Line Lexington, Lumberville, Malvern, Marcus Hook, Mechanicsville, Media, Merion Station, Mont Clare, Montgomeryville, Morrisville, Morton, Narberth, New Hope, Newtown, Newtown Square, Norristown, North Wales, Norwood, Oreland, Paoli, Philadelphia, Phoenixville, Plymouth Meeting, Prospect Park, Richboro, Ridley Park, Royersford, Schwenksville,

Sharon Hill, Souderton, Southampton, Spring House, Springfield, Swarthmore, Telford, Thornton, Upper Darby, Villanova, Wallingford, Warminster, Warrington, Washington Crossing, Wayne, Willow Grove, Woodlyn, Wyncote, Wynnewood and Zieglerville, Pennsylvania.

PUGET SOUND ZONE 1 - This zone shall include Bainbridge Island, Bellevue, Bothell, Bremerton, Edmonds, Everett, Issaquah, Kent, Kirkland, Lynnwood, Maple Valley, Marysville, Mercer Island, Mountlake Terrace, Mukilteo, Olalla, Port Orchard, Poulsbo, Ravensdale, Redmond, Renton, Seattle, Silverdale, Stanwood, Suquamish, and Woodinville, Washington.

PUGET SOUND ZONE 2 - This zone shall include Auburn, Washington.

PUGET SOUND ZONE 3 - This zone shall include Carbonado, Gig Harbor, Graham, Milton, Orting, Puyallup, Spanaway, Steilacoom, Sumner, Tacoma, and University Place, Washington.

SAN JOAQUIN GROUP - This group shall include Tracy, French Camp, and Lathrop, California.

TEXARKANA GROUP - This group shall include Texarkana, Texas.

PWS ATTACHMENTS

ATTACHMENTS

Attachment 1 Definitions/Abbreviations & Acronyms

Attachment 2 Invoicing and Payment

Attachment 3 Wage Determinations

Attachment 1

Definitions/Abbreviations

As used throughout this Contract, the following terms shall have the meaning as set forth below:

1.0 DEFINITIONS

ADMINISTRATIVE CONTRACTING OFFICER (ACO) – United States Transportation Command (USTRANSCOM) Acquisition, 508 Scott Drive, Scott AFB, IL 62225, or his designee.

AGREEMENT - See "Contract".

AIRCRAFT, UNBOXED - Includes all vehicles designed primarily for flight, unboxed and completely or partially set up own wheels, pontoons, runners or special cradles.

BAGGED CARGO - Bagged cargo is defined as any commingling, homogeneous material shipped in cloth, paper or plastic sacks or bags. Such material may consist of, but is not limited to, dry chemicals, coal, ore, fertilizer, cement, charcoal, coke, mortar, salt, grains, coffee, sugar, peanuts and fruits and vegetables not requiring refrigeration.

BERTH TERM - See "Liner Terms".

BOATS - Includes all craft in excess of 35 feet in length assigned exclusively for use on or under water and may or may not include a cradle for stowage.

BREAKBULK CARGO - Cargo that is not containerized.

BULK CARGO - Dry or Liquid Cargo which is not subject to mark or count, shipped in fluid or loose state and not packaged for ocean carriage in any manner, such as grain, ore, coal, chemicals, oil, liquid latex, etc.

CAR CARRIER - A trailer/container of open framework designed for carriage of automobiles or other unboxed vehicles.

CARGO NOS - Cargo not otherwise specified i.e., all dry cargo other than reefer and vehicles. Dry cargo refers to mixed or straight loads of the commodities listed in Military Standard Transportation and Movement Procedures (MILSTAMP).

CARGO TRAILER - See "Van".

CARGO UNIT - Two or more pieces of cargo received by Carrier at the same time which has the same consignor and consignee.

CARRIER - Any Carrier awarded a Contract pursuant to RFP HTC711-12-R-W002, including its agents and subcontractors. The term "Carrier" is used interchangeably with the term "Contractor."

CHARTERER - See "Government".

CHASSIS - A platform equipped with running gear and front end support on which a container is placed for transport.

COMMERCIAL ZONE - The pickup and delivery limits of cities, ports and municipalities in the United States as defined by the Surface Transportation Board and published in 49 CFR Part 1048, on the date service is provided by the Carrier.

