SOLICITATION/CONTRACT/ORDER FOR COMMERCIAL ITEMS

OFFEROR TO COMPLETE BLOCKS 12, 17, 23, 24, AND 30

1. REQUISITION NUMBER: W90XW8-3155-2001

2. CONTRACT NO.	3. AWARD/EFFECTIVE DATE	4. ORDER NUMBER	5. SOLICITATION NUMBER	6. SOLICITATION ISSUE DATE
W81GYE-04-D-0022-P00002	13-Jan-2004		DAMT01-03-R-0050	25-Jul-2003

7. FOR SOLICITATION INFORMATION CALL:	a. NAME	b. TELEPHONE NUMBER (No Collect Calls)	8. OFFER DUE DATE/LOCAL TIME
	JAMES WASHINGTON	703-428-2092	04:30 PM 26 Dec 2003

9. ISSUED BY CODE W81GYEB11

SDDC CONTRACTING CENTER
SDAQ-G GLOBAL INTERMODAL DIST DIV
200 STOVALL ST, RM 12S67
ALEXANDRIA VA 22332-5000

TEL: 703-428-3304
FAX: 703-428-3325

10. THIS ACQUISITION IS
- [ ] UNRESTRICTED
- [X] SET ASIDE: 50 % FOR
  - [X] SMALL BUSINESS
  - [ ] SMALL DISADV. BUSINESS
  - [ ] 8(A)

SIC: 4412
SIZE STANDARD: 500

11. DELIVERY FOR FOB DESTINATION UNLESS BLOCK IS MARKED
- [X] SEE SCHEDULE

12. DISCOUNT TERMS

- [ ] 13a. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 700)

13b. RATING

14. METHOD OF SOLICITATION
- [ ] RFQ
- [ ] IFB
- [X] RFP

15. DELIVER TO CODE

SEE SCHEDULE

16. ADMINISTERED BY CODE W81GYEB11

SDDC CONTRACTING CENTER
JAMES WASHINGTON
703-428-2082
WASHINGTONJAMES@SDDC.ARMY.MIL
ALEXANDRIA VA

17a. CONTRACTOR/ OFFEROR CODE 1MJZ1

TRANSATLANTIC LINES LLC
GUDMUNDUR KJAERNESTED
6 LINCOLN AVENUE
GREENWICH CT 06830

TEL. 203-625-5514

FACILITY CODE

18a. PAYMENT WILL BE MADE BY CODE

POWER TRACK
HTTP://WWW.USBANK.COM/POWERTRACK OR US BA
MN

- [ ] 17b. CHECK IF REMITTANCE IS DIFFERENT AND PUT SUCH ADDRESS IN OFFER

18b. SUBMIT INVOICES TO ADDRESS SHOWN IN BLOCK 18a. UNLESS BLOCK BELOW IS CHECKED
- [ ] SEE ADDENDUM

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

25. ACCOUNTING AND APPROPRIATION DATA
See Schedule

26. TOTAL AWARD AMOUNT
$3,934,745.85

- [ ] 27a. SOLICITATION INCORPORATES BY REFERENCE FAR 52.212-1. 52.212-4. FAR 52.212-3. 52.212-5 ARE ATTACHED. ADDENDA [ ] ARE [ ] ARE NOT ATTACHED
- [ ] 27b. CONTRACT/PURCHASE ORDER INCORPORATES BY REFERENCE FAR 52.212-4. FAR 52.212-5 IS ATTACHED. ADDENDA [ ] ARE [ ] ARE NOT ATTACHED

28. CONTRACTOR IS REQUIRED TO SIGN THIS DOCUMENT AND RETURN 2 COPIES
- [X] TO ISSUING OFFICE. CONTRACTOR AGREES TO FURNISH AND DELIVER ALL ITEMS SET FORTH OR OTHERWISE IDENTIFIED ABOVE AND ON ANY ADDITIONAL SHEETS SUBJECT TO THE TERMS AND CONDITIONS SPECIFIED HEREIN.

REF: Final Proposal Rev 12/26/03

29. AWARD OF CONTRACT: REFERENCE
- [ ] OFFER DATED 26-Dec-2003 . YOUR OFFER ON SOLICITATION (BLOCK 5), INCLUDING ANY ADDITIONS OR CHANGES WHICH ARE SET FORTH HEREIN, IS ACCEPTED AS TO ITEMS: SEE SCHEDULE

30a. SIGNATURE OF OFFEROR/CONTRACTOR

31a. UNITED STATES OF AMERICA (SIGNATURE OF CONTRACTING OFFICER)

31c. DATE SIGNED
21-Jan-2004

30b. NAME AND TITLE OF SIGNER *(TYPE OR PRINT)*

30c. DATE SIGNED

31b. NAME OF CONTRACTING OFFICER *(TYPE OR PRINT)*
WILLIAM MILLS / CONTRACTING OFFICER
TEL: 703-428-3080 EMAIL: millsw@sddc.army.mil

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

33. SHIP NUMBER
- [ ] PARTIAL
- [ ] FINAL

34. VOUCHER NUMBER

35. AMOUNT VERIFIED CORRECT FOR

32b. SIGNATURE OF AUTHORIZED GOVT. REPRESENTATIVE

32c. DATE

36. PAYMENT
- [ ] COMPLETE
- [ ] PARTIAL
- [ ] FINAL

37. CHECK NUMBER

38. S/R ACCOUNT NUMBER

39. S/R VOUCHER NUMBER

40. PAID BY

41a. I CERTIFY THIS ACCOUNT IS CORRECT AND PROPER FOR PAYMENT

42a. RECEIVED BY *(Print)*

41b. SIGNATURE AND TITLE OF CERTIFYING OFFICER

41c. DATE

42b. RECEIVED AT *(Location)*

42c. DATE REC'D *(YY/MM/DD)*

42d. TOTAL CONTAINERS

Section SF 1449 - CONTINUATION SHEET

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0001		1	Lot	$3,934,745.85	$3,934,745.85

Iceland (US Flag) Contract Base Year

FP-EPA

Iceland breakbulk and intermodal container service between points and port(s) in CONUS and the Iceland Port(s). One year base period of performance - 13 January 2004 through 12 January 2005. Frist sailing is 06 Feb 04.

