

PERFORMANCE WORK STATEMENT  
RDC-5 PERFORMANCE WORK STATEMENT  
Revision dated 26 October 2012

<b>SECTION 1 – BACKGROUND .....</b>	<b>4</b>
<b>1.A History .....</b>	<b>4</b>
<b>1.B Purpose .....</b>	<b>4</b>
<b>1.C Period of Performance.....</b>	<b>4</b>
1.C.1 Base Period .....	4
1.C.2 Option Periods .....	4
<b>1.D Contract Type .....</b>	<b>4</b>
<b>SECTION 2 – SCOPE.....</b>	<b>5</b>
<b>2.A Scope.....</b>	<b>5</b>
2.A.1 Military and Military Sponsored Cargo Commitment .....	5
2.A.2 Excepted Cargo and Routes .....	5
2.A.3 Additional Services.....	5
2.A.4 Geographic Scope.....	6
2.A.5 Regulatory Compliance .....	6
2.A.6 Normal Government Business Hours/Hours of Operation/Business Day.....	6
<b>2.B Aggregate Government Volume Estimates.....</b>	<b>6</b>
<b>SECTION 3 – GENERAL REQUIREMENTS.....</b>	<b>7</b>
<b>3.A General/Administrative.....</b>	<b>7</b>
3.A.1 Use of English Language .....	7
3.A.2 Cargo .....	7
3.A.3 Hazardous Cargo .....	7
3.A.4 Quality Control, Reporting, and Records .....	7
3.A.5 Invoicing and Payment .....	8
3.A.6 Responsibility for Charges and Taxes .....	8
3.A.7 Space Commitment.....	9
3.A.8 Schedule Maintenance .....	9
3.A.9 Permanent Service Changes .....	9
3.A.10 Customer Service Assistance .....	10
3.A.11 Submission of Tracing and Tracking data .....	10
3.A.12 Electronic Commerce / Electronic Data Interchange (EDI) .....	10
3.A.13 Manual Operational Reports.....	11
3.A.14 Daily Intransit Visibility (ITV) Reports .....	11
3.A.15 Vessel Cutoffs, Late Gates, and Expedited Linehaul .....	11
3.A.16 Required Delivery Date (RDD) .....	12
3.A.17 Less-Than-Container-Load (LCL) Container Services.....	12
3.A.18 Equipment.....	13
3.A.19 Chassis Requirements.....	14
3.A.20 Pickup Containers/Trailers .....	14
3.A.21 Overweight Containers and Notification by Contractor .....	14
3.A.22 Equipment Pools (container only) .....	14
3.A.23 U.S. Government Furnished Containers (GFC) .....	14
3.A.24 U Transloading Of Containerized Cargo .....	14
3.A.25 Flatrack Containers.....	15
3.A.26 Bulk Liquids .....	15

<b>3.B</b>	<b>Shipment Planning and Booking .....</b>	<b>15</b>
3.B.1	Shipment Booking and Scheduling .....	15
<b>3.C</b>	<b>Origin Services (container only) .....</b>	<b>16</b>
3.C.1	Providing Empty Containers to Shippers .....	16
<b>3.D</b>	<b>Ocean Transportation .....</b>	<b>18</b>
3.D.1	Cargo Lift and Advancement .....	18
<b>3.E</b>	<b>Destination Services.....</b>	<b>18</b>
3.E.1	Delivery Notification and Receipt .....	18
3.E.2	Expedited or After-Hours Delivery .....	18
3.E.3	Specified Day Delivery .....	19
<b>3.F</b>	<b>Exceptions to Normal Service.....</b>	<b>19</b>
3.F.1	Alternate Service .....	19
3.F.2	Service Failure .....	19
3.F.3	Canceled Shipments/No Shows .....	20
3.F.4	Free Time and Detention .....	21
3.F.5	Government Use of Contractor Equipment (Leasing) .....	24
3.F.6	Rerouting of Containers .....	24
3.F.7	Staging (container only) .....	25
3.F.8	Notice of Transfer of Cargo .....	25
3.F.9	Damage to Contractor Equipment .....	25
3.F.10	Theft or Disappearance .....	26
3.F.11	Port Storage .....	26
3.F.12	Tax Authority .....	27
<b>3.G</b>	<b>Accessorials .....</b>	<b>27</b>
3.G.1	Stopoff Service .....	27
3.G.2	CONUS Linehaul for Containerized Ammunition Shipments .....	27
3.G.3	Tarping Service .....	28
3.G.4	Supercargo .....	28
3.G.5	Flatrack tie-down equipment surcharge .....	28
3.G.6	Standby Time .....	28
3.G.7	Railcar Inspection Service .....	28
3.G.8	Redelivery of Keep from Freezing (KFF) Service .....	28
3.G.9	Re-spot Service .....	29
3.G.10	Cargo Handling .....	29
3.G.11	Liner Terms .....	29
3.G.12	Delivery Outside of Normal Business Hours .....	29
3.G.13	Fourty-Five Foot Containers .....	29
3.G.14	Flatrack Container Surcharge .....	29
3.G.15	Hazardous Cargo Surcharge .....	30
3.G.16	Mileage Table .....	30
3.G.17	Refrigerated Table Differential .....	30
3.G.18	Controlled Atmosphere Service .....	30
3.G.19	Modified Atmosphere Service .....	30
3.G.20.	Percentage Differential Accessorial for Refrigerated Cargo .....	30
3.G.21.	Genset Rental .....	30
<b>3.H</b>	<b>Breakbulk and RORO Requirements .....</b>	<b>31</b>
3.H.1	Cargo Lift and Advancement of Cargo .....	31
3.H.2	Cargo Berth .....	31
3.H.3	Reimbursement for Damage .....	31
3.H.4	Free-in/Free-out Terms .....	32
3.H.5	Terms for Loading and Discharging Services .....	32
<b>3.I</b>	<b>Additional Services .....</b>	<b>33</b>

3.I.1	Special Cargo Handling _____	33
3.I.2	Consolidation and Transfer Services _____	34
3.I.3	Services for Special Cargo _____	34
<b>3.J</b>	<b>Linehaul for Breakbulk and Out-of-Gauge (OOG) Cargo .....</b>	<b>34</b>
3.J.1	Flatbed and double drop service _____	34
3.J.2	Carload Service _____	36
<b>SECTION 4 – SHIPMENTS OF SPECIAL PROGRAM CARGO .....</b>		<b>37</b>
<b>4.A</b>	<b>Shipments by Authorized Agents of the U.S. Government .....</b>	<b>37</b>
4.A.1	Scope _____	37
4.A.2	Booking of Cargo _____	37
4.A.3	Submission of Status Reports _____	37
4.A.4	Payment _____	37
4.A.5	Special provisions for Privately Owned Vehicles (POVs) _____	38
<b>SECTION 5 – MEASURING PERFORMANCE .....</b>		<b>38</b>
<b>5.A</b>	<b>Performance Requirements .....</b>	<b>38</b>
5.A.1	Performance Measures and Performance Standards _____	38
5.A.2	Performance Objectives _____	38
<b>SECTION 6 – REGION-SPECIFIC REQUIREMENTS.....</b>		<b>40</b>
6.A	Puerto Rico/ U.S. Virgin Islands _____	40
6.B	Alaska _____	41
<b>SECTION 7 – RATE RULES, PROVISIONS and additional clauses.....</b>		<b>44</b>
<b>7.A</b>	<b>Single Factor Rates .....</b>	<b>44</b>
<b>7.B</b>	<b>Application of Ocean Freight Rates--Containers.....</b>	<b>44</b>
7.B.1	Equipment Charges _____	44
7.B.2	Application of Drayage and Inland Rates _____	45
7.B.3	Over-Dimensional Cargo _____	46
<b>7.C</b>	<b>Application of Ocean Freight Rates—Breakbulk/RORO .....</b>	<b>47</b>
<b>7.D</b>	<b>Application of Ocean Rates—Container and Breakbulk .....</b>	<b>48</b>
<b>7.E</b>	<b>Bunker Adjustment Factor (BAF) .....</b>	<b>49</b>
<b>7.F</b>	<b>Fuel Adjustment Factors (FAF) .....</b>	<b>51</b>
<b>7.G</b>	<b>Rounding .....</b>	<b>51</b>
<b>7.H</b>	<b>Contractor Protection from Competition .....</b>	<b>51</b>
7.H.1	Contractor Protection _____	51
7.H.2	VISA Status _____	52
7.H.3	Late Rates _____	52
<b>7.I</b>	<b>Maritime Clauses .....</b>	<b>52</b>
7.I.1	Application of COGSA _____	52
7.I.2	Scope of Voyage (Liberties) _____	54
7.I.3	Strikes _____	55
7.I.4	Amended Jason Clause _____	56
7.I.5	General Average _____	56
7.I.6	Liens _____	56
7.I.7	Force Majeure _____	56
<b>7.J</b>	<b>Cargo Claims.....</b>	<b>56</b>
<b>7.K</b>	<b>Liability of Motor Carriers and Freight Forwarders for Overland Transportation.....</b>	<b>56</b>
<b>7.L</b>	<b>Compensable Delays.....</b>	<b>57</b>

7.M	Pass-through Charges.....	58
<b>SECTION 8 – ABBREVIATIONS, DEFINITIONS, ROUTE INDICES .....</b>		<b>58</b>
8.A	Abbreviations/Acronyms.....	58
8.B	Definitions.....	59
8.C	Trade Areas and Zones .....	64
8.C.1	General Definition of Trade Areas .....	64
8.C.2	Descriptions of Zones .....	65
<b>SECTION 9 – LIST OF ATTACHMENTS.....</b>		<b>65</b>

**SECTION 1 – BACKGROUND**

**1.A History**

1.A.1 As a component command of the United States Transportation Command (USTRANSCOM), the Military Surface Deployment and Distribution Command (SDDC) provides ocean terminal, commercial ocean liner and distribution services to deploy, sustain and redeploy U.S. forces on a global basis.

1.A.2 SDDC is responsible for surface transportation (with the exception of ocean charters) and is the interface between Department of Defense (DoD) shippers and the commercial surface transportation industry. This includes movement of DoD member household goods and privately owned vehicles. SDDC also provides transportation for troops and materiel to and from ports of departure and arrival.

**1.B Purpose**

1.B.1 To fulfill its mission of providing global surface deployment command, control and distribution operations to meet National Security objectives in peace and war, it is necessary for SDDC to provide ocean and intermodal distribution services for delivering Defense Transportation System (DTS) cargo. DTS cargo consists of military equipment and related supplies including supermarket-type commodities shipped by the Defense Commissary Agency, department store merchandise shipped by Army and Air Force Exchange Service, mail shipped by the Military Postal Service, Prime Vendor cargo, General Services Administration (GSA) and personal property including Privately Owned Vehicles (POV) of DoD personnel. DTS cargo is shipped in substantial, recurring and consistent volumes on many trade routes.

**1.C Period of Performance**

1.C.1 Base Period

The one-year base period of performance for this contract is 1 December 2010 through 30 November 2011.

1.C.2 Option Periods

The periods of performance for the option years are 1 December 2011 through 30 November 2012 and 1 December 2012 through 30 November 2013.

**1.D Contract Type**

This contract is a Fixed Price, Indefinite Delivery/Indefinite Quantity contract as defined in FAR Part 16.5. It contains an economic price adjustment clause and adjustments for both vessel fuel under the Bunker Adjustment Fuel (BAF) and an adjustment for line haul fuel under the Fuel Adjustment Factor (FAF).

## SECTION 2 – SCOPE

### 2.A Scope

This contract is to provide domestic ocean cargo transportation and distribution services using ocean common or contract carriers, as defined in the Shipping Act of 1984, offering regularly scheduled commercial liner service for requirements that may arise. Contractors shall be capable of providing ocean, intermodal, and related transportation and distribution services to support their offered services as required herein. Door-to-door overland transport is not authorized under this contract. All shipments are required to include a sea leg as part of the transport. This contract is primarily for requirements sponsored by the DoD. Other organizations may fill their requirements through this contract only as designated by the Contracting Officer (CO). This contract shall apply to services performed in peacetime. This contract is not subject to terms or conditions of Contractors' tariffs except as otherwise specified in this contract. The accepted booking, in conjunction with the terms contained in this contract, constitutes the contract of carriage. The terms on a carrier's bill of lading does not govern the shipment and is not applicable.

This contract applies to Unit Movement Cargo and Other Than Unit Movement (OTUM) Cargo. Unit Movement Cargo is described by Unit Line Numbers (ULNs) and Plan Identification Numbers (PIDs) in the Joint Operation Planning and Execution System (JOPES) -- whether contingency, exercise or administrative in nature -- whether characterized as deployment, redeployment or retrograde cargo.

#### 2.A.1 Military and Military Sponsored Cargo Commitment

During the period of this Contract and subject to provisions set forth below, the Government will ship all military and military sponsored cargo offered for commercial ocean transportation in the Defense Transportation System (DTS) to/from Continental U.S. (CONUS) points and ports to the port of San Juan, Puerto Rico; and points and ports in the U.S. Virgin Islands, Alaska, Hawaii; and intra-island service within Hawaii, within Alaska, and within the US Virgin Islands under contracts awarded pursuant to this solicitation.

#### 2.A.2 Excepted Cargo and Routes

Excepted cargoes (Breakbulk/RORO and Container) and excepted routes are included in the scope of this contract. Prices for such excepted cargo and excepted routes have not been negotiated at the time of award. Excepted cargoes and routes shall be competitively ordered using the Ordering Procedure Carrier Selection Fair Opportunity Process in Exhibit 2, except Past Performance Evaluation SubFactor for "History of Meeting RDD for the required route" shall not be used if no relevant past performance exists for the specified excepted route. The U.S. Government shall issue a modification to add rates for the movement of excepted type cargo and routes under the changes provision of FAR 52.212-4.

Excepted Cargoes Breakbulk/RORO – Aircraft (unboxed), Helicopters, Boats over 40 ft., Oversized cargo, bulk cargo, heavy lift cargo, and explosives (excluding IMO Class 1.4).

Excepted Cargoes Container – Heavy lift cargo, oversized cargo (with the exception of cargo that meets the definition of over dimensional cargo or super load), explosives (excluding IMO Class 1.4), ISO Liquid Tanks (i.e. Deicing Fluid/Anti Freeze), and all containers except dry, reefer, open tops and flatracks.

Excepted Route – A one-time order for a nonrecurring cargo movement for a route not previously priced or negotiated at time of award.

#### 2.A.3 Additional Services

The U.S. Government reserves the right to contract for additional services within the scope of the contract by modification or separate contract, as requirements become known.

#### 2.A.4 Geographic Scope

The Contractor, a vessel-operating ocean Carrier, shall provide all resources necessary to perform the Performance Work Statement (PWS). This performance shall be provided through ocean and intermodal transportation by Jones Act ships and/or barge/tug systems. The Contractor shall maintain regularly scheduled liner term service to/from Continental U.S. (CONUS) points and ports to the port of San Juan, Puerto Rico; and points and ports in the U.S. Virgin Islands, Alaska, Hawaii; and intra-island service within Hawaii, within Alaska, and within the US Virgin Islands throughout the period of the contract. The Contractor agrees to offer space in each of its vessels engaged in Contractor's service on the routes under this contract, consistent with its obligations as a common or contract Carrier. The Contractor shall provide break bulk and/or container service, including receiving, terminal handling, loading /discharging and container pools if required.

##### 2.A.4.1 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 for cargo transportation service in the geographic area where such services are performed.

#### 2.A.5 Regulatory Compliance

The Contractor shall comply with regulations of Governmental agencies as may be applicable for service to the Government in the carriage of military cargo as set forth in this Agreement. The Contractor ensures that its rates have taken into account the provisions of Old Section 10721 of the Interstate Commerce Act (49 U.S.C. 10721) which are preserved under Sections 10721 (Rail) and 13712 of the Interstate Commerce Commission Termination Act of 1995, P.L. 104-88, 109 Stat. 803, Dec. 29, 1995 (Motor/Water) and that such rates do not exceed the lowest available rates to the general public for comparable service on the date of acceptance of its offer by the Government, and that such rates do not exceed the Contractor's charges for transporting like goods for the private sector. The Contractor is authorized to certify that the service performed under this contract is entirely for the benefit of the Government so as to permit the offer of service at free or reduced rates under the former 49 U.S.C. 10721, now preserved under Sections 10721 and 13712 as above. All Contractors will comply with provisions of the Jones Act (46 USC 883).

#### 2.A.6 Normal Government Business Hours/Hours of Operation/Business Day

Normal Government Business Hours are considered to be Monday through Friday, 0800 hours through 1700 hours, with U.S. Federal Holidays excepted. Such days are defined as Business Days. Where U.S. Government offices also observe local holidays, these holidays are also excluded from Normal Government Business Hours. All references in this contract to compliance or observance of Normal Business Hours will use this definition.

In addition, Contractors shall be aware of local office hours of operation for each U.S. Government facility with which they will transact business, and will schedule transactions accordingly. Hours of Operation for all Transportation Facilities may be found in the Transportation Facility Guide (TFG). Contractors shall monitor the most current copy of the TFG for possible changes, updates or short term notices.

## **2.B Aggregate Government Volume Estimates**

The estimated cargo volume (the aggregate volume across all awarded contracts) is identified in the Carrier Analysis and Rate Evaluation (CARE II) system.

## **SECTION 3 – GENERAL REQUIREMENTS**

### **3.A General/Administrative**

#### **3.A.1 Use of English Language**

All documentation and verbal notices shall be provided in the English language. If required by local law or regulation, additional language(s) may be used.

#### **3.A.2 Cargo**

Cargo moving in containers may be mixed loads or straight loads. All cargo shall be stowed such that it is protected from damage due to exposure to the elements.

3.A.2.1 Carriage of cargo will be on a liner term basis. Cargo will be loaded and discharged at commercial terminals at the Contractor's ports of call. The Government will require the Contractor to furnish, stuff, and strip containers. Consistent with vessel safety, when on deck stowage is necessary, containers with mail and personal property will, to the maximum extent possible, be loaded below the third tier.

#### **3.A.3 Hazardous Cargo**

##### **3.A.3.1 Limitations of Contractor's Obligation**

3.A.3.1.1 The U.S. Government shall provide accurate and timely hazardous cargo documentation in accordance with applicable laws and regulations.

3.A.3.1.2 The Contractor may refuse to transport hazardous cargo either by land or by ocean, which does not conform in all respects to applicable laws and regulations.

3.A.3.1.3 The Contractor shall identify to the Contracting Officer any cargo precluded from carriage due to Contractor policy prior to contract award and further advise the Contracting Officer of any changes to such policy thereafter. The Contractor shall accept for ocean carriage all commodities listed in Attachment 1 not otherwise identified in this section when the commodity is packaged, labeled, and documented in compliance with applicable laws and regulations.

#### **3.A.4 Quality Control, Reporting, and Records**

##### **3.A.4.1 Quality Control**

3.A.4.1.1 The Contractor shall utilize its commercial quality control processes/plan (QCP) to ensure quality service is provided throughout the term of the contract.

3.A.4.1.2 The Contractor shall immediately notify the appropriate Contracting Officer Representative (COR) of any problems or failures that may affect performance. The Contractor shall provide the COR with a written plan of corrective action, including a proposed timeline, within 10 business days after the COR is notified of the situation. This plan shall describe proposed Contractor actions to correct the problem or deficiency and bring performance back in compliance with identified performance standards.

3.A.4.1.3 The CORs shall monitor Contractor performance and compliance with the terms and the conditions of the contract using standard techniques such as inspections, U.S. Government-generated management reports, Contractor reports and customer feedback. The Contractor shall attend periodic meetings called by the COR or the Contracting Officer to discuss operations and problem areas.

##### **3.A.4.1.4 Quality Council Meetings**

The Contractor shall participate in Quality Council Meetings as requested by the Contracting Officer to review performance and discuss operational issues. Meetings shall be held as directed by SDDC Business Development.

#### 3.A.4.1.5 Freight Cost Reporting

Contractors are required to submit monthly report based on all shipments made under the contract. Reports will be submitted electronically to the Contracting Officer (or designated representative) by the 20th of each month following the preceding calendar month period. The report shall contain the following data elements:

Freight Cost - submit freight cost into the following categories:

1. Breakbulk
2. Containers
3. Accessorials
4. Miscellaneous

#### 3.A.4.1.6 Retention of Records

The Contractor shall maintain and, upon request, provide to the Contracting Officer such documentation deemed relevant to performance of transportation services ordered under the terms of this contract. Records will be maintained and available to the Contracting Officer throughout the term of the contract and for six years after final payment IAW FAR 4.7 -- Contractor Records Retention.