COMMON CARRIER - (Shipping Act of 1984 (46 U.S.C. App. 1701(6))) - A person holding itself out to the general public to provide transportation by water of passengers or cargo between the United States and foreign country for compensation that:

(a) assumes responsibility for the transportation from the port or point of receipt to the port or point of destination; and,

(b) utilizes, for all or part of that transportation, a vessel operating on the high seas or the Great Lakes between a port in the United States in a foreign country.

CONSOLIDATION - Practice of consolidating many less-than-container load cargo in order to make container load movements.

CONTAINER - A cargo conveyance which confines and protects the cargo from loss or damage, can be handled in transit as a unit and can be mounted and secured in or on marine, rail or highway equipment. Common types of containers are: weatherproof, dry enclosed, refrigerated, van, tank, non-weatherproof, open top, car Carrier, high cube, and flatracks or platforms.

CONTAINER DETENTION - Government ordered delay in commencement of drayage/line-haul (container staging) or Government delay in un-stuffing of containers at destination when total delay exceeds total free-time allowed.

CONTAINERIZABLE CARGO - Containerizable Cargo is defined as all cargo which can be physically loaded in or on a container.

CONTRACTING OFFICER - A Contracting Officer within the scope of that definition in Federal Acquisition Regulation 52-202-1, who has been appointed

CONTRACTING OFFICER REPRESENTATIVE (COR) - Appointed in writing by the ACO. Responsible for, but not limited to, the following: Designates Quality Assurance Evaluators, monitors the contractor's performance in accordance with the Quality Assurance Surveillance Program, ensures contractor's compliance with reporting requirements, provides data for government reports, verifies/certifies services and conducts initial review of contractors claims.

CONTRACT - This document which contains the Contractual terms pursuant to which a Carrier agrees to accomplish transportation of such lawful cargo as may be tendered by the Government.

CONTRACT CARRIER - Any person who engages in vessel operating ocean transportation of passengers or cargo in the foreign commerce of the United States for compensation under a continuing contract with the Government for a specified period of time for the furnishing of such ocean transportation services through the dedication of space in its vessels, and for which the carrier assumes responsibility for that transportation from the port or point of receipt to the port or point of destination.

CONTRACTOR - See "Carrier".

CONTINENTAL UNITED STATES (CONUS) - Forty-eight contiguous states of the United States of America.

CUSTOM OF THE TRADE - The established practice generally accepted by the trucking, rail, and marine shipping industries in the geographic area where the service is provided.

DAYS - Shall mean calendar days unless specified otherwise.

DEAD FREIGHT - Liability to pay for space booked but not used.

DECK CARGO - Includes all cargo stowed in open spaces on deck except hazardous cargo which, in accordance with U.S. Coast Guard rules, must be stowed on deck.

DETENTION - Charges assessed against the Government for delaying the release of Carrier equipment beyond allowed free time.

DISCHARGING - The physical movement of cargo/container from the place of stowage on board a vessel to the pier.

DIVERSION - To change the booked destination of a loaded container after transit has commenced, but before the container has commenced final drayage/linehaul from the port of discharge.

DRAYAGE - The movement of cargo/container between the Carrier's terminal at the port where the cargo/container is loaded to or discharged from the vessel and another place within the commercial zone or modified zone of that United States port city or within a ten mile radius of that city's limits, by means other than the Carrier's principal vessels, such as by highway or railway.

DRY CONTAINER - A completely enclosed weatherproof container.

EXPLOSIVES - Includes all military explosives (STB Classes A, B, and C) and military lethal chemicals included within classes II through XI, Title 46, Code of Federal Regulations, Section 146.29-100 (Coast Guard Pamphlet No.

108) for which a permit for handling is required by Title 46, Code of Federal Regulations, Section 146.29-100. This category shall not include small arms ammunition and other items included in Class I of the aforementioned publication.

FLATCAR - A railroad car without weatherproof sides or top.

FLATRACK (PLATFORM) CONTAINER - A container without weatherproof sides and/or top. Includes platforms and flatracks with rigid or collapsible ends. They can be end loaded or top or side loaded.

FORCE MAJEURE - title of a contract provision exempting the parties for non fulfillment of their obligations as result of conditions beyond their control and without the fault or negligence of the breaching party. Examples of such causes are Acts of God or of Public Enemies, acts of the Government, fires, floods, epidemics and quarantine restrictions, strikes, freight embargoes, and unusually severe weather.