PURCHASE REQUEST NUMBER: W90XW8-3155-2001

NET AMT $3,934,745.85

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0002		1	Lot	$3,934,745.85	$3,934,745.85
OPTION					

Iceland's (US Flag) 1st option year
FFP
Iceland breakbulk and intermodal container service between points and port(s) in CONUS and the Iceland Port(s). One year base period of performance - 13 January 2005 through 12 January 2006.

NET AMT $3,934,745.85

FOB: Destination

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0003		1	Lot	$3,934,745.85	$3,934,745.85
OPTION	Iceland's (US Flag) 2nd option year FFP Iceland breakbulk and intermodal container service between points and port(s) in CONUS and the Iceland Port(s). One year base period of performance - 13 January 2006 through 12 January 2007.				
				NET AMT	$3,934,745.85

FOB: Destination

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0004		1	Lot	$3,934,745.85	$3,934,745.85
OPTION	Iceland's (US Flag) 3rd option year FFP Iceland breakbulk and intermodal container service between points and port(s) in CONUS and the Iceland Port(s). One year base period of performance - 13 January 2007 through 12 January 2008.				
				NET AMT	$3,934,745.85

FOB: Destination

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0005		1	Lot	$3,934,745.85	$3,934,745.85
OPTION	Iceland's (US Flag) 4th option year FFP Iceland breakbulk and intermodal container service between points and port(s) in CONUS and the Iceland Port(s). One year base period of performance - 13 January 2008 through 12 January 2009.				
				NET AMT	$3,934,745.85

FOB: Destination

INSPECTION AND ACCEPTANCE TERMS

Supplies/services will be inspected/accepted at:

CLIN	INSPECT AT	INSPECT BY	ACCEPT AT	ACCEPT BY
0001	Delivery Location	Government	Delivery Location	Government
0002	Delivery Location	Government	Delivery Location	Government
0003	Delivery Location	Government	Delivery Location	Government
0004	Delivery Location	Government	Delivery Location	Government
0005	Delivery Location	Government	Delivery Location	Government

DELIVERY INFORMATION

Cargo shall be delivered to the destinations as indicated in the individual booking requests.

ACCOUNTING AND APPROPRIATION DATA

AA: 97X4930 FD30 3 E3 35 7740 TTTV0000000 4411 22N9 W90XW831552001 389900
AMOUNT: $3,934,745.85

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Performance Work Statement – Iceland

1.0 INTRODUCTION/BACKGROUND

1.1 Streamlined, Performance-Based Processes

The Military Surface Deployment and Distribution Command has streamlined the processes involved in soliciting, evaluating, awarding, and administering contracts for Intermodal Sealift. The process maintains a competitive environment, while considering the needs of both customers and suppliers, focuses on reducing costs, and implementing performance-based contracts.

The Iceland solicitation/contract is written in accordance with the Iceland Treaty between the United States and the Country of Iceland. The division of the 65/35% sharing of cargo between an Icelandic company and the US Flag Carrier vessels is stipulated and governed by the treaty between the US and Icelandic governments, and is intended to fulfill the obligations under the treaty.

2.0 SCOPE

2.1 Transportation Services

2.1.1 Basic Service

The vessel operating ocean carrier shall provide transportation of lawful cargo by U.S. flag ships or ships operated by Icelandic shipping companies between points and ports in the Continental United States of America (CONUS) as specified in CARE-SM II and the point of NAS Keflavik (NASKEF). The Carrier shall maintain regularly scheduled liner term service on this route throughout the period of the Contract. These services shall be self-sustaining. The Carrier shall provide both breakbulk and intermodal container service, including but not limited to, inland pickup and delivery of cargo, terminal handling, receiving cargo, releasing of cargo, and loading and discharging operations at the Carrier's ports of call. Carriers shall input their schedules into the Integrated Booking System (IBS) or Government designated system. The minimum acceptable frequency of service shall be a vessel call at Iceland at intervals not to exceed twenty-eight (28) days between deliveries to NASKEF. The carrier must provide, at a minimum, same-day-of-the-week service from CONUS/OCONUS within the 28-day cycle. (i.e. Sail 1 Aug 03 from Norfolk, arriving in NASKEF on 13 Aug 03. Departing NASKEF on 15 Aug 03, arriving in Norfolk on 27 Aug 03, Departing Norfolk on 29 Aug 03.)

The Carrier shall provide within the twenty-eight day minimum frequency of service a minimum capability to carry and deliver a container cargo volume of one hundred thirty (130) twenty-foot (20) equivalent units (TEU) if awarded the 65 percent share and seventy (70) TEUs if awarded the 35 percent share. The minimum service must provide for the carriage of twenty or forty-foot dry (2 TEU equivalent) containers in those TEU slots and ten (10) refrigerated containers per 28-day frequency period as those services are ordered by the Government under this contract. The service must provide one thousand two hundred (1,200) and six hundred forty (640) square feet, respectively, of breakbulk-protected stowage for the 65 percent and 35 percent award share. Breakbulk space that is usable for container stowage may be included to meet the TEU minimum requirement

under this section. The minimum capacity of the service can be provided by more than one vessel as long as the aggregate minimum delivery capability is met within the 28-day frequency period. Actual cargo transit time will not exceed twelve (12) days from the last contract required loading port in CONUS to the Carrier's port of discharge in Iceland for NASKEF deliveries and twelve (12) days from the Carrier's port of loading for cargo originating at NASKEF to the Carrier's first contract required discharge port in CONUS. The Carrier will carry any and all cargoes offered by the Government up to the capacity of the vessels offered for use in this trade, with the exception of those limitations of the Carrier's obligations specified in Section 2.7.1 Hazardous Cargo.