### **3.A.5 Invoicing and Payment**

Contractor shall prepare and submit invoices or proper documentation for payment of shipments in accordance with the procedures in Attachment 6.

3.A.5.1 Where the Electronic Invoice Presentment and Payment (EIPP) program has been implemented by the effective date of the contract, the Contractor shall comply with the payment procedures for this program. Contractors shall be provided 30 calendar days advance notice of implementation of EIPP for shipments not covered by the program by the effective date of the contract. 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 Contractors. U.S. Bank's PowerTrack is the system currently used for this contract. In the event another EEIP service provider is selected, the Contractor is required to establish an account with the new provider at no additional cost to the Government. Attachment 6 contains instructions and procedures on PowerTrack. **EXCEPTION:** Contractors will be paid for shipments of Privately Owned Vehicles (POVs) in accordance with payment procedures of the Global POV Contract.

### **3.A.6 Responsibility for Charges and Taxes**

3.A.6.1 The Contractor shall pay all dues, charges and taxes customarily levied on the vessel, however the amount thereof may be levied. The Contractor shall pay all taxes levied on the freight charges. The U.S. Government shall pay all dues, charges, duties, and taxes customarily levied on the cargo, however the amount thereof may be assessed.

#### 3.A.6.2 Contractor Liability for Government Costs

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 Paragraph 3.A.22, it shall remove, or pay the expenses of the Contractor in removing or handling the excess weight of cargo. All consequences or liabilities that may result from excessive weight of containers stuffed by the Contractor, shall be the responsibility of the Contractor. All fees or other costs incident to weighing container(s) shall be the responsibility of the Contractor.

#### 3.A.6.3 Storage Charges

When the Contractor fails to pick-up a container from the Government facility within five (5) business days, the Contractor shall be liable for payment of storage charges computed at the detention rates identified in para 3.F.4.3.1 for each twenty-four (24) hour period, or pro-rata for part thereof, from expiration of the time described.

### **3.A.7 Space Commitment**

3.A.7.1 A “container” contractor must make available 10% of vessel capacity for the booking of Government cargo on each U.S. flag vessel sailing within the geographic scope of this contract as defined by paragraph 2.A.4.

3.A.7.2 A “breakbulk/RORO” contractor must make available 10% of vessel capacity for the booking of Government cargo on each U.S. flag vessel sailing within the geographic scope of this contract as defined by paragraph 2.A.4.

3.A.7.3 The maximum cargo to be shipped under this contract for trade routes identified herein in contribution with all other contracts for these services, must not exceed total dead weight capacity required by SDDC.

#### 3.A.7.4 Space Available Cargo

The Government may book cargo over and above the guaranteed space requirements provided under this contract. The Contractor shall accept such bookings on a space available basis, and shall guarantee space and an assured ocean transit of service for such cargo on the specified vessel sailing to which the cargo is booked.

### **3.A.8 Schedule Maintenance**

3.A.8.1 For service between ports for which there is more than one shipment forecast per month, the Contractor shall provide and maintain schedules in IBS at least 45 calendar days prior to the earliest sail date. For “Short Sails” of 3 calendar days or less, the Contractor shall provide schedules in IBS 15 calendar days in advance of vessel sailing.

3.A.8.2 The U.S. Government will request routing proposals for service between ports for which there is less than one shipment per month.

3.A.8.3 The Contractor shall accept, reject, or counter on the same business day to a request for routing proposals received prior to 1430 local time of requester. For a request received after 1430 local time, the Contractor shall respond by 1200 local time of the next business day.

3.A.8.4 Contractor proposal shall include the military voyage number obtained from IBS. Request for routing proposals shall be submitted by email until this information can be requested and replied to via EDI.

### **3.A.9 Permanent Service Changes**

#### 3.A.9.1 Notification

3.A.9.1.1 The Contractor shall notify the Contracting Officer at least 45 calendar days prior to implementation of permanent changes in the Contractor’s commercial service. All bookings accepted prior to notification of permanent service change shall be performed in accordance with the booking and all terms contained herein.

3.A.9.1.2 The Contractor shall notify the Contracting Officer of permanent changes in service and if the Contracting Officer deems the change meets the requirements for initial award of that service, initial contract rates shall apply to the changed service.

#### 3.A.9.1.3 Dry-Dock Initiated Service Change

The Contractor shall notify the Contracting Officer in writing of scheduled dry dockings at least four months prior to the scheduled dry-dock date. The Contracting Officer must be notified in writing of any emergency dry-dock requirement affecting published schedules.

**3.A.10 Customer Service Assistance**

The Contractor shall submit points of contact who can respond to U.S. Government activities on a 24/7 basis to provide expert assistance in answering questions, exchanging information, and resolving problems. The Contractor shall provide specific points of contact no later than seven calendar days after contract award.

**3.A.11 Submission of Tracing and Tracking data**

The Contractor shall provide tracing and tracking information to the DoD, where the Contractor is responsible for providing the underlying service. Tracing is the review of the Contractor’s records for the purpose of locating a missing container or shipment.

**3.A.12 Electronic Commerce / Electronic Data Interchange (EDI)**

The Contractor shall use Electronic Data Interchange (EDI) or Ocean Carrier Interface (OCI) (or successor system) as the primary means for interfacing with SDDC for all bookings within the scope of the RDC-5 contract.

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 Ocean ACI Committee. These changes shall be implemented in accordance with schedules approved by the Ocean ACI Committee.

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 (OO), 303 (Ordering Officer Cancellation)
- Shipping Instructions, 304 (optional)
- Contractor shipment status reporting data, 315

3.A.12.1 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 3. A.12.1.1 identifies specific events that require reporting. The Contractor shall submit all reports within 24 hours of accomplishment or when the Contractor has received the booking details and/or lift information from the U.S. Government.

3.A.12.1.1 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

CODE	DEFINITION	NOTES
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 local delivery cannot be made within the next business day due to Government caused or excusable delays.
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.

### 3.A.13 Manual Operational Reports

Until EDI transaction submissions can fully provide this data, the Contractor shall provide the cognizant SDDC activity and the military activity responsible for cargo documentation at each port where U.S. Government cargo is lifted and/or discharged certain information in connection with cargo at that port. Manual Operational Reports for cargo lift are not required for cargo loaded on a "Free-in" basis. Report format, distribution, submission schedule and medium are described in Attachment 7.

Cargo Receipt  
Cargo Lift Information – Containers  
Cargo Lift Information – Breakbulk  
Pre-Arrival Notice  
Cargo Discharge  
Cargo Disposition  
Contractor Containerization  
Cargo not lifted as booked / booked and not lifted  
Direct Booking Report

### 3.A.14 Daily Intransit Visibility (ITV) Reports

Vessel Position Reports: When specifically requested by the COR, the Contractor shall furnish SDDC with the daily noon position of any or all of the Contractor's ships operating in the routes covered by this contract.

### 3.A.15 Vessel Cutoffs, Late Gates, and Expedited Linehaul

#### 3.A.15.1 Vessel Cutoffs

The Contractor shall provide local cutoffs for origins within CONUS and keep SDDC apprised of changes. The default local cutoff is close of business one business day before the vessel cutoff at the port with an additional day for each 300 miles from the port to the inland origin point, rounded to the nearest whole day. If the local cutoff falls on a weekend, the cutoff shall be the final business day of that week.

### 3.A.15.2 Late Gates

The Contractor shall lift cargo to the booked vessel when cargo is received after the Contractor's vessel cutoff at no additional charge, if mutually agreeable arrangements have been made with the Contractor for a late gate.

### 3.A.15.3 Expedited Linehaul to POE

Contractors shall provide expedited linehaul in CONUS from selected origins to the booked port of embarkation when this service is requested at time of booking by the Ordering Officer (OO). No payment shall be made if the requested level of service is not provided as booked.

EXCEPTION: Expedited linehaul of shipments enroute, but prior to commencement of on-carriage at port of discharge shall be by mutual consent of the U.S. Government and the Contractor. Contractors shall be compensated according to the following schedule for expedited linehaul services:

#### EXPEDITED LINEHAUL SERVICE SCHEDULE

Minimum Charge (up to 199 miles)	\$350.00
200 miles to 400 miles	\$450.00
401 miles to 599 miles	\$750.00
Over 599 miles	\$750.00 plus \$0.25 per mile for each mile over 599

EXCEPTION: Contractors will not receive compensation for expedited linehaul as indicated above if they failed to meet the RDD. If contractor was reimbursed and did not meet the agreed upon RDD, then the contractor will reimburse the government for the charges paid to them for expedited delivery service.

### 3.A.16 Required Delivery Date (RDD)

The Contractor shall deliver all cargo by the Required Delivery Date (RDD) specified in the accepted booking. When a delay is caused by the U.S. Government, or an excusable delay as defined in the terms and conditions contained within this contract, the contractor shall be relieved of responsibility to meet RDD as booked, however, due diligence shall be exercised to meet RDD and/or achieve delivery at the earliest possible time after RDD. The contractor shall convey impact on delivery to cognizant COR at the earliest practical time to ensure adequate coordination with receiving activity.

The RDD is monitored and assessed on a rolling month average and impacts the performance assessment and best value booking decision as stated in section 5- Measuring Performance.

### 3.A.17 Less-Than-Container-Load (LCL) Container Services

The Contractor is authorized to commingle Less-Than-Container-Load (LCL) cargo with commercial cargo. The Contractor shall provide the cognizant Ordering Officer with the same receipt/lift information as required by Paragraph 3.A.13 above for preparation of shipping instructions. Commingling of U.S. Government (LCL) and Commercial Cargo Government cargo commingled with commercial cargo shall be freighted in accordance with the

following formula: Contractor's basic ocean rate for a 40' container divided by 59 multiplied by manifested cargo measurement tons; a 20' container is divided by 29 multiplied by manifested cargo measurement tons.

The Contractor shall provide stuffing, consolidating, stripping, sorting, and transloading services as specified in the booking or as ordered by the Ordering Officer and shall be paid at the Cargo Handling rates listed in accessorial table.

### **3.A.18 Equipment**

3.A.18.1 The Contractor's basic service shall consist of furnishing to the Government containers on fully operable chassis or trailers, at a specific point designated by the Ordering Officer, such as a warehouse door or loading platform, in a timely manner; moving the stuffed container/trailer between this point and the Contractor's commercial terminal; receiving and handling the stuffed container/trailer at its loading terminal; loading and transporting the container/trailer on the Contractor's vessel; discharging and handling the container/trailer at the Contractor's receiving terminal; and, delivering the container/trailer to a place designated by the Government customer by the RDD.

Contractor shall maintain an adequate number of chassis at domestic OCONUS locations to ensure the un-delayed delivery of cargo to destination.

#### 3.A.18.2 Container Standards

Contractors shall provide containers with clearly marked container numbers that are clean, dry, empty, odor free, suitable for protecting cargo from damage and comply with ISO, IMO, and CSC standards.

#### 3.A.18.3 Reefer Service

The Contractor shall provide refrigerated containers to the stuffing activity in accordance with the booking to include pre-cooling, when requested by the Ordering Officer. Temperatures will be communicated in Fahrenheit.

3.A.18.3.1 The Contractor shall supply reefer containers that maintain a temperature within three degrees Fahrenheit of the in-transit temperature specified for controlled atmosphere and straight chill, and five degrees Fahrenheit for frozen.

#### 3.A.18.3.2 Temperature Recording

The Contractor shall provide continuous measurement of internal temperature using a Ryan-type recorder or equivalent capable of continuous recording from availability date for a minimum period of 90 calendar days to provide consistent reporting and equipment supply. Contractor shall provide measurement data upon request from the Government.

#### 3.A.18.4 Substitution of Equipment:

When the Contractor has accepted a booking and does not provide the conveyance listed in the booking, the Contractor shall provide a suitable alternative agreed upon by the shipper and the Ordering Officer at no additional cost to the U.S. Government.

#### 3.A.18.5 Spotting/Ordering Empty Containers/Trailers

The OO will give the Contractor at least two calendar days notice as to where to spot a Contractor furnished empty container/trailer for stuffing by the Government. The Contractor shall spot empty containers/trailers by the designated date and time. The notice will include the type and size of container/trailer required by the Government, the name and address of the shipper, the date and approximate time (AM or PM) for spotting the container/trailer. The Contractor shall not furnish a container/trailer of different dimensions than that ordered without the written consent of the COR. If the OO allows the Contractor to substitute a larger size container/trailer than booked, and the loaded shipment does not exceed the dimensions of the size container/trailer originally ordered, the Government will

pay for the size ordered. If the loaded shipment exceeds the dimensions of the size of container/trailer originally ordered, the Government will pay for the size of container/trailer actually furnished.

#### **3.A.18.6 Government Liability for Improper Documentation**

If the Government does not provide the Contractor with the correct container documentation at the time and location of Contractor acceptance, the Contractor may refuse to pickup or accept the container. If the Contractor refuses to accept a container because the Government has not provided proper documentation, the Government shall reimburse the Contractor for actual costs incurred if the Contractor has made a futile trip in connection with such circumstance. If the Contractor chooses to pick-up or accept the container, the Contractor 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) business day of receipt or lift, or earlier if necessary to meet the scheduled vessel sailing container/trailer actually furnished.

#### **3.A.19 Chassis Requirements**

Containers delivered to the Government or spotted by the contractor must be on a contractor-provided chassis that supports stuffing/unstuffing operations by the Government. The chassis must remain with the container while in the custody of the Government; unless this requirement is waived by the cognizant COR. Blanket waivers for specific areas or destinations may be issued by the cognizant COR upon request.

#### **3.A.20 Pickup Containers/Trailers**

The Contractor shall pick-up a stuffed container/trailer within one calendar day, and shall pick-up/remove an empty container/trailer within one business day; time commencing at 0800 hours on the day following receipt of notification that the container/trailer is ready to be transported.

#### **3.A.21 Overweight Containers and Notification by Contractor**

At the time of ordering, the Contractor shall notify the OO if the maximum cargo weight which can be loaded into a container that is to be stuffed by the Government is more than the standard legal maximum cargo weight capacity for the container, and the reason therefore. The Contractor will also advise the OO when the combined cargo weight of the loaded container and chassis exceeds the allowed highway axle weight.

#### **3.A.22 Equipment Pools (container only)**

The Contractor shall establish and maintain equipment pools identified in Attachment 2 and as subsequently requested by the Contracting Officer, at no additional cost to the contract. All expenses for establishing, changing an existing or future pool, sustaining, disbanding or relocating a pool for any equipment type shall be borne by the Contractor.

#### **3.A.23 U.S. Government Furnished Containers (GFC)**

3.A.23.1 The shipment of U.S. Government-Furnished Containers (GFC) shall be subject to mutual agreement between the Contractor and the Government, except that the Government shall have the right to ship up to 200 U.S. GFC against the space commitment required under Section 3.A.7 of the PWS as part of a Unit move, provided that such shipments were coordinated at least 45 calendar days in advance of the vessel sailing.

3.A.23.2 The Contractor shall provide a chassis for GFC shipments whenever the Contractor is responsible for the associated inland transportation, unless this requirement is waived by the local shipping/receiving facility or custom of the trade does not normally call for the use of chassis. Detention shall apply to Contractor owned chassis when associated to GFC.

3.A.23.3 Contract linehaul rates shall apply for transporting loaded GFC. Inland transportation of empty GFC requested by the Government shall constitute a separate inland move subject to contract linehaul rates unless otherwise mutually agreed to by the Contractor and the Government.

3.A.23.4 The Contractor shall not be entitled to detention for GFC. The Contractor shall return GFC in the same condition as received and shall be liable for loss or damage to the GFC resulting from the Contractor's negligence.

3.A.23.5 When the Contractor provides any Accessorial services in connection with service provided to U.S. Government owned/leased containers, the appropriate Contractor rates contained in the Schedule of Rates shall apply.

### **3.A.24 Transloading Of Containerized Cargo**

The Contractor shall not transload cargo from one container to another without the authorization of the OO, except when such transload is required to safeguard the cargo during the continuation of the movement. When cargo is transloaded from the original container, the Contractor 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 transloaded, the place where the transload occurred and the reason for the transload.

When the container to which the cargo was transloaded differs in internal cubic capacity from the original container, freight shall be based upon the cubic capacity of the original container. This section applies to Government stuffed full container loads. It does not apply to Contractor stuffed less than container loads

### **3.A.25 Flatrack Containers**

The Contractor shall furnish flatrack containers as specified in the booking. Contractor shall be paid an additional flatrack surcharge in accordance with the Table of Accessorial Rates.

### **3.A.26 Bulk Liquids**

3.A.26.1 The U.S. Government may furnish 20' tank containers for shipment of bulk liquids by the Contractor.

3.A.26.2 The Contractor shall provide an acceptable, clean and empty tank container to the shipper and transport to destination. The consignee shall empty the container and return it to the Contractor, empty, but with residue. The Contractor shall be compensated for providing the tank container at \$500 per container for cleaning the empty container. The Contractor shall be compensated for ocean transportation of these tanks at rates for dry containers, and for linehaul or drayage, if ordered. The tank container surcharge for Contractor-provided containers does not apply.

## **3.B Shipment Planning and Booking**

### **3.B.1 Shipment Booking and Scheduling**

The Contractor shall provide the services as identified in the accepted booking.

#### **3.B.1.1 Shipment Booking**

All cargo shall be booked to the Contractor at the discretion of Ordering Officers (Shipper Select) based on a contemporaneous best value analysis of technical capability, scheduled service, past performance, US Domestic Shipyard preference and price, subject to VISA priorities. Awarded contract minimums for the base period shall be satisfied by the expiration date of the base period. Specifics on ordering procedures are outlined in Exhibit 2.

#### **3.B.1.2 Booking Acceptance**

Issuance of a booking number by the Contractor through EDI, OCI, Direct Booking, email, or facsimile communication to the U.S. Government constitutes acceptance of booking. The parties may subsequently agree to amendments/changes prior to delivery, including rerouting of containers as specified at paragraph 3.F.6 below. Should the Contractor use auto-accept or other processes that provide a booking number in advance of full evaluation of the offer, Contractors shall have one business day to counteroffer.

The Contractor shall accept bookings, up to a vessel's space commitment, if the booking is received no less than three business days prior to a local cutoff. Empty U.S. Government-owned or empty leased containers or other empty special equipment shall be booked on a space-available basis. Empty containers shall be offered to the Contractor, who shall propose space for them on the first sailing for which space is available.

### 3.B.1.3 Response to Booking Requests

The Contractor shall accept, reject, or counter on the same business day to a booking received prior to 1430 local time. For a booking received after 1430 local time, the Contractor shall respond by 1200 local time of the next business day.

### 3.B.1.4 Automated Booking

Contractors shall implement an automated booking capability via EDI or OCI with the Integrated Booking System (IBS) within 30 business days after award of contract. EDI transaction sets shall comply with standards identified in this contract. Contractor shall respond to all cargo offerings, including changes to previous offerings, within two hours of the time the cargo offering is released by IBS. Automated booking capability shall be maintained 24 hours per day, 7 days per week, throughout the period of the contract. Contractors shall have one business day to counteroffer any booking processed automatically. Contractor shall accept bookings via a Contractor-provided website for shippers that SDDC authorizes to use Direct Booking procedures. During the term of the contract, the U.S. Government may implement a successor system that shall replace IBS. Contractor shall be required to interface with this new system and shall be provided at least 120 calendar days' notice prior to implementation of the new system.

### 3.B.1.5 Direct Booking Procedures:

Contractors with established direct booking capabilities shall accept bookings from shippers who elect to use Direct Booking procedures. Contractors shall ensure that Direct Booking systems comply with the terms and provisions of this contract. RDDs accepted in the Contractor's Direct Booking systems shall be used to measure RDD compliance.

3.B.1.5.1 Contractors with Direct Booking capabilities will ensure that the booking acceptance process evaluates "Required Delivery Dates" consistent with booking acceptance logic resident in IBS. When deemed necessary, the U.S. Government in cooperation with the contractor will review and update the acceptance logic and associated tables, and publish results through SDDC generated customer advisories.

## 3.C Origin Services (container only)

### 3.C.1 Providing Empty Containers to Shippers

#### 3.C.1.1 Pool Locations.

The Contractor shall maintain empty container pools at locations and levels specified in Attachment 2. The Contractor shall provide documentation to the shipper to identify the equipment by Contractor SCAC, equipment owner code, and container number when empty containers are delivered to a shipper for inclusion in a pool. Once the shipper notifies the Contractor that a container is available for pickup, the container is considered loaded and no longer part of the established pool and the Contractor shall replace the empty container, by the next business day. Detention at origin does not apply to locations with equipment pools.

#### 3.C.1.2 Drop and Pick Service

3.C.1.2.1 The Contractor shall spot the requested equipment at the location on or before the date and time specified in the booking.