FREE-IN-OUT - Loading and discharging services are to be performed by the Government.

FUTILE EFFORT - The good faith effort of a Carrier to accept cargo which is futile due to fault of the Government. Does not include the instance in which the Carrier spots a container for a particular booking which does not materialize, but is able to utilize the spotted container for another booking without returning the container to its place of origin.

GENERAL CARGO - All dry cargo other than refrigerated cargo and vehicles. Dry cargo refers to shipments of straight or mixed loads of the commodities listed in the Military Standard Transportation and Movement Procedures.

GOVERNMENT - The United States Government, its agents and Contractors, party to this Contract, and the consignees, their agents and Contractors unless used in a context to refer to another government such as a foreign or local government. Does not include Contractors party to this Contract. Ordering activities authorized under this Contract are included.

GOVERNMENT DIRECTED SOURCE - The contracts, agreements, tenders, and approved tariffs or freight rates issued or arranged by the Global Distribution International Office (GDI) in which the contractors shall refer to for the over ocean movement of privately owned vehicles (POVs).

GOVERNMENT TRACTOR - A tractor used by the Government to transport the Contractor's containers placed on chassis or over-the-road trailers.

HAZARDOUS CARGO - A substance or material including a hazardous substance, which has been determined by the Secretary of Transportation to be capable of posing an unreasonable risk to health, safety and property when transported in commerce and which has been so designated.

INOPERABLE - Not capable of being operated.

GLOBAL DISTRIBUTION INTERNATIONAL (GDI) - Director, Global Distribution International, 661 Sheppard Place, Code SDDC-OPS-GDI, Ft. Eustis, VA 23604-1644

LINEHAUL - The movement of a container between the Carrier's terminal at the port where the container is loaded to or discharged from the vessel and another place outside the commercial zone or modified zone of that United States port city or beyond a ten mile radius of the city limits by means other than the Carrier's principal vessels, such as by highway, railway, canal or river, or in specific instances by ferry or barge ship system.

LINER TERMS - The Carrier assumes all responsibilities and cost for the cargo from the port or point where the cargo is received for by the Carrier to the destination port or point where the Carrier makes the cargo available to the consignee.

LOADING - The physical movement of cargo/container from the pier to place of stowage on board a vessel.

LOW COST CARRIER - The Carrier which offers the lowest total cost for all services ordered in connection with handling and movement of a particular lot of cargo from origin to final destination, taking into account the density and stowage characteristics of the particular lot of cargo in relation to the types, sizes, configurations and weight carrying capacities of containers available for the movement.

MAIL - Includes all classes and types of postal matter.

MAIL EQUIPMENT - Includes sacks, pouches, and bags used for carriage of mail and locks or other devices used for sealing mail bags, pouches, sacks or containers.

MILITARY SURFACE DEPLOYMENT AND DISTRIBUTION COMMAND (SDDC) - Military Surface Deployment and Distribution Command, 709 Ward Dr. Bldg 1990, Scott AFB, IL 62225.

MILSTAMP - Military Standard Transportation and Movement Procedures.

OCEAN CARGO CLEARANCE AUTHORITY (OCCA) - The SDDC activity that books DoD sponsored cargo for surface movement performs related contract monitoring, and accomplishes export/import surface traffic management functions for DoD cargo moving within the DTS.

OCONUS - Outside Continental United States

OPEN TOP CONTAINERS - A container without a permanently affixed metal top. Top is a removable tarpaulin which is supported by roof bows.

ORDERING ACTIVITY - Includes the Commander, Military Sealift Command or his designee, and Military Surface Deployment and Distribution Command, or his designee.

ORDERING OFFICER - Appointed by the Chief of Acquisition, SDDC, with a copy provided to the Carrier. Responsible for, but not limited to, the following: Books cargo and issue shipping orders, samples bookings for low cost, monitors cargo allocation, recommends addition/deletion of routes/services, authorizes substitution of equipment and authorizes staging.

OVER DIMENSIONAL CARGO- Cargo meeting all of the criteria stated in Section 4.5.4.