2.1.2 Port-To-Point Service

The Carrier's port-to-point service shall consist of spotting a clean, dry, odor free, structurally sound ISO empty container on a chassis at the Carrier's Hampton Roads Area/New York terminal as directed by the OO, receiving stuffed containers at the terminal, loading and transporting the cargo in its vessel, discharging the cargo at its receiving terminal, and transporting the container to NASKEF. Port-to-point service shall be provided in accordance with the terms and conditions for containerized service, as applicable.

2.1.3 Container Pool(s)

The Carrier shall provide and maintain a container pool of no less than three empty, clean, dry, odor free, structurally sound ISO 40-foot dry containers on chassis on a permanent basis at an established location: Buildings CEP201 and SDA213 at the Norfolk Naval Station.

2.1.4 Mileage Rates

The mileage rates by mileage band category (computed by using the mileage calculated from the official source for mileage in IBS which is obtained by the Defense Table of Official Distances (DTOD)) for linehaul/drayage of carrier-provided container to and from point and port locations. These rates shall apply on all US and Canada inland points and are stated as a rate per container for one-way mileage by container size and are only to be used in those instances where no specific port or point rate exists. Upon request, Carrier shall provide service to and from any and all inland CONUS/Canada points. If the mileage rate for a particular CONUS/Canada point-to-port is used more than once within a 30 (thirty) day period, the shipper should determine whether it is a recurring requirement and request a point-to-point rate be added to the contract.

2.2 General Scope

The general scope of services under this RFP includes:

- Ocean Transportation
- Related Intermodal movements and services
- Management Expertise

2.3 Cargo

2.3.1 Types

Types of cargo to be carried are military cargo, mail, and any other cargo shipped by the Department of Defense (DOD) in the Defense Transportation System (DTS).

2.3.2 Carriage

Cargo shall be loaded and discharged at commercial ports in CONUS and Iceland. The commercial terminal in Port Njardvik, Iceland is the perferred port for this contract. The Carrier shall furnish all containers/chassis in CONUS and Port Njardvik, Iceland when required. All cargo shall be stowed so that it is protected from damage due to exposure to the elements. All over-sized, un-containerized breakbulk cargo must be stowed below deck to protect from weather damage.

2.4 Cargo Booking Policy

Cargo designated for shipment will be booked with the U.S. flag carrier or Icelandic shipping company providing acceptable space and a schedule that meets the delivery requirements of the cargo in such a manner that the lowest offer under RFP DAMT01-03-R-0050 and the resultant Contract will carry an amount of cargo not to exceed 65 percent of the total military cargo moving between the United States and Iceland. The remainder of the military cargo will be carried by the resultant Contract of the other country under RFP DAMT01-03-R-0050 and the resultant Contract. The lowest offer shall not be precluded from carrying additional cargo, in excess of 65 percent of the military cargo if the other carrier is unavailable for carriage. In calculating the amount of cargo to be booked with each carrier, the OO will include U.S. Department of Defense cargo shipped by the Carriers as reported by the U.S. Naval Facilities Engineering Command, Atlantic Division. All cargo will be booked by individual rate category to the U.S. flag carrier or Icelandic shipping company that provides acceptable space and schedule meeting the delivery requirements of the cargo. The parties specifically agree that the foregoing may result in varying percentages of cargo being shipped with respect to different categories of cargo and origin to destinations pairings, but that, overall, not to exceed 65 percent of freight will be carried (but not necessarily 65 percent of freight earned) by the lowest offer and the remainder will be carried by the next lowest offer of the other country. The cargo allocation will be tracked on a quarterly basis beginning with Contract commencement. A quarter shall be considered a three calendar-month period. However, for any period at the end of the Contract term, which is less than three months, the allocation of cargo for that period shall be combined with the previous quarter. If one carrier is unavailable for all or any portion of a given quarter as a result of carrier fault and the other carrier therefore carries additional cargo during that quarter, the cargo allocated to such carrier during the current or subsequent quarters of the contact period shall not be reduced to offset the additional cargo carried during that quarter.

2.5 Government Obligation

2.5.1 Volume of Cargo

A projection of cargo to move under contracts awarded pursuant to this solicitation is provided in CARE-SM II

2.5.2 Volume Commitments

a. Minimum

1)Pursuant to the Treaty Between the United States of America and the Republic of Iceland to Facilitate Their Defense Relationship (24 September 1986), the Government agrees to tender for this contract, for outbound shipments only, a minimum volume of 1520 TEUs for each firm annual contract period on the route. The 1520 TEUs minimum will be split (not to exceed 65% and at least 35%) between an Icelandic shipping company and a U.S.-flag carrier IAW the Icelandic Treaty. Such volume shall be booked among all Carriers (in the aggregate) holding outbound contracts that maintain the accepted regularly scheduled service provided.

2) For purposes of this contract, a shipment of cargo in a container of forty-foot (40) length shall be counted as two TEUs, and a shipment of cargo in a container of twenty-foot (20) length shall be counted as one TEU. Breakbulk cargo shall be translated to a TEU equivalent by converting the manifest measure of all such cargo using a conversion of one TEU per 21 measurement tons of cargo tendered. Vehicles shall be translated to a TEU equivalent by converting the manifest measure of all such cargo using a conversion of one TEU per 10.5 measurement tons of cargo . This minimum shall not be commodity specific and may apply to one or all commodities carried by the Carrier, and shall apply to general service trade point/port pairs. Bookings which are tendered to the Carrier up to the maximum space commitment, and which are not accepted by the Carrier for any reason other than Force Majeure or fault of the Government, shall be counted against the minimum volume of cargo guaranteed herein.