3.C.1.2.2 The Contractor shall provide drop and pick service without surcharge for:

3.C.1.2.2.1 Domestic OCONUS locations not requiring container pools,

3.C.1.2.2.2 CONUS/OCONUS locations listed at Attachment 2 where the Contractor has no pool assignment, and

3.C.1.2.2.3 CONUS locations where the Contractor and shipper mutually agree to drop and pick service.

3.C.1.2.3 The Contractor shall provide drop and pick service and be entitled to a surcharge for CONUS locations not described above, when drop and pick service is ordered.

3.C.1.2.3.1 When drop and pick service is ordered, the Contractor shall be compensated \$300 per container.

3.C.1.2.3.2 For bookings of three or more containers, the shipper may order round robin drop and pick service. The Contractor shall be paid \$300 for this service if the U.S. Government orders it.

3.C.1.2.4 A container which has been spotted by the Contractor for stuffing by the U.S. Government shall be permitted a period of two business days, commencing on the first business day after delivery, for stuffing before detention applies. Detention at origin does not apply to any containers that are lifted to the booked sailing or any earlier sailing nor to any containers sailing on a later vessel when the Government is not responsible for the delay.

3.C.1.3 Live load

For other locations in CONUS, the Contractor shall provide live load service at origin unless drop and pick service is ordered. The Contractor and the shipper shall set a live load appointment (date and time and specific location) for each container booked. The shipper shall have four (4) hours' free time, starting from the time of the appointment to load the container or upon actual start. After the expiration of free time, the Contractor shall be paid waiting time at the rate of \$60 per hour rounded to the next higher quarter hour. Waiting time shall only run during the shipper's normal hours of operation. In the event the Contractor does not meet the agreed appointment time by 15 minutes or more, the shipper may load the container immediately or reschedule the load for a later time. Free time start will be adjusted to actual start time. Shipper may also cancel the appointment and reschedule for a different day.

3.C.1.3.1 In the event the shipper is not able to complete loading by the end of the shipper's business day, the Contractor shall be paid a \$150 overnight charge. When loading operations resume, free time, if there is any not used or waiting time shall start at the time the shipper's workday starts unless the shipper and Contractor agree to a different time.

3.C.1.3.2 The contractor shall provide live load service, at no added cost, for locations otherwise entitled to pool or drop and pick service, when requested by the shipper in the booking, free time and waiting time rates apply in accordance with 3.F.4.5.3.

3.C.1.3.3 At the request of the Ordering Officer the Contractor may, pick up empty U.S. Government owned or leased containers from locations separate from the designated loading location and deliver them to the shipper for loading. Compensation for this will be mutually agreed to through a bilateral modification to this contract. The container shall be spotted at the shipper's location using rules for live load, drop and pick or pool as would apply for a Contractor provided container.

3.C.1.4 At least one business day prior to the spot date annotated in the booking, the Contractor shall notify the cognizant Ordering Officer of any containers, which cannot be spotted to meet booking requirements.

### **3.D Ocean Transportation**

#### **3.D.1 Cargo Lift and Advancement**

3.D.1.1 For door-origin cargo, the Contractor shall pick-up cargo/stuffed containers to meet the booked vessel when the U.S. Government makes pick-up notification at least one business day prior to cutoff at origin.

3.D.1.2 The Contractor shall lift cargo onto the vessel identified in the booking or to an earlier arriving vessel. Cargo advanced to an earlier arriving vessel shall not displace no-shows and rollovers from previous voyages or cargo already booked. Cargo may be advanced only if the Contractor has received all required documentation.

3.D.1.3 Contractor shall not deliver early to consignees unless approved by the U.S. Government.

3.D.1.3.1 For shipments that were advanced without U.S. Government approval for early delivery, additional charges and free time shall be calculated based on the RDD agreed to in the booking.

3.D.1.4 Contractor shall not advance cargo to an earlier vessel(s) that has a lower VISA priority than the booking unless prior approval is granted by SDDC.

#### **3.E Destination Services**

##### **3.E.1 Delivery Notification and Receipt**

3.E.1.1 Schedule all deliveries of containers with cognizant military terminal or appropriate government agent at least two business days prior to any actual delivery of containers.

3.E.1.2 Do not deliver containers on the same day as notification unless approved by the consignee.

3.E.1.3 Deliver all containers to each consignee during the consignee's Normal Business Hours.

3.E.1.4 The Contractor shall provide a delivery receipt for the consignee or agent to sign to acknowledge receipt of the container and to annotate any exceptions.

3.E.1.5 The contractor shall display on the truck or container a placard with identifying marks where required by local practice.

3.E.1.6 A signed delivery receipt with no damage noted does not preclude the U.S. Government from pursuing a claim for damages discovered after delivery. If damage is later discovered, Contractor will be notified, and allowed to survey cargo.

##### **3.E.2 Expedited or After-Hours Delivery**

3.E.2.1 Expedited delivery service:

The Contractor shall provide expedited delivery when ordered by the Ordering Officer. The Contractor shall deliver the container to consignees within two business days and one business day at all other locations commencing at 0001 hours on the first business day following vessel discharge or customs clearance of such containers, whichever is later, for distances of up to 400 miles. For distances greater than 400 miles, Contractors shall be provided an additional calendar day for each 400 miles of distance. When the contractor schedules delivery by appointment for a mutually agreed on time and date the consignee shall be required to "live unload" containers transported under expedited delivery service ordered by the U.S. Government.

EXCEPTION: Expedited delivery of shipments enroute, but prior to commencement of on-carriage at port of discharge shall be by mutual consent of the U.S. Government and the Contractor. Contractors shall be compensated according to the following schedule for expedited delivery services:

### EXPEDITED DELIVERY SERVICE SCHEDULE

Minimum Charge (up to 199 miles)	\$350.00
200 miles to 400 miles	\$450.00
401 miles to 599 miles	\$750.00
Over 599 miles	\$750.00 plus \$0.25 per mile for each mile over 599

EXCEPTION: Contractors will not receive compensation for expedited delivery as indicated above if they failed to meet the RDD. If contractor was reimbursed and did not meet the agreed upon RDD, then the contractor will reimburse the government for the charges paid to them for expedited delivery service.

#### **3.E.3 Specified Day Delivery**

3.E.3.1 The Contractor shall deliver on a specific day if requested by the consignee provided the Contractor could accommodate the request using the Contractor's normal service. This service will be performed at no additional cost to the U.S. Government.

3.E.3.2 Requests for a specified day delivery earlier than the RDD that cannot be provided using the Contractor's normal service can be ordered using Expedited Delivery service in accordance with Section 3.E.2.

3.E.3.3 If the date the delivery is requested is later than the RDD, the shipment would be considered constructively staged.

#### **3.F Exceptions to Normal Service**

##### **3.F.1 Alternate Service**

The Contractor is responsible for the delivery of services required by the booking. This responsibility extends to the performance of any other provider the Contractor may subcontract to in order to perform the services ordered. The Contractor shall notify the Ordering Officer of any alternate service arrangements prior to implementation. The Contractor shall use the Voluntary Intermodal Sealift Agreement (VISA) priorities when making alternative service arrangements and may not use a lower VISA priority without prior written approval of SDDC.

##### **3.F.2 Service Failure**

3.F.2.1 Under circumstances described below and when approved by SDDC HQ, the U. S. Government may obtain services from alternate sources either inside or outside this contract to include MSC Charters or activation of US Government Vessels.

3.F.2.1.1 The Contractor fails to complete ordered service within the time and service requirements described in a Performance Objective and a systematic problem exists in the judgment of the Contracting Officer.

3.F.2.2 The U. S. Government shall provide the Contractor with prompt written notice of the Contracting Officer's determination of the Contractor's inability to provide the required service before obtaining service from another source.

3.F.2.2.1 The actions by the U.S. Government to obtain services from another source is a remedy independent of other remedies provided in this contract and shall not necessarily constitute "default" or require remedies in this contract for default.

3.F.2.2.2 These actions shall not preclude the U.S. Government's rights in the event of Contractor default, and shall not preclude the U.S. Government's use of other remedies provided in the contract.

3.F.2.3 The Contractor's vessels shall be considered not available unless the Contracting Officer issues a reinstatement of service per paragraph 3.F.2.4.

3.F.2.4 For purposes of reinstatement, the Contractor shall provide the U.S. Government evidence of ability to perform in accordance with the contract requirements. The Contracting Officer shall review the evidence and make a determination as to reinstatement of Contractor's service.

3.F.2.5 Failure to Sail:

The Government is not obligated to utilize a Contractor that fails to have a sailing within thirty (30) calendar days after the effective date of this contract, or such later date acceptable to the CO, on any route for which it has offered rates for the effective period of this contract, or who fails thereafter to maintain a regular Contractor service on such route. If a later date than specified above is accepted, the Government is not obligated to utilize such a Contractor before such date, nor is the Government so obligated unless the Contractor has a sailing within thirty (30) calendar days of such a date and thereafter maintains a regular Contractor service on such route. However, nothing in this clause restricts the Government from utilizing such Contractor service when the capability of the current Contractors receiving (and otherwise meeting the requirements of this paragraph) are not available.

### **3.F.3 Canceled Shipments/No Shows**

The Contractor shall accept cancellation of shipments for booked cargo without penalty to the U.S. Government. The U.S. Government will provide cancellation notice at least 24 hour prior to vessel cutoff. Special situations shall be addressed by the Contracting Officer.

3.F.3.1 The contractor shall notify the COR of cargo not tendered to the contractor in time to meet the booked sailing that has not been cancelled or rebooked.

3.F.3.1.1 For containers that miss the booked sailing through no fault of the Contractor, the Contractor shall load containers on the next scheduled sailing after receipt of containers from the U.S. Government.

3.F.3.1.2 When the U.S. Government notifies the Contractor of cargo not available for a booked sailing, the Contractor shall then designate a new vessel based on the revised availability of cargo. Should the "roll over" cargo not show for the follow on designated vessel, the booking shall be cancelled and the cargo rebooked.

3.F.3.1.3 The Contractor shall in no event hold the U.S. Government liable for vessel demurrage or dead freight by failing to release a container in time to meet a specified vessel sailing.

3.F.3.1.4 Accommodation for Failure to Release

For containers that miss their booked sailing through no fault of the Contractor, the Contractor shall load containers on the next scheduled sailing after receipt of containers from the Government.

3.F.3.1.5 No Fault Failure to Meet Sailing

If a container stuffed with cargo misses the sailing for which it is scheduled due to no fault of the Government or the Contractor, the Government shall have the remedies set forth below:

3.F.3.1.5.1 Load on the Next Vessel

The Government may order the Contractor 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.

#### 3.F.3.1.5.2 Move to Another Shipping Place

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

#### 3.F.3.1.5.3 Return the Cargo

If the Government elects to order the return of the cargo, the Contractor shall move the container to a place designated by the OO for unstuffing. The Government shall bear all costs of such movement.

### **3.F.4 Free Time and Detention**

#### 3.F.4.1 Free Time

Free time is that period allowed for use of Contractor equipment without additional charge. Detention is the charge assessed against the Government for delaying the release of Contractor equipment beyond allowed free time.

##### 3.F.4.1.1 Free Time Allowed

The contractor must provide fifteen (15) calendar days free time for dry cargo and eight (8) calendar days free time for refrigerated cargo.

##### 3.F.4.1.2 Commencement of Free Time

With the exception of Puerto Rico, free time will commence at 0001 hours on the first calendar day after delivery.

In Puerto Rico time shall begin at 0800 hours local time after the container has been discharged from the vessel, cleared for linehaul/drayage by all applicable agencies of the local government, (including local tax office, customs, the U.S. Department of Agriculture, and the Puerto Rico Department of Agriculture), and the OO has been notified that the container is ready for linehaul/drayage. This notice is not required if previous instructions relative to commencement of linehaul or drayage have been received by the OO.

##### 3.F.4.1.3 No Running of Time

Time shall not run when clearance by local government agencies is delayed because the Government is unable to provide documentation due to error or omission on the part of the Contractor to provide receipt, lift, or transshipment information. Time and detention shall not run during the period containers are held at the Contractor's terminal due to local labor disturbances.

Time shall cease to run at 2359 hours on the day the Contractor is notified that the container is ready to be released or when the container is returned to the Contractor, whichever is earlier.

##### 3.F.4.1.4 Delivery at Contractor's Terminal

For outbound CONUS cargo, when the OO elects to take delivery of containers at the Contractor's terminal at the port of discharge, time shall cease to run when the container with trailer is hooked to the Government tractor

#### 3.F.4.2 Detention

##### 3.F.4.2.1 Detention after Free Time expires

When free time is exceeded, Contractors will be paid at detention rates and for refrigerated maintenance as stated below.

### 3.F.4.3 Calculation of Detention-Related Charges

#### 3.F.4.3.1 Standard Container Detention

The following charges and provisions will apply to all equipment accruing detention.

<u>Equipment Type</u>	<u>Daily Detention</u>
20 ft Dry	\$22
20 ft Flat	\$22
20 ft Reefer	\$70
40 ft Dry	\$35
40 ft Flat	\$35
40 ft Open Top	\$35
40 ft Reefer	\$92
20 ft Chassis	\$9
40 ft Chassis	\$16

For Government caused delays in the movement of or return of containers beyond applicable free time, the Government will pay the Contractor the above daily standard container detention charges. Detention charges will continue to accrue until one of the following occurs:

- (1) The Government notifies the Contractor in writing that the container is available for pickup at the Contractor's point of delivery or other mutually agreed location and the container is available when the Contractor arrives for pickup;
- (2) The Government returns the container to the Contractor at the Contractor point of delivery or other mutually agreed location; or
- (3) The Contracting Officer notifies the Contractor in writing that it is purchasing the container under Section 3.F.9 or 3.F.10. Purchase under 3.F.9 or 3.F.10 is not intended to permit the Government to make wholesale purchases of containers. The Government will make a determination on a case-by-case basis that the container has been lost, destroyed, or impracticable to return.

When the Contracting Officer notifies the Contractor that the container is available for pickup, returns the container to the Contractor, or pursuant to (3) above, notifies the Contractor that it is purchasing the container, detention will accrue for that day and stop at 2359 hours of that day. Detention already accrued will not be credited against the purchase price.

Detention is payable for chassis only when the chassis is not used with a Contractor container.

#### 3.F.4.4 Reefer Maintenance.

3.F.4.4.1 When onward movement has been delayed due to the fault of the Government and free time has expired, the Contractor will be reimbursed for additional expenses incurred in maintaining the operations of the refrigerated container. These maintenance charges will not apply while containers are in transit status in accordance with the booking terms of this contract. The parties recognize that while the refrigerated containers are in the possession of the Contractor, the Contractor normally incurs costs in maintaining their operation.

Accordingly, for maintenance costs incurred after the expiration of free time, while the refrigerated container is in the Contractor's possession the Contractor will be reimbursed for such costs pursuant to the per diem rates in Columns A and B below. When the container is in the possession of the Government, the Contractor will be reimbursed its actual expenses for maintenance services the Ordering Officer ordered and the Contractor performed. The Contractor must certify to the Contracting Officer that it in fact incurred these costs and submit an invoice in accordance with Attachment 6 of this contract.

- (1) Column A – per diem or part thereof charge when refrigerated containers are delayed at those facilities where power is available for direct connection to the Contractor’s container.
- (2) Column B – per diem or part thereof charge when refrigerated containers are delayed at those facilities where the Contractor is required to maintain operation of refrigerated containers without the use of electrical power.

Reefer Maintenance Rates

Container	Column A	Column B
(PER 24 HOUR PERIOD OR PART THEREOF AFTER FREE TIME WHILE CONTAINER IS IN POSSESSION OF CONTRACTOR)		
20 Feet and Over	\$17.23	\$42.02
40 Feet and Over	\$26.50	\$64.64

Note: When a Contractor bills in accordance with Column B above, it must certify that “electrical power was unavailable at the facility.”

3.F.4.5 Live unload

3.F.4.5.1 The Contractor shall provide live unload service at destination as follows:

3.F.4.5.1.1 CONUS locations where drop and pick load service is not included in the linehaul rate (see 3.C.1.2 )

3.F.4.5.1.2 Other CONUS and OCONUS locations when requested by the U.S. Government at time of booking.

3.F.4.5.1 .3 When agreed to by the receiver when the Contractor schedules delivery.

3.F.4.5.2 The Contractor and the shipper shall set a live unload appointment (date and time and specific location) for each container. For locations described in Table 3.F.4.5.4.1, the receiver shall have four (4) hours free time starting from the time of the appointment to unload the container. The Contractor shall be paid waiting time at the rates in Table 3.F.4.5.4.1 below for periods in excess of free time. Waiting time shall only run during the receiver's Normal Business Hours of operation. In the event the Contractor does not meet the agreed appointment time by 15 minutes or more, the shipper may unload the container immediately or reschedule the unload for a later time the same day. In either case, free time starts upon actual start of unloading operations. Shipper may also cancel the appointment and reschedule for a different day.

3.F.4.5.3 When containers are not delivered on chassis and waived per Section 3.A.19, live unload free time shall start when the shipment is accepted at the base gate or an earlier date if the Contractor provides notice by providing an "AV" EDI transaction (see 3.A.12) that the container is locally available for immediate delivery but is delayed by the U.S. government, in which case the date/time the transaction is sent would start live unload free time. Driver wait time shall start when live unload free time ends. Driver wait time shall end when either the container is removed from the conveyance or the cargo removed from the container or conveyance and the receiver annotates the completion of delivery on the driver’s copy of the delivery receipt. For locations listed at Table 3.F.4.5.4.1, Contractor shall be compensated as described at 3.F.4.5.3.

3.F.4.5.3.1 Shipments delivered with evidence of tampering or loss shall be investigated by base security and drivers may be detained for questioning by base security. If investigation determines no tampering occurred, applicable wait time rates will be paid. If the investigation determines that tampering/pilferage has occurred, wait time will not be payable.

3.F.4.5.4 Free time and waiting time

Table 3.F.4.5.4.1

<u>Location</u>	<u>Free Time</u>	<u>Driver Wait Time Rate</u>
All Locations	4 hours	\$15.00 per quarter-hour *

\*Note: Actual time will be rounded to the next higher quarter hour. (Example: 1201-1214=1215)

**3.F.5 Government Use of Contractor Equipment (Leasing)**

3.F.5.1 General

Upon twenty-four (24) hour advance notice by the OO, the Contractor shall furnish containers, trailers, flatcars, and chassis, and in the case of non self-sustaining refrigerated containers, also a generator set, for use in connection with land and ocean transportation of Government cargo arranged under this agreement. The Contractor shall be paid at the equipment leasing rates set forth in the table below for equipment leased under this provision. Equipment so leased may be transported aboard any vessel designated by the Government and may be transported inland by any means available to the Government. Unless otherwise agreed, Contractor equipment leased by the Government shall be returned by the Government to the place where such equipment was originally received from the Contractor.

3.F.5.2. Shipping Order as Leasing Document

A Shipping Order shall be issued to reflect each lease of equipment. The Shipping Order shall set forth the number, size, and appropriate identification information of such Contractor equipment, the estimated duration of lease, and place of return. The Contractor shall be paid for each twenty-four (24) hour period or part thereof, Saturdays, Sundays, and holidays included, for the period between the time the equipment is received or ordered from the Contractor, whichever is later, until the time the equipment is returned to the Contractor. The Government shall not lease equipment for storage or other purposes unrelated to the furnishing of transportation pursuant to this contract, unless otherwise mutually agreed between the Government and the Contractor.

Leasing Rates

Equipment Type	Size	Per Day Rate
Dry Cargo	20 feet and over	\$10.00
	40 feet and over	\$12.00
Refrigerated	20 feet and over	\$30.00
	40 feet and over	\$35.00
Chassis	20 feet and over	\$10.00
	40 feet and over	\$12.00
Flatrack/Flatcar/Flatbed Truck	20 feet and over	\$10.00
	40 feet and over	\$12.00
Trailer	40 feet and over	\$24.00
Refrigerated Trailer	40 feet and over	\$47.00

**3.F.6 Rerouting of Containers**

3.F.6.1 En-Route Port Changes

3.F.6.1.1 Port change requested by the U.S. Government.

3.F.6.1.1.1 Except as authorized under the "Liberties" clause, the contractor shall not divert cargo to a different POD without prior approval of the Contracting Officer/cognizant COR.

3.F.6.1.1.1.1 If the location of the cargo at the time of the diversion request is within a reasonably normal path for service to the new POD from the POE, and the diversion request is in advance of arrival at the POD, the Contractor shall execute the diversion and shall be paid for service to the new destination.