OVERSIZED BREAKBULK CARGO or Ro-Ro Cargo- Cargo that has any one dimension over forty (40) feet long, more than 8 feet wide or over 9 feet 6 inches in height, and as determined by the Ordering Officer, requires special handling equipment for loading aboard or discharging from a vessel because of that cargo's atypical size. All wheeled or tracked vehicles regardless of size are excluded from this definition. Extra length charges are not applicable to cargo defined as oversized cargo.

OVERSIZED CONTAINER CARGO - Cargo which when stowed aboard a cellular container ship would require more space than the space needed to load a 45 ft long, 9'6" high, 8 ft wide dry container i.e., would require more than one (1) container space of this size. Exceptions to this definition are described as "Over Dimensional Cargo," as defined in Section 4.5.4.

OVERTIME DIFFERENTIAL COST (ODC) - Overtime Differential Cost is the difference in cost to perform cargo handling services during regularly scheduled working hours (as defined by the existing terminal tariff) and to perform the same services during non-regularly scheduled (overtime) working hours. For the purpose of this contract, ODC will apply in the Azores when it is incurred by the Government as a result of an express request by the vessel owner or his agent to perform such services on an overtime basis. ODC may include, but is not limited to, overtime costs for loading/unloading cargo to and from the vessel, bringing cargo to and taking it alongside the

vessel within the terminal area, documentation and other administrative services, and extra wages or salary rates or charges related thereto (which may include the portion of the sum paid for pensions, health and welfare, payroll taxes and other fringe benefits in connection with work performance of the ordered services.

OWNER - See "Carrier".

PARTIAL SERVICE POVs - POVs moving between contractor operated CONUS/OCONUS VPCs and Government operated OCONUS VPCs.

PLACE DESIGNATED BY THE CONTRACTING OFFICER - Places within the commercial zone of United States ports or inland cities, and places within a ten-mile radius of the city limits of any U.S. port or inland city or limits of other places designated in the Schedule of Rates.

PLATFORM - A trailer/container with no sides or top, but only the floor.

PROCUREMENT CONTRACTING OFFICER (PCO) - Global Intermodal Acquisition Division, 661 Sheppard Place, Alexandria, VA 22332-5000, or is designee.

PROTECTED STOW - The placement of cargo in a manner which can be stowed either above or below deck that will protect the cargo from wind, water, and other damages associated with the weather and sea.

RAIL INTERMODAL EQUIPMENT - A unit for transporting commodities in trailer or container on freight-car service from point to point, constructed in such a manner that it may be mounted and secured on a car, chassis or bogie for the purpose of such locomotives.

RECEIVING ACTIVITY - Place, other than the Carrier's terminal, designated by the OO for receipt of cargo/containers from the Carrier for stuffing or un-stuffing.

RECYCLABLE MATERIAL SERVICE. The Carrier's recyclable material service shall consist of transporting such materials in 20 and 40 foot dry containers from Azores to CONUS. The Carrier will be compensated for this service in accordance with the rates set forth in CARE-SM II System.

REFRIGERATED CARGO - Cargo requiring controlled temperature storage during transportation and storage.

a. Non-self-sustaining. A refrigerated container which requires a power or fuel source, not mounted on the reefer or its chassis, to operate the refrigeration unit.

b. Self-sustaining. A refrigerated container which does not need an external power or fuel source, and upon which a self-contained power unit is mounted, either on the container or its accompanying chassis. The container is self-sustained only while the power unit and its fuel source is mounted. If the power unit or fuel source is removed or the power unit cannot be operated for reasons other than maintenance, the reefer is non-self-sustaining. However, if the Government chooses not to operate the power unit (if operable), the reefer is considered self-sustaining.

REFRIGERATED CONTAINER - A weatherproof container used for the carriage of controlled temperature cargo which is properly insulated against the effects of temperature outside the container and is equipped with mechanical, thermostatically temperature controlled air circulation or air exchange cooling equipment with venting capability capable of providing temperature protection to cargo (between plus 75 degrees and minus 10 degrees Fahrenheit).

a. Non-self-sustaining. A refrigerated container which requires a power or fuel source, external to the refrigerated container or its chassis (e.g., independent power source such as an electrical plug), to operate the refrigeration unit.

b. Self-sustaining. A refrigerated container which does not need an external power or fuel source, and upon which a

self-contained power unit is mounted, either on the container or its accompanying chassis. The container is self-sustained only while the power unit and its fuel source is mounted. If the power unit or fuel source is removed or the power unit cannot be operated for reasons other than maintenance, the reefer is non-self-sustaining. However, if the Government chooses not to operate the power unit (if operable), the reefer is considered self-sustaining.