3) In the event a Carrier holding a contract on the general service trade is unable to transport the minimum volume guaranteed on the route, the PCO/COR reserves the right to make other arrangements to meet such requirements.

b. Maximum

During the term of this contract, the total cargo to be shipped on the general service trade route shall not exceed the total TEU vessel capacity of all Carriers holding contracts under this Contract, and which are available to transport cargo on such point/port.

2.5.3 Service Commitment

a. Space commitments

Carrier's space commitment shall be as stated at paragraph 2.1.1.

b. Service changes

1) The Carrier may modify its schedule to reflect permanent changes in its regularly scheduled service as offered pursuant to FAR Clause 52.212-1 of the solicitation to the extent that the Carrier remains in compliance with provisions at paragraph 2.1.1. The Carrier must notify the COR 60 calendar days in advance of requested changes. The COR will respond within fifteen (15) working days with approval/disapproval of requested change. The requested changes shall not be entered into Integrated Booking System (IBS) prior to COR approval. Violations of this paragraph shall be subject to the liquidated damages clause and all failures shall be noted in the Carrier's performance record.

2) The Government will consider exemption from the provisions of paragraph 2.1.1 for carriers that anticipate scheduled dry-docking of vessels that call the direct ports listed on the carrier's description of service. Each exception will be reviewed and determined by the COR/PCO based on the extent to which dry-docking directly affects the carrier's ability to deliver cargo and provide service on the affected route(s). Each review will be conducted independently of any other, and each determination will stand on its own without regard to establishing precedent. Carriers will provide the COR/PCO a minimum of one hundred twenty (120) days notice of an impending dry-dock. The Dry-dock Notice will include the vessels, the routes and port calls involved, the dates of the dry-docking, the dates of the change in service, and a description of the carrier's best effort to provide the same level of service, including substitution of vessels and other affected assets. Notices submitted less than one hundred twenty (120) days before the dry-docking will not be considered.

2.6 Period of Performance

This Contract shall be in effect for all cargo booked to the Carrier or its agent for sailings on or after 0001 hours local time from 01 November 2003 and shall remain in force for all cargo booked to the Carrier or its agent for all sailings scheduled on or before 31 October 2004, or if the First Option is exercised, through 31 October 2005, or of the Second Option is exercised, through 31 October 2006, or if the Third Option Period is exercised, through 31 October 2007, and if the Fourth Option is exercised, 31 October 2008.

2.7 Limitations of Carrier's Obligation

2.7.1 Hazardous Cargo

1) The Carrier has the right to reject hazardous cargo including explosives; or any cargo deemed to be dangerous or undesirable (due to the hazardous nature) in character other than such cargo for which a contracting specific commodity rate is provided herein**. (Refer to Attachment 1)**

2) The Carrier shall refuse to transport hazardous cargo either by land or by ocean, which does not conform in all aspects to applicable U.S. or foreign governmental regulations.

3) A list of hazardous cargo expected to be shipped under this contract is at **Attachment 1**. Carriers will identify to the PCO any cargoes listed on this attachment, which are precluded from carriage due to Carrier policy (versus regulatory preclusion) prior to award. Unless Carriers have specifically identified which commodities are precluded from shipment on their vessels, Carriers must accept all commodities listed at **Attachment 1** when they are packaged, labeled, and documented in compliance with regulatory requirements. Carriers must notify the Contracting Officer of any changes to the precluded hazardous cargo list during the contract period.

3.0 GENERAL

3.1 Performance Requirement

Performance Requirements in this document are expressed in the following manner:

Each performance requirement may contain the following three elements. In each case, when taken together, these elements constitute a performance requirement.

- **Performance Objective** – The desired outcome or result expected of the Carrier.
- **Performance Measures** – The critical characteristics or aspects of achieving the objective that will be monitored by the Government. Each objective may have one or more measures.
- **Performance Standards** – The targeted level or range of levels of performance measured.

3.2 Use of Performance Measures/Standards

Not every performance objective in this contract has a related performance measure or performance standard. However, every performance objective is a contractual requirement. For those performance objectives that do not specify a measure or standard the measures and standards are IAW standard commercial practices, i.e., substantial compliance with local customary trade practice. Unless otherwise noted, performance objectives without measures and standards imply standards of 100 percent. Performance measures/standards, where specified, may be used to achieve a variety of goals, including collection of data to test the practicality of a performance standard; identification of a performance standard of less than 100 percent compliance; emphasis on most critical performance objectives; collection of data to support quality assurance and contractual remedies (including evaluation of past performance, discussion at Quality Council meetings etc.) and similar goals.

3.3 Performance Objectives

3.3.1 Vessel Schedule

Performance Objective No. 1 Published Schedule – The Carrier shall provide to the COR/SDDC, NASKEF and FISC Norfolk Ocean Terminal an updated sailing and arrival schedule, including pier cut-off, of not less than five (5) **roundtrip** sailings via e-mail at least every 45 days through the life of the Contract.

Performance Measures:	Performance Standards:
Timely submission of sailing and arrival schedules.	COR will monitor schedules

Performance Objective No. 2 IBS Schedule Entry – Carrier shall enter schedules into IBS or Government designated successor/system. Carrier shall use Defense Transportation Regulation (DTR) (DOD 4500.9-R, Part 2) port codes to identify ports-of-call and regulations. Carriers will obtain user ID and password as needed to access internet based systems and if required also obtain digital identity certificates.