3.F.6.1.1.1.2 If the diversion is not within a reasonably normal path for service, the container shall be short stopped (3.F.6.2 below) and rebooked to the new destination.

3.F.6.1.1.2 Should the Contractor incur costs to effect the diversion, such as additional lifts, rehandling, or moves within the terminal, these costs may be reimbursable and may be submitted as described in Attachment 6. Contractor's administrative expenses are not reimbursable.

3.F.6.1.1.3 If containers are stowed so as to require rework of overstowed containers, Contractor shall advise the COR of the number of containers overstowed and provide a cost estimate to discharge each container. Vessel rework to remove overstowed containers or vessel delay costs requires authorization by the Contracting Officer.

### 3.F.6.2 Short Stop

The Ordering Officer may elect, in writing, to take delivery at the Contractor's port instead of at the original inland destination. Free time provisions shall apply at the elected port of the short stop. The shipment shall be re-priced based on the modified booking.

The Contractor shall short stop containers at port of discharge or any relay port when the Ordering Officer elects to take delivery at that location instead of inland destination. The U.S. Government may order delivery at any intermediate port of call but would be subject to costs and limitations as specified in Paragraphs 3.F.6.1.1.2 and 3.F.6.1.1.3 above.

### 3.F.6.3 Change of Destination

The Ordering Officer may elect, in writing, to change the final destination to a different destination served by linehaul from the POD at any time before the container has commenced final inland movement from the port of discharge. The shipment shall be re-priced based on the modified booking made by the Ordering Officer.

The Contractor shall move the container to the new inland destination at the request of the U.S. Government at any time before the container has commenced final inland movement from the port of discharge.

### 3.F.7 Staging (container only)

The Contractor shall stage containers upon written request of the Contracting Officer/COR. After written request by the Contracting Officer/COR or its designated local authority for release from staging, the Contractor shall commence on-carriage within one business day. Free time shall run while containers are staged, and detention shall run after free time is exceeded.

### 3.F.8 Notice of Transfer of Cargo

The Contractor shall notify the Ordering Officer, or designee in writing when cargo is transferred from one container to another or the seal is replaced.

#### 3.F.8.1 Broken Seals

The Contractor shall notify the COR, if a seal on any unit of cargo has been broken and/or replaced while the container is in the possession of the Contractor. A complete report of the circumstances and reasons shall be provided.

### 3.F.9 Damage to Contractor Equipment

3.F.9.1 The Contractor shall be entitled to reimbursement for damages to Contractor owned equipment when such damage or loss is by act, neglect or failure to maintain equipment by the U.S. Government, its agents, employees or Contractors (other than the prime Contractor) while such Contractor equipment is in the custody and care of the U.S.

Government, its agents, employees or Contractors (other than the prime Contractor ). The U.S. Government shall repair or reimburse the Contractor the least of the following:

- (1) The reasonable costs of repairs or
- (2) The purchase price as stated in table 3.F.9.1.2

The Government will have the unilateral right to purchase immediately any container that has been lost or destroyed.

3.F.9.1.2                      Container Type Purchase Price:

20 ft Dry	\$3,200
20 ft Flat	\$5,000
20 ft Reefer	\$31,500
40 ft Dry	\$5,100
40 ft Flat	\$7,000
40 ft Open Top	\$6,500
40 ft Reefer	\$35,000
Genset	* \$11,000

\*In order to purchase a genset the Government also must purchase the reefer that the genset services.

3.F.9.1.3 The U.S. Government shall notify the Contractor of damage to Contractor's equipment while in the U.S. Government's care and custody immediately upon identification of the occurrence of said damage. The Contractor shall assign to the U.S. Government any rights, causes of action, or other claims, which the Contractor may have against third parties with respect to such damage.

3.F.9.1.4 The U.S. 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 U.S. Government or its authorized representative:

- 3.F.9.1.4.1 At the time custody of the equipment is returned by the U.S. Government to the Contractor; or
- 3.F.9.1.4.2 Within 5 business days after the damage was discovered or should have been discovered after custody of the equipment is returned by the U.S. Government to the Contractor (for damage that is not readily apparent).

3.F.9.1.5 The Contractor shall be liable for loss of or damage to Government containers and chassis while in the Contractor's custody to the same extent that the Government is liable for loss or damage to the Contractor equipment while in the Government's custody. The Contractor will not procure insurance coverage on Government containers.

### **3.F.10 Theft or Disappearance**

Contractor equipment shall be considered lost when theft or disappearance is determined by the Contracting Officer's Representative (COR) and upon concurrence by the Contracting Officer. In addition, COR may determine as lost those containers whose return to the Contractor is impracticable or impossible due to conditions existing at destination, subject to Contracting Officer concurrence. Once a piece of Contractor equipment is determined to be lost, the Contracting Officer shall notify the Contractor. No predetermined period shall govern when equipment shall be declared lost under this Contract. This provision is not intended to permit the Government to make wholesale purchases of containers in the possession and effective control of the Government.

3.F.10.1 When purchase is made in accordance with this provision, the contractor will be paid as stated at table 3.F.9.1.2. Detention accrued will not be credited against the purchase price.

### **3.F.11 Port Storage**

3.F.11.1 When onward movement has been delayed due to the fault of or at the specific request of the U. S. Government, the Contractor shall be reimbursed for actual expenses incurred in the storage of containers or cargo.

3.F.11.2 To receive reimbursement for Port Storage services while the container is in the possession of the Contractor, the contractor shall submit an invoice in accordance with Attachment 6 of this contract and shall include the following attachments to the invoice:

3.F.11.2.1 Certify to the Contracting Officer that the Contractor in fact, incurred these costs

3.F.11.2.2 Copy of the Port Invoice indicating proof of incurred costs

3.F.11.2.3 Copy of the applicable port tariff citing the applicable rate.

### 3.F.12 Tax Authority

3.F.12.1 Tax Authority Clearance. When the container/break bulk has been flagged taxable by the local tax office (Hacienda) and the government requests the Tax Clearance Accessorial, the Ocean Carrier will perform the following services. The Ocean Carrier shall obtain the supporting documentation (OBL, Hacienda clearance letter, commercial invoice when available), and process the clearance as Acting Representative for SDDC. Estimated time for clearance is from 2-3 days for containers, and 7-10 days for break bulk. When Tax Clearance Service is ordered for cargo, the Ocean Carrier will be paid the lump sum amount set forth in the Accessorial Schedule of Rates.

## 3.G Accessorials

### 3.G.1 Stopoff Service

3.G.1.1 Stop-Off Service is defined either when a container/trailer contains cargo that must be delivered to more than one en-route delivery location, or when a container/trailer is to be stuffed at more than one en-route location. Free Time of four (4) hours shall be allowed for each stop off. Free time shall commence when the container is available for unloading at the stop off location or the scheduled delivery appointment time, whichever is later. Free time shall end when the Contractor has been notified that the container is available or when the container is returned to the Contractor, whichever occurs first. However, if the free time has not expired at the end of the business day at the stop off location, it shall be suspended until 0800 hrs on the next business day. When unloading operations resume, free time, if there is any not used, or waiting time shall start at the time the shipper's workday starts unless the shipper and Contractor agree to a different time.

3.G.1.2 When two to three stopoffs are ordered, an additional transit day shall be allowed. When four stopoffs are ordered, two additional calendar days shall be allowed.

3.G.1.3 The Contractor shall provide up to a maximum of four (4) U.S. Government-ordered stopoffs per container when ordered at the time of the booking. The service shall consist of spotting the container on a chassis at a location designated by the U.S. Government for loading and unloading.

3.G.1.3.1 A "per container" stopoff charge of \$150 shall be paid for each stopoff after the first stop off. After the third stop, and if the inland service provider shall go into overnight to make the next delivery, the stopoff payment shall double. If the inland service provider shall go overnight on Saturday and/or Sunday to make delivery, then the stopoff payment shall triple.

3.G.1.3.2 When total distance traveled in excess of any one-way mileage between the contractor's terminal and either origin or destination exceeds 50 miles, an additional stop-off charge will be paid for each 50 miles or fraction thereof.

3.G.1.4 The Contractor, by mutual consent with consignee, shall ensure that consignee-requested assistance is available from the inland service provider for unloading at each stop.

### 3.G.2 CONUS Linehaul for Containerized Ammunition Shipments

The Contractor shall use a DoD approved contractor for the movement of ammunition. A list of DoD approved contractors can be obtained from SDDC G9. Additionally dual-driver service and satellite monitoring that feeds into the Defense Transportation Tracking System (DTTS) is required. Ammunition linehaul surcharges shall apply to these movements. Contractor is to submit Ammunition linehaul surcharge rate in CARE II as part of proposal submission. Rate offered is to be CONUS rate.

#### **3.G.2.1 Identification of High Value and/or Classified Items**

Government Shippers will advise Contractors of cargo that is high valued or may contain high valued contents such as military vehicles, to enable Contractors to take necessary precautionary measures. Likewise, Shippers must inform Contractors of any cargo that is classified and request the proper protective in-transit security services in accordance with the Defense Transportation Regulation, Ref. Chapter 205 of the Defense Transportation Regulation.

#### **3.G.3 Tarping Service**

When ordered by the ordering officer, the Contractor shall provide tarps, and other material as necessary, to cover the cargo completely so that the cargo is concealed from view while being transported. Tarping materials shall be weather resistant, non-transparent and shall remain secured and in place during the complete transit of cargo. The Contractor shall repair or replace any material used for tarping if damaged in transit. In addition, tarps shall remain on the cargo until final destination unless otherwise directed by the U.S. Government. If directed by the U.S. Government, the Contractor shall be responsible for the removal and the disposal of such tarping material. If not so directed by the U.S. Government, the U.S. Government is responsible for the removal and disposal of tarping material. The Contractor shall be paid for tarping service in accordance within accessorial tables.

#### **3.G.4 Supercargo**

The Contractor shall provide Supercargo transportation service when required by the booking. The service shall consist of transporting, providing meals for, and accommodating on the vessel, one or more personnel designated by the U.S. Government to accompany the cargo. The Contractor shall be paid the Super Cargo rate set forth in accessorial tables.

#### **3.G.5 Flatrack tie-down equipment surcharge**

Contractor shall provide this service at no extra cost.

#### **3.G.6 Standby Time**

Driver stand-by time commences after expiration of four (4) hours (driver free time), and ends when the conveyance is Available for Onward Movement (AOM). Charges based on time are computed by multiplying the hourly rate by the time involved. When fractions of an hour are used, the charges will be as follows: fifteen (15) minutes or less equals one quarter hour; sixteen (16) to thirty (30) minutes equals one-half hour; thirty-one (31) to forty-five (45) minutes equals three quarters hour; excess of forty-five (45) minutes equals one hour. After the expiration of free time, the Contractor shall be paid waiting time at the rate of \$60 per hour rounded to the next higher quarter hour.

#### **3.G.7 Railcar Inspection Service**

Railcar Inspection Service consists of inspecting rail cars at major terminals by railroad personnel for evidence of forced entry or tampering with seals or securing devices and notifying SDDC immediately if forced entry, vandalism, and sabotage or tampering with seals has occurred.

#### **3.G.8 Redelivery of Keep from Freezing (KFF) Service**

Redelivery of KFF Service is when the consignee is not able to accept all the cargo on the first delivery and the Contractor is directed to return the other portion to the Contractor's facility until the consignee is available to accept

the remainder of cargo. When Redelivery of KFF is ordered by the OO, after the initial delivery of a container/trailer, the Contractor shall return the partial container load of cargo to its terminal and keep at the proper temperature until ordered to redeliver the remainder of the cargo. Charges for Redelivery of KFF services are set forth in the Accessorial Rate Tables.

### **3.G.9 Re-spot Service**

When requested by the OO, the Contractor shall move a container from one point on a facility to another point on that facility. Charges are set forth in the Accessorial Rate Tables.

### **3.G.10 Cargo Handling**

3.G.10.1 Cargo handling and transloading service (Container). Service provided by Contractor for cargo received at its facility that the contractor loads into a container, or for containerized cargo that is unstuffed at the contractors facility.

3.G.10.2 Cargo Handling Service includes tallying of cargo, and necessary blocking, bracing and dunnage. Chains and binders provided by the Contractor to secure cargo remain the property of the Contractor. Cargo Handling Service includes all services from receipt of the cargo to load in a container. Cargo Handling Service also applies to containerized cargo that is unstuffed and transferred to a different conveyance. Cargo handling includes services such as receiving, unloading, loading and securing of cargo removed from containers on conveyance, intra-terminal transfers, stuffing, unstuffing, transloading, consolidation, tallying of cargo, necessary blocking, bracing, or dunnage. Chains and binders provided by the Contractor to secure cargo remain the property of the Contractor.

3.G.10.3 Movement between ship and contractor designated facilities in a port area is included in the Cargo Handling and Transloading rates. Contractor will be paid linehaul to move containers from/to their designated facility when services are ordered at facilities outside the drayage area of the port of load/discharge.

### **3.G.11 Liner Terms**

Liner Terms (Break-bulk). The liner terms accessorial includes the cost of all services from receipt of break-bulk cargo at POE to load of break-bulk cargo on the vessel (liner in) or from discharge of the vessel at POD to outgate (liner-out). Applicable liner term rate(s) in the Accessorials Table shall be added to the Free-In, Free-Out (FIO) ocean break-bulk rate for the ports where liner service is ordered.

### **3.G.12 Delivery Outside of Normal Business Hours**

When ordered by the OO, the Contractor shall deliver cargo at the ultimate destination not later than the start of Normal Business Hours, and not before the end of Normal Business Hours. Contractors will be compensated for this service at the rates set forth in the Accessorial Rate Tables.

### **3.G.13 Forty-Five Foot Containers**

A surcharge of 12.5% of the basic rate for a 40-foot container shall be applied for use of any 45-foot (or greater) container.

### **3.G.14 Flatrack Container Surcharge**

Contractors will make flatracks available under the same terms and conditions as the Contractors container service. Cargo shipped in flatrack containers shall move at the general container ocean rate plus a flatrack surcharge set forth in the Accessorial Rate Tables.

### **3.G.15 Hazardous Cargo Surcharge**

This charge applies to the movement of hazardous cargo requiring on deck stowage per Coast Guard regulations. These charges are set forth in the Accessorial Rate Tables.

### **3.G.16 Mileage Table**

These tables are provided for those few instances where no forecast or known volume of cargo was available or existed. The rates are to be used in conjunction with bi-factor rates. Should a requirement for the same point continue to exist beyond sixty (60) calendar days, a point-to-point, ongoing rate shall be negotiated pursuant to the Changes Clause.

### **3.G.17 Refrigerated Table Differential**

#### **3.G.17.1. Dual Temperature Reefers**

In order to help prevent damage to the bulkheads of empty Dual Temperature Reefers, contractor must lower the bulkhead after removing all cargo. The bulkhead is held up to the roof track with two (2) short chains on both lower corners. The bulkhead must be in the lowered position when traveling, unless the Dual Temperature Reefer is loaded.

### **3.G.18 Controlled Atmosphere Service**

The Contractor's controlled atmosphere service consists of furnishing a self-contained computerized system capable of monitoring and adjusting the atmosphere in a refrigerated container after the Contractor has introduced preservative gases in the container. The system is designed to reduce spoilage and extend shelf life of perishable commodities similar to modified service, but differs by its ability to adjust the air inside the container during transit. Charges are located in the Accessorial Rate Tables.

### **3.G.19 Modified Atmosphere Service**

Modified atmosphere service shall consist of furnishing a system that is designed to reduce spoilage to perishable container contents by introducing preservative gases or otherwise reducing the level of activity of oxygen in the container for the period from the time the container is closed, sealed, and charged with gas after stuffing until the seal is broken at the time of delivery of the container to the first consignee, or at such time as is mutually agreed upon at the time of booking. The Contractor shall provide modified atmosphere service. Charges are set forth in the Accessorial Rate tables.

### **3.G.20. Percentage Differential Accessorial for Refrigerated Cargo**

Rates for drayage or inland service in connection with the transportation of refrigerated cargo are applied at an additional percentage differential of the basic dry cargo drayage, inland or mileage rate unless rates for reefer linehaul are specifically provided herein. Charges are set forth in the Accessorial Rate tables.

### **3.G.21. Genset Rental**

When the Government retains/orders a genset after the delivery of the reefer to the consignee, the Contractor will be entitled to a genset rental charge from the date of delivery to the date the Government returns the genset to the Contractor or purchases the genset in conjunction with purchasing a reefer. Charges are set forth in the Accessorial Rate Tables.

### **3.H Breakbulk and RORO Requirements**

#### **3.H.1 Cargo Lift and Advancement of Cargo**

The Contractor shall lift cargo onto the vessel identified in the booking or may advance cargo to an earlier arriving vessel of equal or higher VISA priority. Cargo advanced to an earlier arriving vessel shall not displace cargo already booked to the vessel, no shows or rollovers from previous voyages. No prior approval is required from the U.S. Government.

3.H.1.1 For breakbulk cargo moving with liner terms, within one business day after vessel departure from each POE, or receipt of lift details from the Government, the Contractor shall provide to the cognizant COR a list of cargo by TCN, which was booked but not loaded, and/or loaded but not booked, and the reasons why cargo was not lifted as booked. The contractor shall submit cargo lift reports within two business days after receipt of booking and/or lift details from the government. (See Attachment 7)

3.H.1.2 For shipments that were advanced and the U.S. Government does not approve early delivery, storage charges shall be calculated based on the date the booked vessel was scheduled to arrive at POD. Contractor shall not deliver early to consignees unless approved by the Consignee. Contractor shall not violate cargo preference laws.

#### **3.H.2 Cargo Berth**

The Contractor shall load and discharge cargo at a dock, wharf, place or open roadstead designated by the Contractor, except as provided hereinafter.

##### **3.H.2.1 Shifting of Berths, Meeting Minimum Tonnage**

The Contractor shall (for cargo to be loaded or discharged within a vessel's port of call, or other port located in the same port group as listed in paragraph 7.B.2.1.3.2 if such cargo is booked under Free-in or Free-out terms), at the request of the Ordering Officer, call at, or shift to, any particular dock, wharf, place or open roadstead at which the vessel can lie always safely afloat at any time of tide, or at which the judgment of the master of the vessel may lie safely aground, and to and from which the vessel may safely proceed, at no additional cost, when the aggregate of the Free-in/Free-out cargo to be loaded or discharged at such location shall meet the minimum tonnage of 1,000 MsTs for shifting.

##### **3.H.2.2 Shifting of Berths, Not Meeting Minimum Tonnage**

The Contractor, for cargo loaded or discharged within a vessel's port of call, if cargo is booked under Free-in or Free-out terms, and the minimum tonnage is not met, shall at the request of the OO/COR, shift the vessel to a particular dock, wharf, place, or open roadstead. The US Government will reimburse the Contractor for direct costs incurred IAW Attachment 6.

##### **3.H.2.3 Demurrage if Shift is Requested**

If the U.S. Government directs the Contractor to an encumbered berth or U.S. Government-provided stevedores are not available upon vessel's scheduled arrival and shall delay the vessel in her schedule, demurrage is payable on a pro rata basis (based on a per diem demurrage rate) until the berth or stevedores are available at the corresponding demurrage rate stated in the Accessorial Table 6.

#### **3.H.3 Reimbursement for Damage**

The U.S. Government shall reimburse the Contractor the cost of repairing any damage to a vessel caused by any unsafe condition of any berth or anchorage to which a vessel is ordered by the Ordering Officer under paragraphs 3.H.2.1 or 3.H.2.2 above, provided that notice of such damage is given to the Contracting Officer before the vessel leaves the berth or anchorage where the damage occurred if such damage is known or suspected at that time, or, if not so known or suspected, within a reasonable time after discovery of such damage.

### **3.H.4 Free-in/Free-out Terms**

All cargo loaded or discharged at any berth or anchorage to which a vessel is ordered by the OO shall be loaded or discharged under Free-in/Free-out terms unless otherwise mutually agreed between the U.S. Government and the Contractor.

### **3.H.5 Terms for Loading and Discharging Services**

The Contractor shall accept requests for loading and discharging services at the Contractor's water terminal on a Free-in, Free-out, liner term, and/or combination Free-in, Free-out, liner term basis where accessorial rates are awarded.

#### **3.H.5.1 Stowing of Free-in, Free-out Cargo**

When cargo is booked as Free-in or Free-out, the U.S. Government shall bring the cargo into the holds, stow it and/or trim it, tally it, lash it and/or secure it (Free-in), and take it from the holds and discharge it (Free-out) with customary dispatch, free of any risk, liability, and expense whatsoever to the Contractor. However, nothing herein shall be construed as an expressed or implied indemnification of the Contractor for any claims arising out of injuries to stevedoring personnel or other personnel involved in cargo operations resulting from negligence of the vessel operator or due to unseaworthiness of the vessel.