REGULARLY SCHEDULED SAILINGS - Sailings at regular intervals maintained between the same port ranges and consisting of regular arrivals and departures along an established route.

RELAY - A service by which an ocean Carrier serving the port of origin by direct vessel call with one of its vessels and the port of destination by direct vessel call with another of its vessels provides transportation between such ports via an intermediate port served by both vessels and at which cargo is transferred from one vessel to the other.

REQUIRED DELIVERY DATE - Date by which cargo must reach the ultimate consignee as determined by the OO.

RESPOT SERVICE - Service that consists of moving a container for stuffing from the initial point of delivery within a facility to another point within that facility.

SHORT STOP - To stop a stuffed container at a point where the OO has elected to take delivery, with final delivery to be performed by the Government.

SINGLE FACTOR RATE - A single rate that includes all segments of the international transportation move from origin to destination.

SMALL ARMS - Small arms includes rifle and shoulder fired grenade launchers, handguns, individually operated weapons which are portable or can be fired without special mounts or firing devices, light automatic weapons up to and including .50 caliber, mortars up to and including 81 mm, recoilless rifles up to and including 106 mm, rocket launchers, and shoulder fired weapons.

SPOT - The placement of a container for stuffing or stripping.

STRIPPING - The process of unloading a container.

STUFFING - The placement of cargo into a container, including any necessary chocking, bracing, or dunnaging.

SURFACE TRANSPORTATION BOARD (STB) - The agent of Congress designated to implement the Interstate Commerce Act which regulates rates, rules and practices of rail transportation lines engaged in interstate traffic, motor carriers, common and contract water carriers operating in domestic trade, and freight forwarding companies.

TALLY - Supervise and make accurate, appropriately documented records of cargo being loaded and unloaded, time received, and condition on arrival.

TANK CONTAINER - A weatherproof container used for transporting bulk liquids.

TENDER - Cargo physically accepted by the carrier for loading on its vessel for a particular voyage, or released by the Government to the carrier for loading on its vessel for a particular voyage.

TRACTOR - A motor vehicle designed primarily for hauling containers/trailers over the road.

TRAILER - A vehicle designed without motive power, to be drawn by another vehicle

TRANSSHIPMENT - Service by which one ocean Carrier serving a port of origin by direct vessel call and another such Carrier serving a port of destination by direct vessel call provide transportation between such port via an

intermediate port served by direct vessel call of both Carriers, and at which cargo will be transferred from one Carrier to the other.

UN-STUFFING - See "Stripping."

VAN - A motor vehicle permanently mounted on undercarriage and wheels.

VEHICLES - Includes all types of land or amphibious vehicles, set up on its own wheels or tracks, whether or not self-propelled, but excludes railroad locomotives.

VEHICLE PROCESSING CENTER (VPC) - Designated Government and Contractor 's facilities and/or space used for POV operations.

WEIGHT CARGO - Cargo for which, by virtue of its weight, special permits or special handling is required by law or regulation.

WHARFAGE - The charge for the use of a wharf or dock.

WHEELED OR TRACKED VEHICLES (UNBOXED AND CONTAINERIZABLE) - Includes all types of unboxed, land or amphibious equipment or conveyances, set up on wheels or tracks, whether or not self-propelled, but excluding railroad locomotives and set up railroad rolling stock. Vehicles shall be freighted on the basis of extreme dimensions as offered for shipment.

WORKING DAY - Excludes weekends and locally observed holidays.