Performance Measures:	Performance Standards:
Timely submission schedules	COR will monitor schedules

Vessel Schedules –Initial submissions shall be entered within five days of contract award (timeliness). Continuing vessel schedules shall be provided to SDDC not less than 45 days prior to the earliest sail date on the schedule. Failure to comply will be entered into the Carriers' Performance Assessment Report (PAR).

3.3.2 Position Reports

Performance Objective No. 3 Daily Position Reports – The Carrier shall furnish the Government with the daily position of the vessel(s) serving this Contract.

Performance Objective No. 4 Notice of Deviation of Arrival – Carrier shall notify the Government (COR, FISC Norfolk, NASKEF Iceland and SDDC 956th Transportation Company, Fort Monmouth (inbound)) within 48 hours of any deviation of originally published scheduled arrival.

Performance Objective No. 5 Service Frequency – The Carrier's vessel(s) must call at discharge and loading ports at intervals not to exceed 28 days or COR approved variations.

Performance Measures:	Performance Standards:
Arrival dates	100% per year

Performance Objective No. 6 Transit Time – The Carrier's transit time shall not exceed 12 days from the perferred CONUS port of loading (Norfolk Area) to Iceland and 12 days from Iceland to the Government discharge port in CONUS (Norfolk Area).

Performance Measures:	Performance Standards:
Transit times	100% per year

3.4 Cargo

Performance Objective No. 7 All Cargoes – The Carrier shall carry any and all cargoes offered by the Government that were released by the government in time for receipt at the carrier's terminal prior to the vessel cut off (at least two days before sailing for dry and one day before sailing for reefers), up to the capacity of the vessels offered for use in this trade, with the exception of those limitations of the Carrier's obligations specified in the contract. Government cargo booked through the Defense Transportation System (DTS) shall take precedence over commercial cargo for both booking and lift.

Performance Measures:	Performance Standards:
Rejected booking versus capacity	0%

3.4.1 Electronic Data Interchange

3.4.1.1 Electronic Communication

Performance Objective No. 8 EDI/OCI Protocols – The Carrier shall use Electronic Data Interchange (EDI) protocols or Ocean Carrier Interface (OCI) as the primary means for interfacing with the Military Surface Deployment and Distribution Command (SDDC).

Interface using the following order of preference:

- EDI
- OCI

SDDC will make OCI training available as required to Carriers.

3.4.1.2 Transaction Sets and Concepts of Operations

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

3.4.2 Containers and Chassis

Performance Objective No. 9 Delivery of Containers – Carrier shall furnish to the government, a clean, dry, empty, odor free, structurally sound ISO container on a chassis at a specific point and date, designated by the Government by booking terms including:

- Spotting the empty containers;
- Moving the stuffed container from the shipment origin to the Carrier's
- commercial terminal;
- Receiving and handling the stuffed container at its loading terminal;
- Loading the container on the vessel in CONUS and NASKEF/OCONUS;
- Transporting the containers;
- Discharging the containers from the vessel in CONUS and

NASKEF/OCONUS;

- Handling the container at the Carrier's receiving terminal
- Obtaining Customs clearance; Delivering the container to its inland destination.
- Grounding the container (when requested)

When requested by the receiving activity, the Carrier shall provide off-loading from the trailer or chassis where Government container handling equipment is not available. The Government does not anticipate the need to utilize Carrier off-loading service in the absence of Government container handling equipment for more than twenty-five (25) percent of the total containers delivered per voyage.

Chassis provided by the Carrier shall be compatible with Government furnished tractors, unless waived by the OO. The Carrier shall pick up and remove a stuffed container from the Government facility within one (1) working day of notification unless waived by the COR. When requested, the Carrier shall remove an empty container(s) within three (3) working days unless waived by the COR.

Pick up time provisions shall commence at 0800 hours on the day following carriers' receipt of notification that the container is ready to be transported unless this requirement is waived by the OO. Time shall not run during Saturdays, Sundays, and locally observed holidays.

Performance Measures:	Performance Standards:
Failure to meet booking terms	No allowance
Failure to meet sailing date	0% deviation per voyage

Performance Objective No. 10 Furnished Chassis – Containers delivered to the Government shall be on chassis, which shall remain with the containers while they are in the custody of the Government, unless this requirement is waived by the OO.

Performance Measures:	Performance Standards:
Size and number of chassis	0% unless waived by the OO

3.4.3 POV Transport

Performance Objective No. 11 Privately Owned Vehicles Service (POV) – Moving Between Carrier-Operated CONUS VPCs and Government Operated POV Facility at NASKEF. The ocean carrier service shall consist of receiving a containerized POV from the Government's agent at a specific point designated by the Government. The Carrier shall transport containerized POVs both outbound and inbound discharging the containerized POV at its receiving terminal in CONUS or releasing the containerized POV to Government personnel or agents at NASKEF.

The booking of POVs with the Carrier is premised on the ability of the Carrier to achieve the RDD associated with each individual POV. The ability of the Carrier 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 Carrier 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 Carrier warrants that it can achieve delivery of the POV by the designated RDD under the terms and conditions of this contract. If the Carrier fails to deliver a POV on or before the RDD, the Contracting Officer shall assess $30.00 damages per diem against the Carrier. Damages shall be assessed for each day that the delivery exceeds the RDD, including the day of delivery, up to a maximum period of seven calendar days (maximum Carrier liability of $210.00 per POV). The Carrier may be exonerated from this liability only under circumstances constituting Force Majeure or an Excusable Delay (FAR 52.249-8 entitled Default (Fixed Price Supply and Service) Alternate I (APR 84)). The Carrier 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 Carrier bears the burden of establishing exoneration on the basis of any Force Majeure or Excusable Delay circumstance as negotiated between the Carrier and the Contracting Officer.