#### **3.H.5.2 Loading, Stowing, Trimming, Securing Supervision**

Cargo loaded, stowed, trimmed and secured by the U.S. Government shall be under the supervision and to the satisfaction of the Master.

#### **3.H.5.3 Stowage Preplans/Plans**

When cargo is to be loaded or discharged by the U.S. Government, the Contractor shall provide to the local terminal commander and to the Ocean Cargo Clearance Authority (OCCA) or Ocean Cargo Booking Office (OCBO) having cognizance over the loading or discharging port, one copy each of the preplan/plan indicating the specific location, pertinent dimensions and total cubic measurement of the vessel space available for the cargo loading or involved with the cargo discharge. Upon request U.S. Government will provide load list to Breakbulk carriers a minimum of five (5) business days prior to vessel arrival.

#### **3.H.5.4 Acceptable Cargo Space:**

The Contractor shall provide acceptable space for the cargo. The Contractor shall bear all expense of providing acceptable space. If at the time for loading the cargo, the space provided is not acceptable, the Contracting Officer may reject the space, except that the Contractor and the Contracting Officer may agree that the U.S. Government shall properly prepare, clean, ready or provide normal access to the space at the Contractor's expense. If space otherwise acceptable is so situated in the vessel that in order to discharge cargo stowed therein it shall be necessary to first discharge, move or otherwise handle cargo, the costs of discharging, moving or handling and reloading such cargo shall be borne by the Contractor unless the Shipping Order shall provide otherwise. Any questions as to what constitutes acceptable space, which cannot be disposed of by mutual agreement between the Contractor and the Contracting Officer, shall be a dispute within the meaning of that term as referred to in the Disputes Clause of this contract.

3.H.5.4.1 If, at the time for loading the cargo, the specifications and/or description of the cargo vary from that of the booking or otherwise communicated data, the contractor shall not bear the burden of preparing, cleaning or making readily available sufficient space to load the cargo, The government shall bear all expense necessary to first discharge, move or otherwise handle cargo to create such sufficient space for loading.

#### **3.H.5.5 Use of Cargo Handling Gear**

The Contractor shall, throughout the duration of the loading and/or discharging, give free use of the vessel's cargo handling gear and of sufficient motive power to operate all such cargo handling gear to the U.S Government.

### 3.H.5.6 Cranemen/Winchmen/Tallymen/Other Crew

The Contractor shall, upon written request of the OO/COR, provide cranemen/winchmen, tallymen, or others from the crew to operate the vessel's cargo handling gear or perform other stevedore functions on the vessel unless prohibited by local regulations. The Contractor shall not be held responsible for refusal of the crew to perform the additional tasks described in this Section. The crew shall be under the U.S. Government's risk and responsibility and as stevedores to be deemed as their servants but shall always work under the supervision of the Master.

#### 3.H.5.6.1 Reimbursement of Crew Costs

When such services are performed by the crew in accordance with 3.H.5.6, the U.S. Government shall reimburse the Contractor for (a) additional labor costs actually incurred in conformity with labor agreements and (b) any increased cost or premiums for insurance coverage, in addition to costs not covered by insurance, resulting from compliance with this paragraph.

### 3.H.5.7 Stevedore Damage

The U.S. Government shall be responsible for damage (beyond ordinary wear and tear) to any part of the vessel caused by stevedores. Such damage shall be notified as soon as reasonably possible by the Master to the U.S. Government or its agents and to its stevedores, failing which the U.S. Government shall not be held responsible. The U.S. Government is obliged to repair any stevedore damage prior to completion of the voyage but shall repair stevedore damage affecting the vessel's seaworthiness or class before the vessel sails from the port where such damage was caused or found. All additional expenses incurred shall be for the account of the U.S. Government and any time lost shall be for the account of and shall be paid to the Contractor by the U.S. Government at the demurrage rate.

### 3.H.5.8 Breakbulk/RORO Liner Service and Linehaul Service

3.H.5.8.1 The Contractor shall, provide service on a liner-term basis when ordered and where accessorial rates are awarded.

3.H.5.8.2 The Contractor shall provide breakbulk linehaul service when ordered and when rates have been awarded from origin to POE and/or from POD to destination. When origin door service is ordered Contractor shall provide liner service at POE; when door service to destination is ordered Contractor shall provide liner service at POD. Breakbulk linehaul rates can be used for cargoes that are transloaded from/to containers.

### 3.H.5.9 Containerization for the Convenience of the Contractor

For breakbulk cargo booked by the U.S Government on a liner-term basis, the Contractor may, in its discretion, containerize such cargo for its own operational convenience without any additional cost or expense to the U.S. Government. However, breakbulk cargo booked on a port basis should be decontainerized and made available for customer pick up within 2 business days after vessel discharge.

## **3.I Additional Services**

The U.S. Government may require incidental logistics/distribution services, not priced under this contract, to complete a shipment or shipments booked under the contract. The following is a listing of the types of incidental services that the U.S. Government may request. If additional services are required, the Contracting Officer shall request the Contractor submit proposed pricing, terms and conditions for services prior to performance. The pricing, terms and conditions must be agreed to via an executed modification prior to Contractor performance.

### **3.I.1 Special Cargo Handling**

3.I.1.1 Lift-on/lift-off services (containers and cargo): Services include grounding and mounting containers to/from chassis, flatbed trucks or rail cars, loading and unloading high, wide and heavy cargo to/from inland conveyances at port and inland origin/destination.

3.I.1.2 Rehandling of overweight cargo: Services include bundling and palletizing cargo stripped from a container due to excess capacity weight of cargo and reloading into another container.

3.I.1.3 Cargo handling at origin or destination. Load/unload cargo into/from container/conveyance at origin/destination block/brace/secure for safe transport; provide materials to block/brace/secure cargo; pack/mark.

### **3.I.2 Consolidation and Transfer Services**

3.I.2.1 Stuffing, stripping, and transloading:

Stuffing services include receiving cargo at the terminal, consolidating, segregating, tallying and loading of cargo into containers. Stripping services include unloading cargo from the container, segregating, and tallying the cargo. Transloading service is a direct crossdock transfer of cargo from one conveyance to another without grounding or storing the cargo. Contractor shall ensure that cargo is secure until it is reloaded into the delivery conveyance.

3.I.2.2 Dunnage and materials:

All materials used in the services for unitizing, palletizing, blocking or bracing of loose cargo.

3.I.2.3 Export packing and marking: Crating services to ensure safe transport of loose or breakbulk cargo. Services include stenciling markings normally provided in custom of the trade.

3.I.2.4 Establishing and managing of marshalling yard:

Services include providing a paved, fenced and secure land area to receive and dispatch loose, breakbulk or containerized cargo. Locations shall be able to provide cargo handling and CFS related services as needed.

3.I.2.5 In-transit storage:

Services include short-stopping containers or cargo in transit from origin to destination and the movement and storage of such containers or cargo to a temporary warehouse or terminal.

### **3.I.3 Services for Special Cargo**

3.I.3.1 Hazardous cargo handling: Stuffing, stripping and transloading services for IMO hazardous cargo.

3.I.3.2 Ammo special handling Stuffing, stripping and transloading of ammunitions and explosives.

3.I.3.3 Extraordinary monitoring of cargo: Full 24-hour per day continuous oversight of cargo at designated locations.

### **3.J Linehaul for Breakbulk and Out-of-Gauge (OOG) Cargo**

#### **3.J.1 Flatbed and double drop service**

3.J.1.1 Ordering Officers may order linehaul for breakbulk shipments using flatbed or double drop rates when:

3.J.1.1.1 Rates are provided.

3.J.1.1.2 The weight of any single piece does not exceed 44,000 pounds for flatbed or 40,000 pounds for doubledrop.

3.J.1.1.3 The height of the cargo, when loaded on the equipment, does not exceed 13 feet 6 inches.

3.J.1.1.4 The width does not exceed 11 feet.

### 3.J.1.2 Service Requirements

3.J.1.2.1 Contractor's loading of cargo on conveyance at POD and removal from conveyance at POE is included in liner term rates for breakbulk. Costs for securing cargo onto conveyance are included in contractors inland rates for flatbed and doubledrop service.

3.J.1.2.2 For cargo moving on flatracks:

3.J.1.2.2.1 The container dry cargo linehaul rate shall apply for in-gauge cargo per container rule; however, Contractor may transload to flatbed or doubledrop for its convenience.

3.J.1.2.2.2 For OOG cargo on flatrack, the Contractor shall be paid for the flatbed or doubledrop service as required by the height of the cargo and paid the cargo handling rate to transload the cargo.

3.J.1.2.2.3 EDI reporting requirements apply for events as specified in Section 3.A.12.1.1.

### 3.J.1.3 Pricing and Rate Rules.

3.J.1.3.1 Line haul shall be priced by type of equipment and separately for in-gauge and over wide cargoes as follows:

<u>Height</u>	<u>Width</u>	<u>Equipment Type</u>
Up to 10'6"	Up to 8'6"	Flatbed in-gauge*
Up to 10'6"	Over 8'6" up to 11'	Flatbed OOG*
Over 10'6" up to 11'8"	Up to 8'6"	Double drop in-gauge**
Over 10'6" up to 11'8"	Over 8'6" up to 11'	Double drop OOG**

\* Not to exceed 44,000 lbs.

\*\* Not to exceed 40,000 lbs."

3.J.1.3.1.1 There are two categories of equipment:

3.J.1.3.1.1.1 Flatbed includes dropdeck.

3.J.1.3.1.1.2 Double drop includes removable gooseneck (RGN).

3.J.1.3.1.2 Equipment length is as required to move the cargo safely and in compliance with local laws and regulations but should not exceed 53 feet.

3.J.1.3.1.3 In-gauge is cargo with a width less than or equal to 8.5 feet.

3.J.1.3.1.4 Over width cargo is cargo that exceeds 8.5 feet but does not exceed 11 feet.

3.J.1.3.2 Contractor shall be paid for each piece of equipment used.

3.J.1.3.2.1 If more than one piece can be loaded per conveyance:

3.J.1.3.2.1.1 Contractor shall organize available cargo to trucks and use best practices to minimize the number of conveyances used.

3.J.1.3.2.1.2 The tallest piece shall determine whether the conveyance shall be priced as flatbed or double drop; the widest piece shall determine whether the conveyance shall be priced as in-gauge or OOG.

3.J.1.3.2.2 If cargo ordered on different bookings is loaded on the same conveyance, the Contractor may only bill once for the equipment.

3.J.1.3.3 Chains and binders shall be provided by the Contractor as necessary. Chains and binders remain the property of the Contractor.

3.J.1.3.4 Extra driver service can be ordered by the Ordering Officer at time of booking or at any time before the cargo departs the port. Contractor shall be compensated for extra driver service at \$0.40 per one way mileage subject to a minimum of \$160.00.

3.J.1.3.5 Shipper-owned containers shall move at Contractor's container linehaul rates or flatbed in-gauge rates, whichever are lower. Three Tricons or four Quadcons shall move as one 20-ft. container for rate calculation.

3.J.1.3.6 Contractor shall be compensated for costs incurred, not to exceed \$120.00, for pickup or delivery ordered and provided on a non-business day.

3.J.1.3.7 The Contractor may choose to use other types of equipment that can accommodate the cargo; however, the Contractor shall be paid for flatbed or double drop service as determined by the height of the cargo as specified in Para. 3.J.2 below.

### **3.J.2 Carload Service**

3.J.2.1 Ordering Officers may order linehaul movement for breakbulk shipments or flatrack container using carload rates when rates are provided and cargo is:

8'6" or less wide  
48' or less long  
10' or less high  
40,000 lbs or less weight

3.J.2.1.1 For cargo exceeding these dimensions rates may be negotiated.

#### **3.J.2.2 Service Requirements**

3.J.2.2.1 Contractor's loading and securing of cargo on conveyance at POD and removal from conveyance at POE is included in liner term rates for breakbulk.

3.J.2.2.2 Shipper shall be responsible for loading and securing cargo onto Contractor equipment and shall resecure/reload any cargo the Contractor's inspector rejects.

3.J.2.2.3 EDI reporting requirements apply for events as specified in 3.A.12.

#### **3.J.2.2.4 Delivery**

3.J.2.2.4.1 Before dispatch from the port, the Contractor shall notify the receiver, SDDC and SDDC's rail ITV Contractor of the imminent shipment. This notice to the consignee shall be by email to the receiver and SDDC. Other organizations shall be included in the email distribution as advised by the consignee or COR.

3.J.2.2.4.2 Receiver is responsible for unloading cargo from Contractor provided equipment.

#### **3.J.2.3 Free time and demurrage applies at both origin and destination.**

3.J.2.3.1 Receiver/shipper shall be allowed a total amount ten (10) calendar days free time, starting on the first work day after receipt of equipment. Holidays and weekends do not count as free time. At end of free time, demurrage shall run until the Contractor is notified that equipment is available for pickup. Neither demurrage nor free time will run for any time that the shipper/receiver operations are interfered with by acts of God or the public enemy, acts of the Government in its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, unusually severe weather, and delays of common carriers.

3.J.2.3.2 Detention shall be paid at rate of \$75.00 per day per railcar.

3.J.2.3.3 For cars ordered but not used the Contractor shall be compensated \$200.00 per railcar. Contractor is entitled to compensation only if the actual cargo tendered differs from the cargo described in the booking

#### 3.J.2.4 Accessorial services

3.J.2.4.1 When ordered, the Contractor shall provide Greater Security Service and be compensated \$75.00 per railcar.

#### 3.J.2.5 Pricing and Rate Rules

3.J.2.5.1 Service from/to military installations includes delivery/pickup at a railhead on the facility, except that service to/from military facilities that do not have rail service on base shall be from/to a location designated by activity. Rates include drayage or other service connecting the facility with railhead.

**3.J.3** Where cargo exceeds the dimensions at 3.J.1.3.1 or 3.J.2.1. above or a shipment exceeds 35 carloads, Government may chose to negotiate a onetime price for the shipment.

## **SECTION 4 – SHIPMENTS OF SPECIAL PROGRAM CARGO**

### **4.A Shipments by Authorized Agents of the U.S. Government**

#### **4.A.1 Scope**

The provisions of Section 4.A apply to shipments booked by Authorized Agents of the U.S. Government (Authorized Agents). These shipments include, but are not limited to, Government Bills of Lading shipments, Construction Material and Equipment, and Privately Owned Vehicles (POVs) shipped by the Global POV Contractor.

#### **4.A.2 Booking of Cargo**

4.A.2.1 Shipments booked by Authorized Agents shall be booked in accordance with instructions provided by SDDC. Booking decisions shall be IAW Exhibit 2.

4.A.2.2 The Contractor shall accept or decline cargo bookings made by Authorized Agents so long as said bookings are offered not less than five (5) business days prior to the vessel cutoff date, unless a later time is agreed upon by the Contractor.

4.A.2.3 The shipper will prepare a delivery order as mutually acceptable by the parties. The delivery order shall be evidence of ownership and will constitute the contract of carriage issued to the Contractor.

#### **4.A.3 Submission of Status Reports**

Contractors shall provide reports to the Authorized Agent as prescribed in Section 3. When acceptable to the Authorized Agent, the Contractor may provide such reports indexed by delivery order.

#### **4.A.4 Payment**

4.A.4.1 The Contractor shall be entitled to payment for transportation services rendered to the Authorized Agent within thirty (30) calendar days after presentation of the Contractor's invoice to the Authorized Agent. The Contractor shall submit directly to the Authorized Agent all invoices for detention, port storage, reefer maintenance and any other costs associated with the movement of cargo not ordered by the U.S. Government.

4.A.4.2 The Contractor shall notify the Contracting Officer when payment for services identified in 4.A.4.1 are not received within forty-five (45) calendar days of invoice. Should the Authorized Agent fail to pay the Contractor for

transportation services rendered to the Authorized Agent within ninety (90) calendar days of invoice, the Contractor may submit a claim for said services to the U. S. Government.

#### **4.A.5 Special provisions for Privately Owned Vehicles (POVs)**

##### **4.A.5.1 RDD for POV Transport**

The booking of POVs with the Contractor is premised on the ability of the Contractor to achieve the RDD associated with each individual POV. The ability of the Contractor to achieve the POV RDD is determined by reference to the Ocean Transit, Inland Delivery and other time periods provided herein concerning the overall movement of cargo from the time it is tendered to the Contractor by the government at origin until it is delivered at the designated destination in the booking/shipping order. In accepting a POV booking/shipping order, the Contractor warrants that it can achieve delivery of the POV by the designated RDD under the terms and conditions of this contract.

##### **4.A.5.2. Failure to Meet POV RDD**

If the Contractor fails to deliver a POV on or before the booked RDD, the Contractor shall reimburse the Authorized Agent for rental car expenses or other transportation expenses paid to the owner of the POV as a consequence of such delay. This reimbursement shall not exceed expenses actually incurred by the owner of the POV or \$30.00 per day for each day past RDD, whichever is less. The Contractor may be exonerated from this liability only under circumstances constituting Force Majeure or an Excusable Delay (FAR 52.212-4(f)).

##### **4.A.5.3. POV Delivery after Force Majeure or Excusable Delay**

The Contractor is at all times required to deliver the POV as soon as possible following the conclusion of any Force Majeure or Excusable Delay circumstance. If the failure to achieve delivery by the RDD is partially excused, damages shall be assessed on a pro rata basis. The Contractor bears the burden of establishing exoneration on the basis of any Force Majeure or Excusable Delay circumstance.

## **SECTION 5 – MEASURING PERFORMANCE**

### **5.A Performance Requirements**

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. The US Government strategy for assessing the Contractor's performance under this contract focuses on two business lines, Unit Moves and Other Than Unit Moves (OTUM).

#### **5.A.1 Performance Measures and Performance Standards**

5.A.1.1 To evaluate the Contractor's success in meeting minimum contract standards that support stated Performance Objectives, the U.S. Government may monitor and measure Contractor performance under this contract using the Performance Measures identified at Table 5.A.2.1. There may be more than one Performance Measure for a single Performance Objective.

#### **5.A.2 Performance Objectives**

##### 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) as required by Section 3.A.12.

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.

5.A.2.1 Performance Assessment

Performance Averages shall be based upon a 90-day rolling average refreshed at the close of business on the 15th business day of each calendar month. Rolling 90-day averages shall be based upon performance data provided by the Contractor to SDDC not later than the close of business on the first business day of each month. The COR will coordinate with the Contractor to resolve all disputed performance assessment data prior to the refreshing of the Performance Average. The Government shall accomplish random sample checks of contractor submitted performance data to ensure accuracy. Data points for Performance Objectives 1, 2 and 3 represent one container or piece of cargo as booked.

Performance Objective	Description	Performance Measure	Performance Average	Weight	Performance Assessment
1	On-Time Delivery	Cargo shall be delivered within 24 hours of Required Delivery Date as accepted in the booking.	a%	0.60	a x .60
2	In-transit Visibility	The Contractor shall provide to the U.S. Government an accurate 315 transaction set within 24 hours of triggering event.	b%	0.30	b x .30
3	Good Order & Condition	Cargo shall be delivered to consignee in same order and condition as delivered to Contractor	c%	0.10	c x .10
Contractor Performance Score				1.00	Total %

5.A.2.2 Performance Rating

The U.S. Government may use the Contractor Performance Score calculated at Table 5.A.2.1 above as a significant factor in the contemporaneous best value booking process. To facilitate that process, the U.S. Government may, as indicated in Table 5.A.2.2 below, assign a Contractor Rating to the Contractor’s Performance Score to be published in SDDC’s Integrated Booking System. As described below, the Government may, under certain circumstances, choose to use Contractors performing below 91% (below 91% being a “Bravo” or “Charlie” rated Contractor) by offering cargo bookings to those Contractors.

**Table 5.A.2.2**

Contractor Performance Score	Contractor Rating	Performance Shaping Options

Contractor Performance Score	Contractor Rating	Performance Shaping Options
91% - 100%	Alpha	Eligible for all cargo bookings. Preferred Contractor for Unit Move Cargo
81% - 90%	Bravo	Eligible for all cargo bookings. Reduced Preference Contractor for Unit Move Cargo (See 5.A.2.2.1 and 5.A.2.2.2 below)
80% & below	Charlie	Eligible for cargo bookings. Reduced Preference Contractor for all Cargo (See 5.A.2.2.1 and 5.A.2.2.2 below)

5.A.2.2.1 The U.S. Government will generally consider Alpha rated Contractors first for Unit Move cargo. In situations when no Alpha rated Contractors are available to meet customer requirements, the U.S. Government may select a Bravo rated Contractor for the movement. If no Alpha or Bravo Contractors are available, then the U.S. Government may select a Charlie rated Contractor. SDDC shall make final determination of exclusion in cases of unit move cargo.