2.0 ABBREVIATIONS/ACRONYMS

ACCT	Account
ACO	Administrative Contracting Officer
CAR	Carrier
CAT	Category
CFR	Code of Federal Regulations
CDRSDDC	Commander, Military Surface Deployment and Distribution Command
COGSA	United States Carriage of Goods by Sea Act
COMSC	Commander, Military Sealift Command
CONUS	Continental United States
CTA	Central Technical Activity
DOD	Department of Defense
DTS	Defense Transportation System
DFARS	Defense Federal Acquisition Regulation Supplement
EDOB	Estimated Date on Berth
ETA	Estimated Time of Arrival

ETD	Estimated Time of Departure
FEU	Forty Foot Equivalent Unit
FCL	Full Container Load
FAR	Federal Acquisition Regulation
FIO	Free In and Out
GOVT	Government
GBL	Government Bill of Lading
GDI	Global Distribution International
GOH	Garment on Hangers
LB(S)	Pound(s)
LT	Liner Terms
L/T	Long Ton (2,240 Pounds)
MBM	1,000 Feet Net Board Measure
MSC	Military Sealift Command
MT	Measurement Ton (40 Cubic Feet)
N/C	No Charge
NO(S)	Number(s)
OCONUS	Outside Continental United States
PCO	Procurement Contracting Officer
POV	Privately Owned Vehicle
RDD	Required Delivery Date
REEFER	Refrigerated Container
REV	Revised
RFP	Request for Proposals
RI	Route Index
RLD	Required Loading Date
SA	Shipping Agreement
ST	Short Ton (2,000 Pounds)
TEU	Twenty Foot Equivalent Unit
TGBL	Thru Government Bill of Lading
USC	United States Code
VEH	Vehicles

Attachment 2

THIRD PARTY PAY SYSTEM (TPPS)

A. GENERAL

MRM 15 directed Reengineering of Defense Transportation Documentation and Financial processes. The directive specifically addressed reengineering billing, collection, and payment processes through transition to commercially acceptable practices. Implementation was coordinated between affected DOD installations and the commercial carrier industry. The Deputy Secretary of Defense directed the implementation of US Bank's Transportation Solutions system to pay for transportation services. DOD contracts and voluntary tenders require the use of U.S. Bank's freight payment system and all DOD cargo movements must be offered only to commercial carriers who utilize U.S. Bank as their billing and payment system.

B. THIRD PARTY PAY SYSTEM (TPPS)

1. A requirement to conduct business with DOD as a TSP will be TPPS capable. Even if otherwise qualified, a TSP that is not TPPS certified will not be eligible to transport DOD freight. TPPS is an electronic freight transaction tracking and payment system.
2. The current authorized TPPS is U.S. Bank Transportation Solutions. TSP's should contact U.S. Bank at 1-800-417-1844 or by email customer.support@usbank.com. All services deemed payable by SDDC (or TRANSCOM) via the TPPS will be paid by U.S. Bank Transportation Solutions. A fee is required to participate in the program.
3. Transportation Service Providers (TSP) are required to submit the shipments contract number via EDI. In the event TSP's need assistance configuring their EDI file to include the contract number, you can call the U.S. Bank customer service help desk or email the customer service email box and a representative will open a Service Request to assign a U.S. Bank EDI analyst to assist you. TSPs who don't transmit EDI, must provide the contract number when entering invoices in the U.S. Bank Freight Payment web-based user interface.

Invoicing and Payment

A. Invoicing Procedures

A.1. Procedures applicable to invoicing and payment for Container Detention, Container Purchases, Port Storage, and Refrigerator Maintenance within designated Exigency areas are set forth in Section B

A.2. Electronic Invoice Presentment and Payment (EIPP): Offerors awarded contracts will be required to participate in the Government's EIPP program. Freight Payment, a service of U.S. Bank is the EIPP service used by DOD.

A.2.1. Contractors must have a Trading Partner agreement with U.S. Bank and be Freight Payment certified for the electronic payment of commercial transportation services. It is important that contractors begin the Freight Payment certification process immediately by calling U.S. Bank at 1-800-417-1844. Additional information on Freight Payment is available at <http://www.usbank.com/FreightPayment>.

A.2.2. Fees charged by Freight Payment /U.S. Bank are for the account of the contractor.

A.2.3. Freight Payment is currently limited to routes and types of cargo that are priced by IBS. Upon the expansion of the capability of IBS and upon 30 days notice to the contractor, the contractor will be required to participate in Freight Payment for additional routes and types of cargo.

A.2.4. Freight Payment is authorized to release payment to contractors in accordance with business rules that require:

- 1) Shipping Instructions with pricing as evidence of the order
- 2) EDI submission of a vessel sail transaction as evidence of performance
- 3) Discrepancies in pricing are handled as prescribed in business rules
- 4) These procedures apply to shipments ordered by shippers using Direct Booking procedures and shipments booked using IBS.