Performance Measures:	Performance Standards:
Carrier Damages	NTE $500 in claims per year

3.4.4 Inland Delivery

3.4.4.1 Basic Service

Performance Objective No. 12 Establishment of Delivery Time – The Carrier shall contact the consignee to establish a delivery time of not later than 1 working day for reefers and mail and not later than 2 working days for all other cargo.

Performance Objective No. 13 Discharge of the Container – Unless delay is requested by the OO, the Carrier after the discharge of the container from the vessel or after custom clearance, whichever occurs later, will commence inland transportation within one (1) working day for containers loaded with mail or refrigerated cargo and two (2) working days for containers loaded with dry cargo, with the exception of vehicles in container(s), that will be delivered within forty-eight (48) hours after the container has been discharged from the vessel. Time shall not run on Saturdays, Sundays, or locally observed holidays. Upon delivery, the Carrier will present the consignee with a delivery receipt that shall include: destination warehouse, pieces, weight, cube, and description of cargo, and TCN for the container. The carrier's drayage or line-haul service shall consist of delivery of the container on a chassis at a place designated by the OO and spotted at a specific available point (such as a warehouse door or loading platform), designated locally at the time of arrival by the receiving activity, for stuffing or un-stuffing, the transportation of the stuffed container between such place of loading and the carrier's terminal and the removal of the empty container after un-stuffing. Drayage/line-haul service, within the meaning of this provision, includes the spotting of the container at one location at the stuffing or un-stuffing activity. The inland cargo transit after commencement of on carriage for delivery shall not exceed one day for every 300 miles of the shortest road distance from the port of discharge to the final delivery point. The carrier will submit documentation to the proper authorities for customs clearance the day of discharge or within one working day of receipt of appropriate documentation from the shipper.

Performance Measures:	Performance Standards:
On-time performance	100%

3.5 Ancillary Services

3.5.1 Tank Containers (Inbound, NASKEF to CONUS)

The Carrier shall provide intermodal service for the movement of bulk cargo in tank containers. The Carrier will be paid for this service in accordance with the rates set forth in CARE-SM II System of the Contract.

3.5.2 Deicing Fluid in Tank Containers (Outbound, CONUS to NASKEF)

The Carrier shall transport deicing fluid in bulk intermodal tank containers. This specific cargo shall be offered in a Government-provided tank container in a cradle, but without a chassis. This cargo has been determined to be not hazardous for shipping by the Secretary of Transportation and the International Maritime Organization.

3.6 Refrigerated Containers

3.6.1 General

The Carrier for this service shall provide self-sustaining refrigerated containers not more than two years old at the beginning of the contract period.

Performance Objective No. 14 Refrigerated Containers – Carrier shall provide to the stuffing activity self-sustaining refrigerated (reefer) containers in good working order, pre-cooled to the in-transit temperature specified by the Government.

Performance Objective No. 15 Freeze – Containers shall be maintained at an internal temperature plus or minus three (3) degrees Fahrenheit of the specified in-transit temperature from the time of initial stuffing until un-stuffed at final destination.

Performance Measures:	Performance Standards:
Temperature	+/-3^0 of specified
Evidence of Thawing/Product Damage	0%

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

Performance Objective No. 16 Chilled – For Chilled Cargo in refrigerated containers only, the in-transit temperature specified in the booking/shipping order for service shall be maintained by the Carrier at an internal temperature plus or minus three (3) degrees Fahrenheit of the specified temperature from the time of initial stuffing until un-stuffing at final destination providing that such variance does not allow cargo freezing.

Performance Measures:	Performance Standards:
Temperature	+/-3^0 of specified
Product Damage	0%

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

3.6.2 Carrier Inspection of Contents

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

3.6.3 Temperature Recording

Performance Objective No. 17 Temperature Recorders – The Carrier shall furnish two operable continuous temperature-recording instruments (to include at least one interior Ryan-type recorder), in each refrigerated container ordered. These instruments shall measure and record, in a legible manner, any variation in temperature of one-degree Fahrenheit or more inside the container during the time it is loaded with cargo. Upon request, the Carrier shall make available the original printed records of the temperature maintained during the transit from origin to destination for inspection by the receiving activity when the container is delivered. Upon request of the consignees, a copy of the original record shall be provided to the receiving activity within five (5) business days.

3.6.4 Maintenance

Performance Objective No. 18 Electrical Systems – It is the sole responsibility and cost of the Carrier to maintain its refrigerated container equipment in good working order from time of spotting to time of delivery to consignee. Reefers shall arrive and be inspected and certified by the carrier as being capable of operating at 220 and 440 electrical volts.

Performance Measures:	Performance Standards:
Evidence of spoilage or damage	0%

3.7 Breakbulk Service

3.7.1 Basic Service

Performance Objective No. 19 Breakbulk Cargo – The Carrier's breakbulk service shall consist of receiving cargo at the Carrier's Hampton Roads Area**,** VA and/or New York, NY port terminal(s) in CONUS for cargo

destined for Iceland (outbound cargo) or at NASKEF for cargo destined to CONUS (inbound cargo); transporting the cargo between NASKEF and the Carrier's port terminal in Iceland for inbound cargo; loading and transporting the cargo in its vessel(s); discharging the cargo at its receiving terminal(s) in CONUS (Hampton Roads Area, VA and/or New York, NY) or Iceland; and delivering the cargo to NASKEF for outbound cargo. Breakbulk service shall be provided in accordance with the terms and conditions for containerized service, as applicable. Unless otherwise specified, all breakbulk cargo shall be carried with protected stowage on board the Carrier provided vessel. The coating of any breakbulk cargo with any protective substance by the Carrier is expressly prohibited. Un-containerized breakbulk cargo shall be carried and stowed under deck.

3.8 Documentation

3.8.1 Load Port

The Carrier shall provide (by mutually agreeable electronic means) cognizant SDDC activity and the activity responsible for cargo documentation with the following information and hard copy documentation, in connection with cargo loaded at each port.