## **SECTION 6 – REGION-SPECIFIC REQUIREMENTS**

### **6.A Puerto Rico/ U.S. Virgin Islands**

#### **6.A.1 Cargo to Puerto Rico**

In addition to the Basic Service described in Section 3, the Contractor's basic service to Puerto Rico shall also include clearing cargo through all applicable agencies of the local government and making AOM, to include: containers on chassis or trailers, and then to release containers/trailers to a Motor Carrier designated by the OO or its authorized representative. Once the ocean Contractor has notified the OO that the container is AOM, the Government will notify the Contractor of the specific date and time the designated Motor Carrier will pick-up the container. If the Motor Carrier is delayed at the terminal due to fault of the ocean Contractor, beyond one hour waiting time for delivery or pickup of a container or designated cargo, then the ocean Contractor will be liable for charges of \$35.00 per hour for each hour of delay. The start time will be calculated based on the time the trucker checks in the terminal with the proper documentation from the OO.

#### **6.A.2 Cargo from Puerto Rico**

In addition to the Basic Service described in Section 3, the Contractor shall receive and handle stuffed containers/trailers at their terminal from a Motor Carrier designated by the OO or agent; load and transport containers/trailers in the Contractor's vessel.

#### **6.A.3 Interchange Agreement with Puerto Rico Motor Carriers**

The Contractor shall maintain standardized equipment interchange agreements containing the same terms and conditions as offered to its most preferred commercial customers with the Motor Carriers designated by the OO. If the terms and conditions of this contract are different than those contained in the Contractor's standardized equipment interchange agreement, the terms and conditions of this contract will apply.

#### 6.A.4 Cargo to U.S. Virgin Islands

For cargo to USVI, the Contractor shall clear cargo through all applicable agencies of the local government and making AOM to the Contractor's terminal at St. Thomas/St. Croix; discharge and handle containers at the receiving terminal, and contact the consignee to establish a delivery time. Contractor shall deliver all cargo by the RDD, as required by section 3.A.16. When cargo is discharged from the vessel earlier than the RDD, contractor shall deliver as soon as possible and as requested by the Government. Cargo will be delivered as follows: M-Term Service Delivery – St. Thomas/St. Croix. Cargo booked under M-Term Service to St. Thomas/St. Croix shall be delivered to designated points.

#### 6.A.5 Break-Bulk Service--From/To/Between CONUS/Puerto Rico/Virgin Islands

The Contractor's ocean break-bulk service shall consist of receiving cargo at Contractor's commercial terminal and transporting it to the required POD. The contractor's liner services shall consist of loading and discharging the cargo at its receiving terminal IAW paras. 3.H.5.8, 3.J.1.2.1, and 3.J.2.2.1. . See section 7.C for application of ocean break-bulk freight rates.

#### 6.A.6 Containerization for the Convenience of the Contractor

For break-bulk cargo booked by the Government on a liner term basis, the Contractor may, at its discretion, containerize such cargo for its own operational convenience without any additional cost or expense to the Government. However, this containerizable cargo is still considered break-bulk cargo for the purpose of computing the cargo guarantees and for computing loss and damage liability for this contract.

### **6.B Alaska**

#### 6.B.1 Northbound/Southbound Service

In addition to the Basic Service described at Section 3, the Contractor's basic service to Alaska shall also include delivering the loaded container/trailer to a place designated by the OO and spotting it at a specific point, such as a warehouse door or loading platform as designated locally by the receiving activity. Return service of cargo in containers/trailers shall include pick-up of stuffed and/or empty containers at a specific point designated by the OO; moving the container/trailer to be loaded and subsequently transported aboard the Contractor's vessel to the Contractor's terminal in the Puget Sound area; and delivered there or to a point to be designated by the OO.

Southbound Service – The Contractor's Southbound Service shall consist of furnishing a clean, empty, odor-free container on a chassis to the Government at a specific point in Alaska designated by the OO (such as a warehouse door or lading platform); moving the stuffed container between this point and the Contractors' commercial terminal, receiving and handling the stuffed container at its loading terminal; loading and transporting the container in the Contractor's vessel; discharging and handling the container at the Contractor's receiving terminal; in the Puget Sound Area; delivering the loaded container to the receiving terminal container freight station for stripping; or providing local drayage in the Puget Sound Area as required and paying all port charges in accordance with this contract.

#### 6.B.2 Delivery

The Contractor shall contact the consignee to establish a delivery time. Contractor shall deliver all cargo by the RDD, as required by section 3.A.16. When cargo is discharged from the vessel earlier than the RDD, contractor shall deliver as soon as possible and as requested by the Government.

#### 6.B.3 Keep-from-Freezing Cargo

Unless otherwise directed by consignee, the Contractor shall deliver refrigerated and KFF cargo to military activities no later than two (2) hours prior to the close of business on the day of delivery. Notwithstanding the above requirements, all cargo shall be scheduled and delivered in an expeditious manner.

When ordered by the OO, KFF Service shall consist of furnishing equipment to the specified stuffing activity that will insure protection of cargo from freezing. It is the responsibility of the Contractor to maintain its KFF equipment in proper business order from the initial stuffing until unstuffing at final destination. For the ocean portion of the movement, KFF Service will be charged at the applicable general cargo rate plus the KFF Service rate set forth in the Accessorial Rate Tables. For the linehaul portion of the movement, the KFF Service Differential, set forth in the Accessorial Rate Tables, will be added to the applicable Mileage Rate Table located in the accessorial rate section. The KFF Service window of operation is from 1 October through 30 April.

#### 6.B.4 Carriage of Overweight Containers

The Contractor shall advise the OO when the combined cargo weight of the loaded container and chassis exceeds the allowed highway axle weight along any portion of the intended delivery route due to seasonal or local restrictions on carriage weight. The Contractor shall not refuse to carry a container Northbound to Alaska that weighs in excess of the local legal 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.

#### 6.B.5 Less Than Containerload/Trailerload Service

When ordered by the OO, the Contractor shall receive and handle at its Puget Sound Terminal, Northbound general cargo and refrigerated cargo suitable for containerization and/or loading aboard a trailer. The Contractor shall receive, consolidate, segregate, tally and stuff cargo into containers/ trailers; block and brace the cargo for safe ocean and intermodal movement; and, seal the containers/trailers as required. The Contractor shall maintain the integrity of the cargo units delivered to the Contractor for stuffing throughout the shipment, consistent with the stowage capability of the Contractor's containers/trailers. The Contractor shall not change the integrity of the cargo's configuration, i.e. break palletized loads, without prior approval of the OO.

The Contractor may, unless otherwise directed by the OO or restricted by applicable regulations, commingle Government cargo with commercial cargo. Unless otherwise directed by the OO, Northbound cargo delivered to the Contractor's terminal for consolidation will be stuffed and loaded aboard ship within ten (10) calendar days of receipt by the Contractor, if bound for Anchorage, Kodiak Island, Eielson AFB, or Fairbanks. For all remaining destinations, cargo will be stuffed and loaded aboard ship within fourteen (14) calendar days of receipt by the Contractor. The Contractor shall deliver cargo to consignees at specific points.

#### 6.B.7. Privately Owned Vehicles (POVs)

##### 6.B.7.1. POV Receive/Deliver

Ocean Contractors shall receive or deliver POVs from/to the Government from Monday through Friday from 0800 until 1700 hours, except on locally observed holidays. The ocean Contractor and the GPC Contractor will perform a joint inspection of the POVs, using form DD788 or the Contractor equivalent form at receipt and delivery at the ocean Contractor's terminal. The custom of the trade is to deliver the vehicle in the same condition and cleanliness as it was received at both the ocean Contractors' Puget Sound and Anchorage terminals and to the GPC Contractor.

##### 6.B.7.2. POV Processing Service

POVs moving from the ocean Contractor's Puget Sound terminal to Kodiak Island terminal shall be handled in the same manner as described in Paragraph 6.B.7.1. At Kodiak Island the ocean Contractor will issue POVs to service members or their agents at the ocean terminal. This terminal will process POVs according to the following Hours of Operation: Mondays 0800-1200; Tuesdays 0800-1200; Thursdays 1300-1700 hours, except on locally observed holidays. An inspection of the POV will be accomplished with the service member or their representative upon receipt of the POV. POVs will be returned in the same condition of cleanliness as received, to include washing if required, to facilitate efficient joint vehicle inspection.

#### 6.B.7.3. POV Storage and Detention

The Contractor shall provide storage for POVs in a secure (generally closed to the public), lighted, fenced, hardstand area pending pick up by the member for up to twenty-one (21) calendar days. Detention charges, as set forth in paragraph 3.F.4, will be assessed if storage is required beyond twenty-one (21) calendar days. POVs moving from the Contractor's Kodiak Island terminal will be received from service members or their agent at the terminal during the same hours as above and be inspected as above. The ocean Contractor will then load, transport, unload at their Puget Sound terminal, inspect and issue POVs to the VPC drayage Carrier as described in Paragraph 6.B.7.1. Charges are located in the Accessorial Rate Tables.

#### 6.B.8 Railhead Handling/Drayage Service for Military Vehicles

The Contractor shall discharge military vehicles from railcars in the Port of Anchorage and transport the vehicles to its Puget Sound ocean terminal. Contractors will be compensated for this service at the rates set forth in the Accessorial Rate Tables.

#### 6.B.9 Surcharge for Carriage of Poles

When ordered by the OO, the Contractor will transport both treated and non-treated poles that are greater than thirty-nine feet in length. The Contractor will be compensated for this service at the rate per foot set forth in the Accessorial Rate Tables, applied to the total length for each bundle of poles shipped.

#### 6.B.10 Break-bulk Service-Alaska

##### 6.B.10.1. Northbound Service to Alaska

The Contractor's northbound ocean break-bulk service shall consist of transporting breakbulk cargo in its vessel to its receiving terminal. The contractor's northbound liner services shall consist of loading and discharging the cargo at its receiving terminal IAW paras. 3.H.5.8, 3.J.1.2.1, and 3.J.2.2.1 Contractor may also offer inland rates to various inland delivery points in Alaska, , as set forth in the schedule (pier-to-door). See section 7.C for application of ocean break-bulk freight rates.

##### 6.B.10.2. Southbound Service from Alaska

The Contractor's southbound ocean break-bulk service shall, depending on the schedule of service, consist of transporting breakbulk cargo in its vessel to its receiving terminal. The Contractor's southbound liner break-bulk service shall, depending on the schedule of service, consist of either, loading and transporting break-bulk cargo from inland shipping points in Alaska to its Alaska terminal and unloading and transporting break-bulk cargo at its receiving terminal in Puget Sound or loading cargo in its vessel in Alaska and discharging the cargo at its receiving terminal in the Puget Sound Port Group. See section 7.C for application of ocean break-bulk freight rates.

##### 6.B.10.3. Alaska Tie-Down Services

Charges listed in the rate tables include requiring the Contractor to perform tie-down service for flatbeds, flatracks, railcars and lowboys loaded by the Government. Rates also include all materials necessary to perform tie-down service.

## **SECTION 7 – RATE RULES, PROVISIONS AND ADDITIONAL CLAUSES**

### **7.A Single Factor Rates**

7.A.1 These rates include all considerations except for Bunker Adjustment Factor (BAF), Fuel Adjustment Factor (FAF), and other accessorial ordered in the booking. Single factor rates can apply to point-to-point, point-to-port, port-to-point movements. In-gauge cargoes on flatracks can move at the single factor rate subject to the flatrack surcharge for the route.

7.A.2 Single factor rates apply from specified origin to specified destination via the ports specified in the single factor rate. Contractors shall designate the port of loading and port of discharge for each single factor rate. Bookings shall be made using the combination of ports designated by Contractors.

7.A.3 Contractors may change the ports to be used for a Single Factor Rate or add new port combinations to an existing Single Factor requirement by notifying the Contracting Officer. Any change in price shall require approval by the Contracting Officer.

### **7.B Application of Ocean Freight Rates--Containers**

All rates included herein are based on Liner Terms and include all costs for normal services from gate to gate. Except as otherwise provided, all basic ocean freight rates are stated in U.S. dollars and cents per manifested type/size container and apply between Contractor's terminal at the loading port and the Contractor's terminal at the discharge port. Basic ocean freight rates shall be applicable to all categories of cargo except as specified below.

#### **7.B.1 Equipment Charges**

7.B.1.1 Cargo shipped in flatrack containers shall be freighted at the General Cargo container rate. In addition, the Contractor's lumpsum flatrack surcharge shall be added to the total for this cargo. The flatrack surcharge applies by route, size of container, and direction of movement. Direction is outbound, inbound, or interport as described in Carrier Analysis and Rate Evaluation System (CARES II). For outbound identified routes, the first geographic area is the origin. For inbound identified routes, the first geographic area is the destination. Rates for Interport identified routes are the same in all directions. For cargo moving under single factor rates, the flatrack surcharge applicable to the specific route, size and direction is applicable and is in addition to the single factor rate.

This provision is not applicable to excepted commodities.

#### **7.B.1.2 Movement of Empty, U.S. Government-Owned or Leased Containers**

The basic rate for empty, U.S. Government furnished containers accepted on a space available basis shall be fifty percent (50%) of the general cargo container rate that would apply for the size container. The general cargo container rate shall apply for shipments of two or more collapsed flatrack containers shipped together.

7.B.1.2.1 The Contractor's charges for drayage or inland linehaul of empty U.S. Government containers shall be the same as the Contractor rates contained in the Schedule of Rates (CARES II).

7.B.1.2.2 Accessorial services provided by the contractor, in connection with service provided to U.S. Government containers, shall be at the rates contained in the Schedule of Rates (CARES II).

#### **7.B.1.3 Hazardous Cargo On-Deck Surcharge**

The lump sum surcharge shall only apply, per container, to hazardous cargo requiring on-deck stowage per Coast Guard Regulations. The surcharge shall be in addition to the general cargo container rate. This charge does not apply to excepted commodities.

#### **7.B.1.4 Small Arms Ammunition**

Small Arms Ammunition (International Marine Organization (IMO) Class 1.4) is moved at the same rate as general cargo plus a surcharge of \$1,000 per container or, for breakbulk shipments, \$50 per measurement ton.

#### 7.B.1.5 Twenty-Foot Container Formula

For routes where 20-foot rates are not specifically solicited, 20-foot container ocean rates shall be calculated at 75% of the applicable 40-foot-and-over dry or reefer rates and rounded to the nearest dollar. This formula is not applicable to single factor rates or linehaul rates.

##### 7.B.1.5.1 Twenty-Foot Linehaul/Drayage Formula

Rates for drayage or inland service for 20 foot containers may be applied at 85% of the 40 foot drayage, inland, or mileage rate unless a rate for the linehaul is specifically provided.

#### 7.B.1.6 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.

#### 7.B.1.7 Open-Top Containers

Contractor shall be paid a surcharge of \$300.00 for the use of Contractor-provided, open-top containers.

#### 7.B.1.8 Commingling of U.S. Government LCL and Commercial Cargo

Government cargo commingled with commercial cargo shall be freighted in accordance with the following formula: Contractor's basic ocean rate for a 40' container divided by 59 multiplied by manifested cargo measurement tons; a 20' container is divided by 29 multiplied by manifested cargo measurement tons.

#### 7.B.1.9 Bulk liquid commodities containerized in U.S. Government owned or leased 20-ft. tank containers.

7.B.1.9.1 The U.S. Government shall pay for bulk liquid containerized service at the rates for each overland linehaul segment; the ocean segment shall be paid at the Contractor's 20-foot general cargo dry container rate, plus a surcharge of \$500.00 for each loaded tank container or empty tank container that is not cleaned, sealed and certified. Clean and empty tank containers shall be paid at the Contractor's 20-foot general cargo dry container rate, without the surcharge for the ocean segment.

7.B.1.9.2 Contractor-provided tank container service is described in Section 3.A.27.1 of the PWS .

7.B.1.10 Ocean and single factor rates shall be in whole dollars. Any calculated rate shall be rounded to the nearest whole dollar.

### **7.B.2 Application of Drayage and Inland Rates**

All drayage or inland services rates are stated in whole dollars per manifested container size/type and are applicable for drayage or inland services furnished by the Contractor in conjunction with basic ocean services. All drayage and inland rates are for between service. No directional rates shall apply under this contract. When there is no drayage, inland or mileage rate that would apply for a shipment, charges shall be negotiated with the Contracting Officer prior to booking. Drayage and inland rates apply for tank opentop and flatrack containers unless specifically provided herein. Mileage rates shall be calculated to dollars and cents.

#### 7.B.2.1 Inland Rate Application

7.B.2.1.1 Linehaul and drayage rates apply to points specifically named and to other points, places, ports, and cities as described in Attachment 4. Additional points can be added to Attachment 4 that are within the Commercial Zone

of the named point as described by the 49 CFR Ch. III Part 372 for points in the U.S. Other points may be added upon mutual agreement by U.S. Government and Contractor.

7.B.2.1.2 In the absence of specific container linehaul rates between points , inland charges are computed using mileage band rates, multiplied by the one-way mileage. Mileage rates apply by container size. Rates for mileage bands under 51 miles are per container.

#### 7.B.2.1.3 Grouping of Certain Ports, Cities, and Places

7.B.2.1.3.1 In order to avoid proliferation of rates, certain ports and inland points have been grouped together as described in Attachment 4, City Groupings.

7.B.2.1.3.2 The ports listed below have been grouped. For routings via below listed ports, CARE II SM shall only accept routings that use the port group for drayage, linehaul, and single factor rates.

<u>Port Group</u>	<u>Port Members</u>
Galveston Bay	Galveston, Houston
Los Angeles	Los Angeles, Long Beach, San Pedro, Wilmington, Terminal Island
Miami	Miami, Port Everglades, Fort Lauderdale
New York	New York, Bayonne, Newark, Elizabeth, Howlan Hook- Kearney
Norfolk	Norfolk, Newport News, Portsmouth ,Virginia Beach Chesapeake
Philadelphia	Philadelphia, Pennsauken
Puget Sound	Bremerton, Seattle, Tacoma
San Francisco Bay Area	San Francisco, Oakland, Richmond, Mare Island, Alameda

### 7.B.3 Over-Dimensional Cargo

7.B.3.1 Selection of the equipment used for ocean transportation shall not result in overlength dimensions when the cargo is loaded on the container unless the Contractor and the U.S. Government mutually agree to this at the time of cargo booking. For example, cargo 24 feet in length shall be loaded on a 40-foot flatrack, not a 20-foot flatrack.

7.B.3.2 Charges for over dimensional or super load 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:	$\frac{\text{BOF (Basic ocean freight)} + \text{FRS (Flat rack surcharge)}}{\text{TP (Total price)}}$	
Over height:	$\frac{\text{BOF} + (\text{BOF} \times 65\%) + \text{FRS}}{\text{TP}}$	
Over width:	$\frac{\text{BOF} + ((\text{BOF} \times 2) \times 65\%) + \text{FRS}}{\text{TP}}$	
Over height and: Overwidth	$\frac{\text{BOF} + ((\text{BOF} \times 5) \times 65\%) + \text{FRS}}{\text{TP}}$	

NOTE: The blocks in the above examples depict the displaced cells based on shipments being overheight, overwidth, or both overheight and overwidth. The black block is the loaded flatrack and the gray blocks are the displaced cells.

7.B.3.2.1 In-gauge cargo is defined as less than or equal to 456 inches long, 96 inches wide, and 77 inches high for a 40-foot flatrack.

7.B.3.2.2 For a 20-foot flatrack, in-gauge cargo is defined as less than or equal to 216 inches long, 96 inches wide, and 87 inches in height.

7.B.3.2.3 Cargo exceeding 90 inches in height shall be considered overheight for open tops.

7.B.3.2.4 A 35% discount off the basic ocean freight rate shall be applied for displaced slots in any configuration.

7.B.3.3 If other than flatracks are used to ship over dimensional cargo, the flatrack surcharge shall not be applied to the formula. If open top containers are used, the open top surcharge shall apply.

7.B.3.4 Flatrack surcharges shall not apply to U.S. Government-owned flatracks in the rate computation for over dimensional cargo.

7.B.3.5 Displaced slots for which charges are assessed shall be counted toward the minimum cargo guarantee.

7.B.3.6 Cargo that cannot be loaded on or in an intermodal container (closed, open top, flatrack) prior to stevedoring is not covered by this formula.

7.B.3.7 The over dimensional formula is limited to port-to-port terms only. Basic ocean freight (BOF) is the General Cargo Ocean Container Rate from the Table of Rates.