A.3. Hardcopy Invoice Procedures: For services that are not paid via Freight Payment, an invoice should be submitted.

A.3.1. A proper invoice contains the following information:

- Contractor Name and Address
- Invoice Date and Invoice Number
- Contract Number
- Military Voyage Document Number
- *Defense Transportation Regulation (DTR)* POE/POD codes
- Military Booking Number Port Call File Number (PCFN)
- Contractor Booking Number
- Contractor Bill of Lading Number
- Description, quantity, unit of measure, unit price and extended price of services performed. The invoice must provide sufficient detail so as to enable verification and certification by the Government.
 - For each container shipment:
 - Size and type of container
 - Sail Date
 - Van TCN
 - Container number with alpha prefix
 - For each breakbulk shipment:
 - Type of cargo
 - Pieces, weight, and cubic feet
 - Sail Date
 - TCNs (list in alphanumeric order)
 - Services should be broken down by Contract Line Item (CLIN), i.e., drayage, linehaul, ocean transportation, etc., and the specific service. Example: Drayage, Norfolk, Zone 2: Drayage, Norfolk to Newport News
 - For One Time Only (OTO) shipments, a reference to the relevant modification number
 - Name and address of contractor official to whom payment is to be sent (must be the same as that in the contract or in a proper notice of assignment)

A.3.2. Invoices may be submitted only after services included on the invoice have been provided. (Ref FAR 32.905)

A.3.3. Each invoice should include no more than one Voyage Document (VOYDOC), POE, and POD.

A.3.4. Each invoice should include the following certification statement signed by an authorized contractor representative:

I hereby certify that the above bill is correct and just, and services were performed.

A.3.5. Invoices should be submitted to:

HQ, SDDC
 508 Scott, Bldg 1900W
 Attn: SDDC-RMM-AP
 Scott Air Force Base, IL 62225

A.3.6. In accordance with the Prompt Payment Act, payment terms are net 30 days from receipt of a proper invoice.

A.4. Detention: Detention is covered in section 5.21 & 5.22 of the Performance Work Statement. Detention charges shall be billed upon the termination of detention, except when incurred in an exigency area, which shall be billed as directed in Section B below. Detention Billing shall be forwarded to the Point of Contact identified by the Contracting Office for payment. The attached Standard Detention Billing Form should be used when submitting an invoice for detention. Detention invoices with proper documentation should be submitted to the paying office no later than 6 months from the date the empty container is returned to the carrier. Invoices will be date stamped by the payment certification office upon receipt.

A.5. Pass-through charges: If the related ocean freight was submitted via Freight Payment, these charges should first be submitted to the cognizant COR (AOR where the additional costs were incurred) with supporting documentation. Supporting documentation must include: notification email to the applicable COR when the additional cost/service was incurred, copy of third party invoice and basis for rate being charged (applicable port tariff). For re-working of containers due to rejection by port or rail authority, a copy of the inspection report identifying reasons for rejection must be provided. The COR will review and notify the contractor and ordering agency of the verification results. Once verified, the charges can then be submitted to Freight Payment for payment.

A.5.1 If the related ocean freight was not submitted via Freight Payment, these charges shall be invoiced separately and be submitted to the cognizant COR (AOR where the additional costs were incurred) with supporting documentation.

A.5.2 COR Locations: SDDC Carrier Services, 598th Quality Assurance Branch, 595st Quality Assurance Branch, and the 599th Quality Assurance Branch. COR identified in the COR appointment letter issued by TCAQ, copy furnished each ocean carrier.

B. Special Invoicing and Payment Procedures for Exigency Areas

B.1 Services in Exigency Areas requiring use of the procedures in Section B of this Attachment are:

- Container Detention
- Port Storage
- Reefer Maintenance

B.2. Invoice procedures. Invoices may be submitted only after services included on the invoice have been provided. The Contractor is authorized to submit invoices for the above charges every 30 days. For services rendered in an Exigency area, the documentation listed in the following paragraphs will be required. Invoices must be in hard copy with original signature; supporting documentation may be provided electronically as described below.