3.8.1.1 Container Receipt Information

Performance Objective No. 20 Container Receipt Data – The Carrier shall provide accurate container receipt information. Container receipt information shall consist of carrier name, port of loading, date container received at port, container number with ALPHA prefix, TCN, and seal and/or keyless lock number. The carrier shall provide this data electronically within four-(4) working hours of container receipt. The carrier shall transmit the hard copy within one (1) working day of container receipt.

Performance Measures:	Performance Standards:
Accuracy rate of container number	100%
Accuracy of associated information	97%

3.8.1.2 Cargo Receipt

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

Performance Objective No. 21 Receipt and Recordings of Exceptions –The Master shall sign the manifest or receipt acknowledging receipt of the cargo in apparent good order and condition or he/she shall record thereon any apparent damage to or shortage of such cargo or any other specific exception to the cargo as listed on the manifest or receipt.

For containerized cargo, both received by the Carrier and delivered at destination under seal, the Master's receipt acknowledges only the apparent good order of the container.

3.8.1.3 Container Lift Information

Performance Objective No. 22 Container Lift Information – The Carrier shall provide to SDDC accurate container lift information consisting of the following: name of vessel and voyage document number, Vessel

IRCS, container number with ALPHA prefix, TCN, port of discharge, final destination, general description of container contents (i.e., general cargo, mail/mail equipment, POV, other vehicles, refrigerated cargo), and seal and/or keyless lock number. This data shall be provided electronically within eight-(8) working hours after vessel departure. Hard copy shall be transmitted within one (1) working day after vessel departure.

Performance Measures:	Performance Standards:
Accuracy rate of container number	100%
Accuracy of associated information	97%

Performance Objective No. 23 Seal Breakage – The Carrier shall notify the COR and provide a complete report if a seal on any container has been broken and/or replaced while in the Carrier's custody.

Performance Objective No. 24 Discrepancy Report – The Carrier shall provide both the cognizant SDDC activity and local activity responsible for cargo documentation a listing by container number and TCN of containers that were booked but not loaded, and the reasons why the containers missed their designated scheduled sailing. A report also must be generated for containers loaded but not booked. Such reports shall be furnished electronically within eight-(8) working hours after vessel departure. Hard copy shall be transmitted within one (1) working day after vessel departure.

Performance Measures:	Performance Standards:
Receipt of carrier reports and military manifests	100%

3.8.2 Discharge Port

Performance Objective No. 25 Customs Information – The Carrier must submit a cargo manifest to customs at least twenty-four (24) hours prior to loading in a foreign port (except for bulk cargoes, where the manifest is to be submitted at least 24 hours prior to arrival

3.8.3 Operational Reports

Performance Objective No. 26 Shortfall Notification –The Carrier shall provide notice to the COR upon knowledge of any operational shortfall that occurs relative to the service. Examples of operational shortfalls include sailing delays, container unavailability, strikes, receiving delays, port backlogs, and equipment failures such as ship cranes, etc.

3.8.4 DOD Intransit Visibility Requirements

3.8.4.1 Shipment Tracking

Performance Objective No. 27 Tracking and Tracing –The Carrier shall provide tracing and tracking capability.

3.8.4.2 Tracking Data

Performance Objective No. 28 Tracking Data – For those transportation and intermodal services provided by the Carrier to meet booking requirements, the Carrier shall provide shipment status reports using the 315 transaction sets in EDI standard or OCI to SDDC to enable the Government to track

shipments and to support the MRM15 initiatives. Listed below are the reports required by the Government. The Carrier is not required to report events that are outside the scope of the booking.

Performance Measures:	Performance Standards:
Provide accurate 315 transaction sets	100%
Submit 315 report (lift data) within 8 hours of accomplishing the event.	100%

All other events shall be reported as indicated in notes below:

Code	Meaning	Notes
EE	Empty spotted	Actual spotted container
W	Pickup of loaded container	Required only if Carrier provides inland dray/line-haul
I	In-gate	At Port of Embarkation (POE)
VD	Vessel sails	Report is required at POE and at transshipment ports
VA	Vessel arrival	Report actual vessel arrival in 4 hrs
UV	Vessel discharge	Report is required at POD and at transshipment ports
X1	Deliver to consignee	
EC	Empty container pickup	

3.8.5 EDI

EDI addressing and testing requirements information will be provided by SDDC OPS, Documentation. Point of Contact to address any questions is Mr. Joe Repp (757) 878-8621.

3.9 Quality Council Meetings

Performance Objective No. 29 Quality Council Participation – The Carrier shall participate with the Government in an effort to continuously improve the processes involved in providing excellent international cargo transportation services.

Quality Council membership may consist of SDDC representatives, cargo shippers, COR, other contracting personnel, receiving activities, and the Carrier.

The Carrier's assistance shall include participation (preparation, active participation, and follow-up) in semi-annual quality council meetings during each year of this contract. The purpose of the Quality Council meetings is to identify and develop solutions to operational problems.

3.10 Annual Performance Evaluations

In accordance with FAR Part 42.1500 and AFAR 5142-15 Contractor Performance Information will be collected on the carrier's performance on the Performance Objectives and any other pertinent information regarding the carrier's performance will be entered in the Performance Assessment Report (PAR) for each year of the contract. These PARs will be entered into the Past Performance Information Management System (PPIMS) which is the Army's central repository for past performance information. This information will remain in the database for use as source selection for three years after the end of contract performance.