7.B.3.8 This formula can be applied to cargo exceeding either the weight and/or the dimensions defining over dimensional cargo when the U.S. Government and the Contractor mutually agree to do so at the time of cargo booking.

## 7.C Application of Ocean Freight Rates—Breakbulk/RORO

**All rates included herein are based on Free-In, Free-Out (FIO) terms and include all costs for normal service from port to port. Basic ocean freight rates shall be applicable, to the commodity categories as specified below:**

**General Cargo  
Light Vehicles  
Heavy Vehicles**

**U.S. Government Owned/Leased Dry Containers  
Helicopters**

7.C.1 Rates shall be priced based on measurement ton. Rates shall be applied based on MsT, defined as either 40 cubic feet per ton or 2,240 lbs. (long ton), whichever shall generate the highest revenue. U.S. Government owned/leased dry containers should be rated per container size. Only General Cargo shall be rated on a weight or cube basis.

**7.C.2 When liner service is required for breakbulk shipments at the load port, discharge port or at both ports, the applicable liner term rate(s) in the Table of Accessorials shall be ordered and added to the FIO ocean rate to determine the total price for the service. Carriers should NOT bid Ocean break-bulk rates that include liner service, but should rather bid liner rates separately in CARE.**

7.C.3 Extra length charge: For each additional 10 feet or fraction thereof in excess of 45 feet, the extra length charge shall be added to the ocean rate to calculate the total ocean freight.

7.C.4 Hazardous Cargo Surcharge: This surcharge applies to hazardous cargo requiring on-deck stowage by Coast Guard regulations and is expressed as a rate per MsT to be added to the commodity rate for the ocean transportation.

7.C.5 In accordance with booking terms, when the U.S. Government requests the Contractor to provide loading and/or discharging service for self-propelled wheeled or tracked vehicles, and the vehicle(s) are delivered in an undriveable condition or become inoperable prior to loading or discharge, the U.S. Government shall be liable for the extra handling, such as towing, or pushing cargo incurred by the Contractor at a rate of \$75.00 per vehicle at origin, if applicable, and/or \$75.00 at destination, if applicable, maximum not to exceed \$150.00 per vehicle. The Contractor shall certify that the vehicle is inoperable, stating the TCN and/or vehicle serial number, vessel name and voyage number, sailing date and port of loading/destination. These charges are exclusive of cargo handling for loading/unloading to/from trailer/lowboy or other equipment for movement of normal breakbulk cargo or unit moves.

7.C.6 Vessel Demurrage: Contractor shall be compensated for berthing delays caused by the U.S. Government (See PWS paragraph 3.H.2.3) based on demurrage rates (per vessel day) in the Schedule of Rates Table 6C in CARE II. Charges are prorated for the actual period of delay.

7.C.7 Linehaul for Breakbulk and RORO cargo

7.C.7.1 For breakbulk shipments requiring inland movement, linehaul rates apply to points specifically named and to other points, places, ports, and cities as described in Attachment 4.

7.C.7.2 In the absence of specific linehaul rates between points within CONUS, inland charges are computed using mileage band rates, multiplied by the one-way mileage. For mileage less than 51 miles, the rates are per conveyance.

## **7.D Application of Ocean Rates—Container and Breakbulk**

7.D.1 Mileage Source.

7.D.1.1 The Defense Table of Official Distances (DTOD) is the official source of distances for payment of rates based on mileage and for calculation of standards based on overland distance. Contractor shall be paid in accordance with the version of DTOD used by IBS at the time of the booking. The U.S. Government shall provide notification of changes in the version of DTOD used.

7.D.1.1.1 A commercial product that is DTOD-compliant is “PC\*Miler” that shall produce distance calculations identical to DTOD. Contractors who have PC\*Miler shall be provided a file of the official mileages to be used by IBS for all point to port and port to point combinations using mileage based rates. Contractors should ensure that they have the same version of PC\*Miler as used in IBS. Contractors who elect to use another source for computing mileages cannot be provided this file. Should there be any differences in the mileages computed by DTOD and the mileage invoiced by the Contractor, the Contractor shall be paid based on the DTOD mileages.

**7.E Bunker Adjustment Factor (BAF)**

7.E.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. No bunker adjustment is payable on the routes not included in Table 7.E.8.1 below.

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

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

7.E.2 Baseline Fuel Price

The baseline is \$ 225.00 for Norfolk and \$ 225.00 for Los Angeles. 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.

NOTE: Due to the volatility of the bunker fuel market, the Government will continue to monitor bunker prices up to contract award. If market prices indicate a downward trend, SDDC will recalculate the BAF baseline and request revised pricing prior to contract award.

7.E.3 Calculations

7.E.3.1 BAF shall be calculated using Norfolk (ex-wharf) prices for Puerto Rico and Virgin Islands and shall use Los Angeles (ex-wharf) prices for Alaska, and Hawaii.

7.E.3.2 An average fuel price shall be computed by SDDC for Los Angeles and 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.

7.E.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.

7.E.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 and Los Angeles.

Conversion Factors for fuel types identified above are fuel conversions

Fuel Type	BLS per MT
IFO 380	6.467
MDO	7.162

7.E.3.5 SDDC shall monitor, calculate and post BAF to the SDDC website.

7.E.4 Payment procedures.

7.E.5 For shipments paid using PowerTrack/U.S. Bank (or current EEIP provider), 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 PowerTrack. Contractors using the PowerTrack invoice procedure shall include the applicable BAF amount (plus or minus) in their invoice.

7.E.6 For all shipments other than those paid using PowerTrack/U.S. Bank (or current EEIP provider), 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.

7.E.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.

7.E.8 Technical Factors and Freight Payable Units

The technical factors and their freight payable units are shown in Table 7.E.8.1.

TABLE 7.E.8.1

Route	Payable Unit	Factor
03 U.S. West Coast - Hawaii	20ft container	1.49
	40ft container	2.76
	Breakbulk	0.049
26 U.S. West Coast - Alaska	Under 40ft container	0.95
	40ft & Over container	1.78
	Breakbulk	0.036
37 U.S. East Coast - Caribbean	Under 40ft container	0.43
	40ft & Over container	0.80
	Breakbulk	0.038
42 U.S. Gulf Coast - Caribbean	Under 40ft container	0.67
	40ft & Over container	1.24
	Breakbulk	0.045

7.E.9 For the base year, BAF will be applicable only on those routes listed in the table above.

Fuel price formula:

$$\text{Average fuel price of MDO} \times 5\% + \text{Average fuel price of IFO 380} \times 95\%$$

BAF Trade Route Numbers ID

Routes	From	To
03	U.S. West Coast	Hawaii
26A	U.S. West Coast	Alaska
37J	U. S. East Coast	Puerto Rico
37K	U. S. East Coast	St Croix
37L	U. S. East Coast	St. Thomas
42J	U. S. Gulf Coast	Puerto Rico
42K	U. S. Gulf Coast	St. Croix
42L	U. S. Gulf Coast	St. Thomas

## **7.F Fuel Adjustment Factors (FAF)**

Fuel adjustment factors (FAF) for linehaul and drayage. An allowance for fluctuations in diesel fuel prices shall be paid to the contractors or to the Government in accordance with the following:

7.F.1 Baseline. The SDDC TR-12 domestic freight fuel adjustment table will be used to establish average fuel price baselines. The baseline fuel price will be the average of the three monthly SDDC TR-12 Policy price reports filed immediately prior to the issuance of the solicitation (Personal Property fuel Related Rate Adjustment Table posted on the SDDC web site). For instance if the solicitation is issued on 4 August 09, the Baseline will reflect the average of the May, June, and July 09 reports.

7.F.2 Option year baseline. For each option year exercised, the average fuel cost for the three full calendar months that are closest to the start of the option period where the last day of that month is 59 or more days prior to the start of the option period. Calculate the average fuel cost by averaging all the diesel fuel costs published by SDDC during these calendar months posted under the TR-12 Policy.

7.F.3 Option year fuel adjustment calculation. The difference between option year baseline and the baseline is the fuel price change per gallon. Calculate the average per mile fuel adjustment by dividing the fuel price change by 5. (This assumes an average fuel consumption of 5 miles per gallon.)

7.F.4 For each single factor rate calculate the total inland miles via the ports specified in the single factor rate. Use 20 miles if the origin or destination is a drayage point. Calculate a fuel adjustment equal to the total mileage times the average per mile fuel adjustment. For instance, \$.60 divided by 5 equals \$.12, therefore the mileage rate increase is \$.12 and a 1000 mile linehaul would be increased by \$120.00.

7.F.5 For mileage table, the fuel adjustment is the annual average percentage change (i.e. 7%) multiplied by the rate in the mileage band.

7.F.6 The diesel fuel adjustments apply to option periods of the contract. Adjustments will be calculated prior to the start of any option period, applied to the rates awarded for the option period and will remain in effect for the duration of the option period.

7.F.7 SDDC will post to its website the initial baseline and subsequent average fuel costs, and calculations of per container and per measurement ton bunker adjustments and per mile diesel fuel adjustments.

7.F.8 The diesel fuel adjustment factors for an option period, if any, will be applied to the rates that were bid by the Contractors for the option period. Rates inclusive of the fuel adjustments will be posted to SDDC systems (CARE and IBS) and published in a Rate Guide annotated to show that the rates are inclusive of applicable fuel adjustments.

7.F.9 Diesel fuel adjustments (FAF) will apply to all rates that include an inland service component.

## **7.G Rounding**

Round all Bunker fuel adjustment factors to nearest whole dollar, except for per measurement ton rates and mileage rates that are priced per mile, which are rounded to the nearest cent.

## **7.H Contractor Protection from Competition**

### **7.H.1 Contractor Protection**

A Contractor receiving an initial base period award or an option period award for this contract shall, during the respective base or option period of this contract, be protected from the subsequent competition of other Contractors after that initial award within the limitations of the Cargo Preference Act of 1904. This Contractor protection encourages initial full and open competition, protects the integrity of the contracting process, facilitates a streamlined acquisition process, promotes DOD's sealift readiness goals implemented in the VISA priorities, and complies with applicable law. The Cargo Preference Act of 1904 also has the effect of establishing a ceiling price; it states that charges to the U.S. Government may not be higher than the charges for transporting like goods for private persons.

## **7.H.2 VISA Status**

In that VISA status relates to a Contractor's VISA commitment and whereas VISA Priority relates to both VISA commitment of the Contractor and flag status of a particular service, the VISA status of an offeror shall be evaluated up to the date for responses to the RFP that resulted in this contract, or the date for responses to the option period. A contract awardee may be subject to contractual remedies for failure to maintain at least the same VISA status throughout the respective base or option period of this contract. However, minimum cargo commitments awarded that properly reflect all offerors' VISA status at the time of responses to the RFP or option period shall not be negated during the respective base or option period as a result of one or more contract awardees subsequently attaining a higher VISA status.

## **7.H.3 Late Rates**

7.H.3.1 USTRANSCOM shall not accept proposals of service and rates from Contractors that were not awarded any contracts as a result of this solicitation unless the Contractor is offering U.S. flag service or combination U.S. flag service that cannot otherwise be obtained from Contractors that were awarded contracts.

7.H.3.2 The Contracting Officer shall negotiate rates when capacity from Contractors with initially awarded rates is not available to meet requirements or a new service will provide a higher VISA priority service than otherwise available to the U.S. Government under initially awarded rates. Rates for ocean and single factor service accepted after initial award will be marked as late and used only when the late rates involve a service with a higher VISA priority than the service otherwise available to the U.S. Government under initially awarded rates; or capacity from Contractors with initially awarded rates is not available to meet the requirement.

## **7.I Maritime Clauses**

### **7.I.1 Application of COGSA**

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, which shall be considered as goods stowed under deck) under any Shipping Order with the same force and effect as if the Act applied to such carriage by express provision therein; except that as to deck cargo, the U.S. Government shall bear the risk of perils inherent in deck carriage; provided, however, in case of loss, damage or shrinkage in transit, the rules and conditions governing commercial shipments shall not apply as to the period within which notice thereof shall be given the contractor or as to the period within which claim, therefore, shall be made or suit instituted. 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), unless such cargo satisfies the COGSA requirements of a single "package" irrespective of the fact that it has been containerized. (for example, the decision of a contractor to load a piece of equipment or other cargo on a flatrack does not necessarily convert that equipment/cargo into a single COGSA "package.") The limitation of liability set out in Section 4 of the Act shall apply to each package and to cargo not in packages to each measurement ton of cargo. Breakbulk cargo containerized for the carrier's convenience will not be treated as containerized, but will continue to be treated as breakbulk cargo ("not in packages") for the purposes of COGSA liability.

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 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 for loss or damage to cargo booked under this Contract arising at any time in the custody of the Contractor.

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.

Cargo valuation is established by shipper's written or electronically transmitted declaration, or by standard government valuations.

#### 7.I.1.1 Application of COGSA for Non-Government Owned Cargo

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, which shall be considered as goods stowed under 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; except that as to deck cargo, the non-government cargo owner shall bear the risk of perils inherent in deck carriage; provided, however, in case of loss, damage or shrinkage in transit, the rules and conditions governing commercial shipments may apply, depending on the terms of any agreement between contractor and a non-government cargo owner, as to the period within which notice thereof shall be given the contractor or as to the period within which claim, therefore, shall be made or suit instituted. 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) unless such cargo satisfies the COGSA requirements of a single "package" irrespective of the fact that it has been containerized. For example, the decision of a contractor to load a piece of equipment or other cargo on to a flatrack does not necessarily convert that equipment/cargo into a single COGSA "package". The limitation of liability set out in Section 4 of the Act shall apply to each package and to cargo not in packages to each measurement ton of cargo. Breakbulk cargo containerized for the carrier's convenience will not be treated as containerized, but will continue to be treated as breakbulk cargo ("not in packages") for the purposes of COGSA liability.

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 for loss or damage to cargo booked under this Contract arising at any time in the custody of the Contractor.

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 .

### 7.I.1.2 Application of COGSA for Barge Service

If the Contractor provides service via a barge system, the following additional provisions apply. The Contractor will be liable for cargo claims in accordance with the Carriage of Goods by Sea Act, 46 USC 1300 et seq. from the time the cargo is loaded on a barge to the time the cargo is discharged from the barge. On any voyage, the Contractor will not invoke limitation of shipowner's liability under 46 USC 183 for aggregate losses or damages to cargo in barges to a value less than the limitation value of the tug(s) and barges at time completion of the voyage. A barge will not be deemed to be a package within the meaning of the five hundred (500) dollar package limitation in Section 1304 of Title 46 of the United States Code (See also Paragraph 7.I.1). All containerized cargo in or on barges will be considered to be stowed underdeck.

The Government will not be liable for any damage sustained by a barge or tug while alongside a loading or discharging facility, except to the extent that it would be liable for such damage to an oceangoing vessel alongside such facility under the law and other terms of this contract. All barges will be equipped with sufficient battery-operated mooring lights, when required.

### 7.I.1.3 Liability of Motor Carriers and Freight Forwarders for Overland Transportation

If overland cargo transport is undertaken incidental to, or in lieu of, shipments ordered under this contract, 49 U.S.C ss 14706 will apply to any loss or damage that occurs while cargo is in the custody of a motor carrier or applicable freight forwarder.

## 7.I.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.

### 7.I.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 7.I.2.1.1 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.

7.I.2.1.1 Notice of Diversion. The Notice described at Section 7.I.2.1 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.

7.I.2.1.2 Equitable Adjustment, Contractor 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 RDC-5 rate, accessorial charge or similar charge or otherwise reimburse the Contractor for costs chargeable (by the Contractor) to or otherwise allocable to a non-RDC-5 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.

**7.I.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.

**7.I.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 diver 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.

**7.I.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-RDC-5 shipper under any Scope of Voyage (Liberties) or similar clause in any contract between the contractor and a non-RDC-5 shipper. In no case shall an equitable adjustment duplicate compensation provided in a RDC-5 freight rate, accessorial charge or similar charge or otherwise reimburse the Contractor for costs chargeable (by the Contractor) to or otherwise allocable to a non-RDC-5 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.

**7.I.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.

**7.I.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. 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.

**7.I.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.

### **7.I.3 Strikes**

**7.I.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.

7.I.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.

#### **7.I.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.

#### **7.I.5 General Average**

General average shall be adjusted, stated and settled, according to York-Antwerp Rules 2004 at such port or place in the United States as may be selected by the contractor, and as to matters not provided for by those Rules, according to the laws and usages at the Port of New York. In such adjustment, disbursements in foreign currencies shall be exchanged into United States money at the rate prevailing on the dates made and allowances for damage to cargo claimed in foreign currency shall be converted at the rate prevailing on the last day of discharge at the port or place of final discharge of such damaged cargo from the ship.

#### **7.I.6 Liens**

7.I.6.1 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.

7.I.6.2 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.

#### **7.I.7 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.

#### **7.J Cargo Claims**

The Government will process cargo claims in accordance with the Defense Transportation Regulation, Volume II, Chapter 210, and the Contractor agrees to cooperate with Government efforts to resolve claims for loss or damage to Government cargo.

#### **7.K Liability of Motor Carriers and Freight Forwarders for Overland Transportation**

7.K.1. If overland cargo transport is undertaken incidental to, or in lieu of, shipments ordered under this contract, 49 USC §14706 will apply to any loss or damage that occurs while cargo is in the custody of a motor carrier or applicable freight forwarder.

7.K.2. Overland only surface transport is not authorized under this contract.

7.K.3. Under 49 USC §14706, the level of liability is set by the value established by written or electronic declaration of the shipper or by written agreement between carrier and the shipper.

## **7.L Compensable Delays**

7.L.1 Other clauses in this contract (such as FAR 52.212-4 paragraph f; 7.I.7 Force Majeure; 7.I.2 Scope of Voyage (Liberties); etc.) cover delay in performance or frustration of performance in certain situations. Section 7.I.2 Scope of Voyage (Liberties) provides for monetary equitable adjustment, but only in the case of maritime (not in-land) transportation where attempted delivery to the destination port has been abandoned.

7.L.2 Situations where the U.S. Government Causes a Delay. This clause addresses compensation/financial liability in other situations. Specifically, to the extent action or inaction by the U.S. Government in either its contractual or sovereign capacity, causes a delay in Contractor performance, the Contractor shall be entitled to an equitable adjustment for costs incurred directly related to the safety and security of U.S. Government cargo or related to efforts to deliver the cargo as contracted. Such cost shall be reasonable, supported by appropriate documentation and subject to audit. The Contractor shall be entitled to such equitable adjustment under this contract to the extent that:

- a) The U.S. Government action or inaction is otherwise not compensable under other provisions of this contract; and
- b) The U.S. Government action or inaction interferes with or prevents performance of a contractual obligation by a reasonable Contractor; and
- c) The Contractor's actions or inactions have not contributed to the Government caused delay; and
- d) The Contractor has exercised due diligence to mitigate the delay or the financial consequences of such delay.

7.L.3 In no case shall an equitable adjustment duplicate compensation provided in a RDC-5 freight rate, accessorial charge or similar charge or otherwise reimburse the Contractor for costs chargeable (by the Contractor) to or otherwise allocable to a non-RDC-5 shipper.

7.L.4 Situations where neither the Contractor nor the U.S. Government Cause Delay. To the extent delays in Contractor performance are caused by third parties, natural causes, or any cause other than those within the control of either the Contractor or the U.S. Government, this clause apportions risk. In such situations, the Contractor may be entitled to an equitable adjustment for costs incurred directly related to the safety and security of U.S. Government cargo or related to efforts to deliver the cargo as contracted. Such cost shall be reasonable, supported by appropriate documentation and subject to audit. The Contractor shall be entitled to an equitable adjustment to the extent that:

- a) The subject delay is caused by an extraordinary event not within the control of either the U.S. Government or the Contractor. An extraordinary event is uncommon or unusual and beyond the control of a reasonable Contractor exercising customary foresight and sound business practices; and
- b) The extraordinary event is otherwise not compensable under other provisions of this contract; and
- c) The extraordinary event interferes with or prevents performance of a contractual obligation by a reasonable Contractor; and

- d) The Contractor has exercised due diligence to mitigate the delay or the financial consequences of such delay.

#### **7.M Pass-through Charges**

7.M.1 The Contractor shall pay valid pass-through charges incurred on behalf of the U.S. Government. Pass-through charges shall not include any cost or charge that is included in priced services or is paid directly by the U.S. Government or the consignee. The Government shall pay the Contractor on a cost reimbursement basis for valid direct pass-through charges, incurred by the Contractor on behalf of the U.S. Government, not included in priced services or covered by the Compensable Delays clause at “Additional Clauses” paragraph 7.L. The pass-through charges shall be allowable, reasonable, and allocable, supported by an invoice, and subject to audit. The Government reserves the right to reject any pass-through charge that is not allowable, reasonable, and allocable, or is not supported by a proper invoice. Pass-through charges shall include only direct reimbursable pass-through costs and shall exclude overhead, general and administrative expenses, and profit.