B.2.1 A proper original signed invoice will contain the following information:

- Contractor Name and Address
- Invoice Date and Invoice Number
- Contract Number
- Taxpayer Identification Number
- Dollar amount of invoice
- Military Voyage Document Number
- *Defense Transportation Regulation (DTR)* POE/POD codes
- Contractor Booking Number
- Contractor Bill of Lading Number
- Container Number with Alpha Prefix (required only for container shipments)

- Size and Type of Container
- Discharge Date
- TCN (Van TCN for container shipments)
- Description, quantity, unit of measure, unit price and extended price of services performed. The invoice must provide sufficient detail so as to enable verification and certification by the Government.
- Name and address of contractor official to whom payment is to be sent (must be the same as that in the contract or in a proper notice of assignment)

B.2.2 Invoices for container detention will contain the following additional information:

- Outgate Date from Port
- Available Date
- Delivery Date
- Free Time End Date
- Detention End Date
- Empty Notification of Pickup Date
- Final Destination
- Detention Rate Invoiced
- Total Detention Days Invoiced
- Total Detention Fees Invoiced
- Total Days on Lease

B.2.3 Detention invoices with proper documentation should be submitted to the paying office no later than 6 months from the date the empty container is returned to the carrier. Invoices will be date stamped by the payment certification office upon receipt.

B.2.4 Invoices submitted for reefer maintenance will contain the following additional information:

- Outgate Date from Port
- Free Time End Date
- Reefer Maintenance Rate Invoiced
- Total Reefer Maintenance Days Invoiced
- Total Reefer Maintenance Invoiced

B.2.5 Invoices submitted for port storage will contain the following additional information:

- Outgate Date from Port
- A copy of the applicable port tariff in effect at the time charges were incurred.
- A copy of the invoice for charges associated with port storage charges (if applicable).
- Documentation verifying government direction to stage the cargo (if applicable).
- Other documentation verifying proof of costs incurred.

B.2.6 Failure to provide required information and appropriate documentation for a specific container shall result in a rejection of that portion of the invoice. Each invoice should include the following certification statement signed by an authorized contractor representative:

I hereby certify that the above bill is correct and just, and services were performed.

B.3 Invoice Submission

B.3.1 Proper detention invoices for detention in Exigency Areas should be submitted electronically to the Contracting Officer's Representative (COR):

billing@sddc.army.mil

B.3.2 Detention invoices with proper documentation must be submitted to the POC identified above on a monthly basis.

B.3.3 Invoice supporting documentation for detention must be submitted electronically, in the attached Standard Detention Format, in Microsoft Excel, to the Contracting Officer's Representative (COR), copy to the Director Container Management.

B.3.4 Invoices for port storage/reefer maintenance and other reimbursables in Exigency Areas should be submitted to the Contracting Officer's Representative (COR), with a copy to the Director of Container Management.

B.4 Payment

In accordance with the Prompt Payment Act, payment terms are net 30 days from receipt of a proper invoice.

Attachment 3

Wage Determinations

Pursuant to FAR 52.222-41, Service Contract Act of 1965, as amended: Contractors shall obtain and download the applicable wage determinations for all areas of performance on-line at the following Department of Labor website: www.wdol.gov. The wage determinations in effect at the time of proposal submission shall govern the base year period of performance. Should the Government elect to exercise a Contractor's option period, the wage determination in effect at the time of the exercise of the option shall govern that specific option period of performance.

Applicable Wage Determinations Are as Follows:

Wage Determination No.: 2005-2095	Revision No.: 11 Date Of Last Revision: 06/13/2011
Wage Determination No.: 2005-2103	Revision No.: 11 Date Of Last Revision: 06/13/2011
Wage Determination No.: 2005-2249	Revision No.: 11 Date Of Last Revision: 06/13/2011
Wage Determination No.: 2005-2499	Revision No.: 12 Date Of Last Revision: 06/13/2011
Wage Determination No.: 2005-2543	Revision No.: 13 Date Of Last Revision: 06/13/2011
Wage Determination No.: 2005-2545	Revision No.: 15 Date Of Last Revision: 06/13/2011
Wage Determination No.: 2005-2547	Revision No.: 12 Date Of Last Revision: 06/13/2011
Wage Determination No.: 2005-3019	Revision No.: 11 Date Of Last Revision: 06/13/2011
Wage Determination No.: 2005-2247	Revision No.: 12 Date Of Last Revision: 06/13/2011