7.M.2 Examples of the type of additional charges that shall be paid include, but are not limited to, port storage, custom inspection charges, rework of improper blocking and bracing, and dry run.

7.M.3 Pass-through charges shall be invoiced in accordance with Attachment 6.

### **SECTION 8 – ABBREVIATIONS, DEFINITIONS, ROUTE INDICES**

#### **8.A Abbreviations/Acronyms**

AAFES	Army Air Force Exchange Service
BAF	Bunker Adjustment Factor
CAF	Currency Adjustment Factor
CFS	Container Freight Station
CO	Contracting Officer
CONUS	Continental United States
COR	Contracting Officer’s Representative
CPA	Cargo Preference Act (1904)
CSC	Convention of Safe Containers
DeCA	Defense Commissary Agency
DFARS	Defense Federal Acquisition Regulation Supplement
DLA	Defense Logistics Agency
DoD	Department of Defense
DSC	Deployment Support Command
DTEDI	Defense Transportation Electronic Data Interchange
DTR	Defense Transportation Regulation
EDI	Electronic Data Interchange
FEU	Forty Foot Equivalent Unit
FAR	Federal Acquisition Regulation
FAK	Freight All Kinds
FIO	Free In and Out
GLOC	Ground Line of Communication
GPC	Global POV Contract
GSA	General Services Administration
IMO	International Maritime Organization
ISO	International Organization for Standardization
IBS	Integrated Booking System

ITGBL	International Thru Government Bill of Lading
MPSA	Military Postal Service Agency
MSC	Military Sealift Command
MsT	Measurement Ton (40 Cubic Feet)
MVC	Minimum Volume Commitment
NEXCOM	Navy Exchange Command
OCBO	Ocean Cargo Booking Office
OCCA	Ocean Cargo Clearance Authority
OCI	Ocean Carrier Interface
OCONUS	Outside Continental United States
OO	Ordering Officer
POD	Port of Discharge
POE	Port of Embarkation
POV	Privately Owned Vehicle
PWS	Performance Work Statement
QCP	Quality Control Plan
RDD	Required Delivery Date
Reefer	Refrigerated Container
RFP	Request for Proposals
RORO	Roll-On/Roll-Off
SCAC	Standard Carrier Alpha Code
SDDC	Surface Deployment and Distribution Command
TCMD	Transportation Control & Movement Document
TCN	Transportation Control Number
TEU	Twenty Foot Equivalent Unit
VETCOM	U.S. Army Veterinary Command
VISA	Voluntary Intermodal Sealift Agreement
VPC	Vehicle Processing Center

## 8.B Definitions

The following terms have the meaning as set forth below:

Acceptable Space –Space with normal access thereto as would normally be used in liner service for the particular type of cargo declared at the time of booking, and shall be properly prepared, cleaned and ready to receive the cargo.

Agent of the US Government - An entity authorized to book shipments under the RDC-5 contract on behalf of the U.S. Government in accordance with terms and conditions listed in Section 4 of the Performance Work Statement.

Alternate Service/Arrangements – Service subcontracted to another provider that is different than the services described in the Contractors accepted proposal.

Ammunition Linehaul – Linehaul for ammunition (Class 1.4 and other classes of ammunition and explosives as may be accepted under this contract) that requires use of a Contractor approved by DoD for the transport of this commodity and includes, satellite tracking as part of the basic service.

Available for Onward Movement – Container/Chassis is ready to be hooked to a tractor, fully operational and ready to meet all road and safety requirements, including operable lights, brakes and support equipment.

Booking – Offer by the U.S. Government and acceptance by the Contractor for the transportation of goods pursuant to the applicable rates, terms and conditions of the subject contract.

Breakbulk/RORO Cargo – All cargo that is not containerized.

Cargo Cleaning Service

Wash Service: Cleaning required for cargo that has been tendered to the Contractor dirty and requires thorough cleaning.

Rinse Service: Cargo cleaning to remove road dirt and other contaminants accumulated while in transit or at the port. Applies to cargo that had been tendered to the Contractor clean.

Cargo handling - Cargo handling (Container) Accessorial service provided by the contractor for cargoes that are containerized by the contractor. Cargo handling includes services such as receiving cargo, unloading from the inbound conveyance, loading and securing of cargo into containers, intra-terminal transfers, tallying of cargo, necessary blocking, bracing, and dunnage and reports Service includes all services from in-gate and receipt of the cargo through load in a container at the load port and at the discharge port, from unstuffing of the container to out-gate.

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 Contractor.

Consignee – The person or entity named in the booking or shipping instructions to which goods have been shipped or turned over for care.

Constructive Staging – A delay in the final receipt of the cargo by the U.S. Government at the inland destination after release and commencement of on-carriage from the discharge port caused by the U.S. Government’s refusal or inability to accept the containers at the inland destination.

Container Freight Station (CFS) – A facility usually operated by the Contractor where loose cargo is received for consolidation/containerization or full container for deconsolidation/unstuffing.

Contingencies – Military operations that 1) are designated by the Secretary of Defense as an operation in which members of the armed forces are or may become involved in military actions, operations, or hostilities against an enemy of the United States or against an opposing military force; or 2) results in the call or order to, or retention on, active duty of members of the uniformed services under section 688, 12301(a), 12302, 12304, 12305, or 12406 of 10 U.S.C., chapter 15 of 10 U.S.C. or any other provision of law during a war or during a national emergency declared by the President or Congress.

Contracting Officer (CO) – A person with the authority to enter into, administer, and/or terminate contracts and make related determinations and findings. The term includes certain authorized representatives of the Contracting Officer acting within the limits of their authority as delegated by the Contracting Officer.

Contracting Officer’s Representative (COR) – Appointed in writing by the CO, responsible for, but not limited to, the following: monitoring the Contractor’s performance in accordance with the terms of the contract; ensuring Contractor’s compliance with reporting requirements; providing data for U.S. Government reports; verifying/certifying invoices; and reviewing Contractor claims.

Contractor - An entity in private industry, which enters into contracts with the U.S. Government to provide goods or services. For purposes of the RDC-5 contract, the definition is further limited to ocean common carriers within the meaning of the Shipping Act of 1984, as amended, or vessel operating contract carriers as determined under Federal Maritime Law.

Customary Shipping (or Freight) Unit - Term used for unpackaged cargo to determine liability limits under COGSA and/or as a unit of measure for freight pricing purposes. For example, a large truck loaded on a vessel is considered unpackaged and the freight is priced per “measurement ton.” Therefore, the liability under COGSA is based on the customary shipping unit of that item. For purposes of implementing COGSA under this contract, the customary shipping unit for cargo not shipped in packages is “measurement ton.”

Customs Entry – Documentation submitted by the Importer to obtain customs release of shipments after unloading from vessel by importing Contractor.

#### Cutoffs

Cutoff at Origin: The date and time established by the Contractor when the cargo shall be tendered to the Contractor to meet the vessel’s sail date.

Vessel Cutoffs: The date and time established by the Contractor when the cargo shall be tendered to the Contractor at its terminal facility or to the Contractor's agent to meet the requirement for lift to the booked vessel.

Deadfreight – Liability to pay for space booked but not occupied.

Defense Table of Official Distances (DTOD) – The distance source for all rates, standards, or charges, which require a point to port, port to point or point to point distance. DTOD is published by ALK Associates of Princeton, NJ. PC\*Miler is their commercial, DTOD compliant product.

Detention – The charge assessed by the Contractor for equipment delays exceeding applicable free time.

Domestic OCONUS – U.S. States, Territories and Possessions outside the geographic limits of the 48 contiguous states and the District of Columbia.

Drayage – The movement of a container between the Contractor's terminal at the port where the 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 the city limits of that foreign port city, by means other than the Contractor's principal vessels, such as by highway or railway.

Drop and Pick - See Spotting of Containers

Dry Cargo Container – A completely enclosed weatherproof container.

Excepted Cargoes Breakbulk/RORO – Aircraft (unboxed), Helicopters, Boats over 40 ft., Oversized cargo, bulk cargo, heavy lift cargo, and explosives (excluding IMO Class 1.4), except where a specific CLIN has been included for the commodity.

Excepted Cargoes Container – Heavy lift cargo, oversized cargo (with the exception of cargo that meets the definition of over dimensional cargo or super load), explosives (excluding IMO Class 1.4), and all containers other than dry, reefer, ISO tank, open tops and flatrack containers.

Explosives – Includes all military explosives (IMO Class 1.1, 1.2, 1.3), military lethal chemicals, and other items included in Title 49 Code of Federal Regulations, Part 171 et seq (CFR et seq).

Flatrack (Platform) Container – A container without weatherproof sides and/or top. Includes platforms, which have no sides or ends and flatracks with rigid or collapsible ends. They can be end loaded or top or side loaded.

Free-In Free-Out – When cargo is booked as Free-in or Free-out, the U.S Government shall bring the cargo into the holds, stow it and/or trim it, tally it, lash it and/or secure it (Free-in), and take it from the holds and discharge it (Free-out) with customary dispatch, free of any risk, liability, and expense whatsoever to the Contractor.

Free time - The time allowed for U.S. Government shippers and receivers to load or unload Contractor equipment (i.e. containers) before detention charges accrue.

General Cargo: Breakbulk/RORO – All static (non-wheeled cargo) except explosives (excluding IMO Class 1.4), helicopters, shipper owned 20 ft containers, excepted cargo, and hazardous cargo precluded from carriage by a Contractor under a Contractor's policy.

General Cargo: Container – All container cargo except refrigerated cargo, explosives (excluding IMO Class 1.4), over-dimensional cargo, excepted cargo, and hazardous cargo precluded from carriage by a Contractor under a Contractor's policy.

Hazardous Cargo – A hazardous substance or material including a hazardous substance, which has been determined by the Secretary of Transportation or International Maritime Organization (IMO) to be capable of posing an unreasonable risk to health, safety and property when transported in. For purposes of applying Hazardous surcharges or the use of Hazardous commodity rates, Hazardous cargo shall be required to be stowed on deck per U.S. Coast Guard Regulations.

Heavy Lift Cargo – Pieces and packages having a gross weight in excess of 50 long tons excluding wheeled or tracked vehicles on RO/RO vessels.

Heavy Vehicles – Breakbulk/RORO cargo – Wheeled or tracked vehicles (unboxed) exceeding 10,000 lbs per unit.

Holiday – Ten Federal Holidays: New Years Day (January 1), Martin Luther King Day (3<sup>rd</sup> Monday in January), Presidents Day (3<sup>rd</sup> Monday in February), Memorial Day (last Monday in May), Independence Day (July 4), Labor Day (first Monday in September), Columbus Day (2<sup>nd</sup> Monday in October), Veterans Day (November 11), Thanksgiving (4<sup>th</sup> Thursday in November), Christmas (December 25). When the holidays of January 1, July 4, November 11, or December 25 fall on a Saturday, the preceding day (Friday) shall be the holiday, and if those days fall on a Sunday, the next day (Monday) shall be the holiday. In addition, holidays shall include local holidays when US Government offices are closed in a specific location.

Late Gate - Exception to vessel cutoff. Agreement by Contractor to lift cargo to a voyage if received at the terminal after the published cutoff for the voyage.

Light Vehicles – Breakbulk/RORO cargo – Wheeled or tracked vehicles (unboxed) up to and including 10,000 lbs per unit.

Linehaul – The movement of a container between the Contractor’s terminal at the port where the container is loaded to, or discharged from, the vessel and another place outside of the Commercial Zone or modified zone of that United States port city or beyond a 10-mile radius of the city limits of that foreign port city by means other than the Contractor’s principal vessels, such as by highway, railway, canal or river, or in specific instances by feeder vessels, ferry or bargeship system.

Liner In/Liner Out – Contractor is responsible for the loading and/or discharging of cargo at port of origin and/or destination and all costs associated thereto.

Liner Terms/Breakbulk – Liner Terms (Breakbulk) Accessorial service provided by the contractor for all services from receipt of break-bulk cargo at POE to load of break-bulk cargo on the vessel (liner in) or from discharge of the vessel at POD to outgate (liner-out). The applicable liner term rate(s) in the Table of Accessorials shall be added to the FIO ocean breakbulk rate for the ports where liner service is ordered.

Live Load – See Spotting of Containers

Measurement Ton (MsT) – 40 cubic feet per ton or 2240 lbs. per ton

Normal Access – Access to space that permits efficient and expeditious loading and discharging by means routinely employed in commercial practice loading and discharging like cargo in liner service in ships service of the same type as the Contractor’s vessel.

Normal Business Hours – Monday through Friday, 0800 hours through 1700 hours except Holidays.

Ocean Cargo Booking Office (OCBO) – The SDDC activity that books DoD sponsored cargo for ocean movement, performs related contract administration, and accomplishes export/import ocean traffic management functions for DoD cargo moving within the DTS. May also perform authorized Customs Entries.

Ocean Cargo Clearance Authority (OCCA) – See Ocean Cargo Booking Office (OCBO)

Ordering Activity – Includes the Commander, Surface Deployment and Distribution Command (SDDC), and his designees, including authorized agents of the U.S. Government.

Ordering Officer (OO) – Appointed in writing by Contracting Officer. The Ordering Officer is responsible for but not limited to the following: booking cargo and issuing shipping orders; sampling bookings for low cost; monitoring cargo allocation, if applicable; recommending addition/deletion of routes/ services; and authorizing substitution of equipment and staging.

Over Dimensional Cargo – Cargo booked to be shipped as container cargo with at least one dimension exceeding any external dimension of a container’s width (8’) or height (8’6”) but not exceeding the following maximum weight and dimensions:

Weight: 44,000 lbs. Length: 40’00” Width: 11’00” Height: 11’8”

Oversized Container Cargo – Cargo which when stowed aboard a cellular container ship would require more space than the space needed to load a 40 ft long, 8’6” 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.”

Oversized Breakbulk Cargo – Cargo that has any one dimension over 50 feet long, more than eleven (11) feet wide or over eleven (11) feet in height, or 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.

Package – a class of cargo, irrespective of size, shape or weight, to which some packaging preparation for transportation has been made which facilitates handling, but which does not necessarily conceal or completely enclose the goods. The act of loading cargo into, or upon, a container shall not transform such containerized cargo into a single COGSA package unless such cargo satisfies the COGSA requirements of a single "package" irrespective of the fact that it has been containerized.

Pools – See Spotting of Containers

Receiver – Individual or entity authorized by the consignee to receive and sign for delivered cargo.

Regularly Scheduled Sailings – Sailings at regular intervals between the same port ranges, consisting of regular arrivals, regular departures along established routes, which provide predictable Liner type service.

Required Delivery Date (RDD) – The date specified in the booking when cargo must be delivered .

Round Robin – See Spotting of Containers

SEAVAN Service Codes –DTR codes which indicate the extent of service for which the ocean Contractor is paid. Indicates where the ocean Contractor's responsibility for movement begins or ends:

K – At the Contractor's terminal (Pier Service).

L – In the commercial zone of the U.S. port city or, outside the U.S., within 10 miles of the port city limits. Certain port cities, which are divided into modified zones as listed in this Contract, are assigned codes 1-9 instead of L (Local Drayage).

1-9 – In a modified zone for certain port cities as defined in this Contract. The number codes used correspond with the zone number in the Contract.

M – At any point not covered by codes K, L, or 1-9.

P – Same as Code M, except that one or more scheduled stop-offs in route to final destination have been booked with the ocean Contractor. Does not apply to local deliveries performed at the expense of the U.S. Government.

S – Same as Code T, except that one or more stop-offs in route to final destinations have been booked with the Contractor. Does not apply to local deliveries performed at the expense of the U.S. Government.

T – Same as Code L, 1-9, or M except cargo is booked as a "Through Shipment" under Single Factor Rates.

Single Factor Rates - Rates that include all charges except for Currency Adjustment Factor (CAF), Bunker Adjustment (BAF), War Risk Insurance, and accessorial ordered in the booking. Single factor rates can apply to point-to-point, point-to-port, or port-to-point movements.

Spotting containers – Positioning of empty containers at shippers facility for loading by the shipper. Includes:

Drop and Pick: Contractor delivers an empty container on chassis and later picks it up after it has been loaded.

Round Robin Drop and Pick: The Contractor would position one empty container at the shipper's facility. All other deliveries of empty containers would be scheduled with the pickup of loaded containers.

Live Load: Contractor delivers an empty container and the driver waits while the shipper loads the container.

Pools: Contractor maintains a pool of empty containers at the shipper's location to use for bookings with the contractor.

Vessel Status Code – The first position of the code describes the type of contract. The second indicates whether government or Contractor is responsible for vessel load and delivery of cargo to/from port. Codes 5-9 are only used for breakbulk cargoes 2nd Position codes are as follows:

Code	POE	POD
1.	Free-in	Free-out
2.	Liner-in	Liner-out
3.	Free-in	Liner-out
4.	Liner-in	Free-out
5.	Door/Liner-in	Free-out
6.	Door/Liner-in	Liner-out
7.	Free-in	Liner-out/Door
8.	Liner-in	Liner-out/Door
9	Door/Liner-in	Liner-out/Door

Shipper Owned 20/40 ft Containers: Breakbulk/RORO – Government owned/leased container cargo carried by break bulk and/or RORO operators under the Breakbulk/RORO section.

Short Stop – To stop a stuffed container at the Contractor’s terminal where the Contracting Officer (CO) has elected to take delivery, with final destination delivery to be performed by the U.S. Government.

Shutout – Cargo that is available for stevedoring but unable to be loaded on the vessel to which it is booked due to operational circumstances or overbooking of the vessel.

Staging – A delay in commencement of drayage, line-haul or on-carriage transit requested by the U.S. Government. Containers may be staged at the Contractor’s terminal, port facility, or at any other location chosen by the Contractor, such as a railhead or barge terminal. Constructive staging is a delay in the final receipt of the cargo at the inland destination after release and commencement of on-carriage from the discharge port caused by the U.S. Government’s refusal or inability to accept the containers at the inland destination.

Swing Cargo – Cargo, which may be containerized or shipped breakbulk/RORO.

Tarping Service – The covering and protecting of cargo using weather resistant, non-transparent, durable material.

Transloading service - Transload service is a direct crossdock transfer of cargo from one conveyance to another without grounding or storing the cargo

U.S. Flag Service/Full Service – Service where cargo is only loaded on US Flag ships between ports of embarkation and final port of discharge.

Combination Service – Service where the cargo is loaded on US Flag ships for at least one segment of the transoceanic carriage.

Wheeled or Tracked Vehicles – (Unboxed and Containerized) - Includes all types of unboxed, land or amphibious vehicles, set up on wheels or tracks, whether or not self propelled.

## **8.C Trade Areas and Zones**

### **8.C.1 General Definition of Trade Areas**

Caribbean: Includes ports in Puerto Rico and US Virgin Islands

Hawaii: Includes all Hawaiian ports: Kauai, Kure Island, Lanai, Mainland Hawaii, Maui, Niihau, Oahu and Tern Island.

U.S. East Coast: Includes ports between the boundary of Maine and Canada and the Southern tip of Key West Florida.

U.S. Gulf Coast: Includes ports between the boundary of Texas and Mexico on the Gulf of Mexico and Key West Florida on the Gulf of Mexico side.

U.S. West Coast: Includes ports between the boundary of California and Mexico and the States of Washington and Canada.

#### 8.C.2 Descriptions of Zones

Many of the routes in this contract have been structured into zones so that ports can be grouped to best reflect market conditions and minimize the number of rates to be submitted by Contractors. Ocean rates apply on a zone to zone basis. The rates are directional for service between different zones of the same area. More information on zones can be found in Attachment 4, City Groupings.

The service provided by Contractors who provide rates for specific zones shall be reflected in service profiles as described in proposals and vessel schedules maintained within the booking office.

### **SECTION 9 – LIST OF ATTACHMENTS**

Attachment 1 – Hazardous Cargo

Attachment 2 – Container Pools

Attachment 3 – Reserved

Attachment 4 – City Groupings

Attachment 5 – Route Matrix

Attachment 6 – Invoicing and Payment

Attachment 7 – Reports and Formats

Attachment 8 – Special Provisions for DLA Prime Vendor Program Cargo

Attachment 9 – Prime Vendor/RDC Carrier Agreement

Attachment 10 – US Domestic Shipyard Preference Document

Attachment 11 – Monthly Carrier Spend Reports

Exhibit 2 – Ordering Procedures