3.11 Liquidated Damage Records

The PCO will determine if any liquidated damages are due to parties to the contract. See FAR Part 52.211-11, Liquidated Damages—Supplies, Services, or Research and Development (Apr 1984)

a. For liquidated damages due to the Government, the COR shall provide the PCO a list identifying cargo shipments in default, frequency of service defaults, and assured transit defaults during each month of the contract period. The PCO shall send Liquidated Damage Calculation Notice (LDCN) to the Carrier with a copy to the COR. The Carrier will have 10 working days from the date of LDCN to review and provide the PCO with any documentation available to substantiate a correction to the LDCN. The PCO shall review the Carrier's submission and issue an amended LDCN if required.

b. In the event that the Carrier and the PCO are unable to reach agreement, the PCO shall issue a determination. The Government shall adjust the amount of any LDCN against monies due and payable under any shipping order at regular intervals. However, no disputed portion of the LDCN shall be offset until the PCO has rendered a decision.

4.0 CONTRACT ADMINISTRATION

4.1 Administrative Contracting Officer

The administration for this Contract is located at the Military Surface Deployment and Distribution Command in Alexandria VA, at (703) 428-3304, fax number (703) 428-3325.

4.2 Shipping Orders

When transportation services are ordered under this Contract in accordance with IBS booking procedures, the Carrier shall prepare all necessary paperwork including vessel papers or manifests listing the cargo stowed in containers aboard the vessel. These documents shall be deemed to be an Order within the meaning of the Ordering Clause (FAR 52.216-19).

4.3 Container Size Ordered/Provided

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

4.4 Application of Rates

4.4.1 Expression of Rates

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

4.4.2 Containerized Cargo

Containers stuffed with general cargo (including mail/mail equipment), refrigerated cargo, vehicles, neo-bulk cargo (bulk commodities in tank containers), controlled atmosphere cargo, hazardous material cargo, flatrack service, and recyclable cargo shall be freighted at the appropriate rate(s) stated in CARE-SM II System.

Containers stuffed with vehicles shall be freighted at the applicable measurement ton rate stated in CARE-SM II System. Vehicles shall be freighted on the basis of extreme dimensions as offered for shipment not to exceed the maximum inside cubic capacity of the container.

4.4.3 Breakbulk Cargo

Breakbulk cargo shall be freighted by applying the applicable rate to the manifested measurement tonnage of the cargo. Cargo booked as breakbulk cargo shall be so freighted, regardless of whether containerized for the Carrier's convenience.

4.4.4 Accessorial Charges

Accessorials are not applicable under this Contract.

4.5 Exceptions to General Application of Rates

4.5.1 Carrier Imposed Weight Restrictions

When a container is precluded from being utilized to its maximum capacity because of Carrier imposed restrictions which limit the weight carrying capacity below the maximum weight carrying capacity of the container, the cargo shall be freighted at the applicable measurement ton basic rate applied to the manifest measure of the cargo applied pro-rata to useable carrying capacity (e.g., if the maximum capacity of the container is 20,000 lbs. but the restricted capacity is 15,000 lbs. the container shall be freighted at 75 percent of its usual measurement ton rate). Containers on which such restrictions are imposed shall not be utilized under this Contract.

4.5.2 Government Furnished Containers

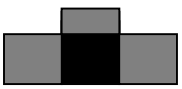
The Carrier's charges for through transportation of commercially acceptable Government containers will be ninety-five percent of the appropriate container rate for that cargo commodity when shipped in dry or flatrack containers and 70 percent for tank containers. The Carrier's charges for empty Government containers shall be one-half the appropriate rate for that container type. When detention is incurred on the Carrier’s chassis in connection with service provided for Government containers, the chassis detention rates will apply.

4.5.3 High Cube Containers

If the Government orders the use of a high cube (9'6" high) 40-foot container, the Carrier will be paid 110 percent of the appropriate container rate in CARE-SM II System.

4.5.4 Over Dimensional and Unusual Size Cargo Service

Rates will be negotiated in IAW Section 5.3



4.6 Refunds, Rebates and Credits

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

4.7 Agreed Cost Responsibility

4.7.1 General

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

4.7.2 Responsibility of the Carrier

The Carrier is responsible for the costs associated with the following services:

4.7.2.1 Furnishing and Maintaining Clean Containers and Chassis

4.7.2.2 Drayage of Containers

Including: furnishing and maintaining tractors; furnishing drivers; delivery costs of movement of containers, including tractors and driver; highway, ferry, tunnel and bridge tolls; and user taxes.

4.7.2.3 Vessel Operations

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

4.7.2.4 Stevedoring Costs

All Stevedoring costs and costs of loading and discharging and preparation, including special fire or security watch required by port regulations due to loading and discharging operations.

4.7.2.5 Container Terminal Costs

All container terminal costs including: receipt of containers; stevedoring; port handling; marshaling of containers; and cleaning containers before stuffing and after un-stuffing.

4.7.2.6 Taxes, Dues, Fees and Other Charges

Taxes, dues, fees and other charges (including storage charges levied by governments, ports authorities, or wharfingers) on breakbulk cargo, containers and the contents thereof.

4.7.2.7 Handling Charges

Handling charges including terminal tariff handling charges according to the custom of the port; agency fees in connection with port clearance of cargo; and harbor and quay charges charged to cargo based on local tariffs.

4.7.2.8 Landing and Wharfage Charges

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

4.7.3 Responsibility of the Government

The Government is responsible for the cost of the following services:

4.7.3.1 Respot of Containers

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

4.7.3.2 Container Stuffing and Un-stuffing

Container stuffing and un-stuffing including: labor employed; packing material and/or dunnage employed; preparing documentation; sealing the container; removal of packing material, dunnage and placards.

4.7.3.3 Surveyor Fees

When services are ordered by the Government or when resulting from dispute between the Government and the Carrier and resolved in favor or the Carrier and any drayage or line-haul charges listed under Section
4.7.2.2 above when performed by the Government.

4.7.3.4 Fines or Charges

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

4.7.3.5 Additional Personnel

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

4.7.3.6 Contaminated Cargo Costs

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

5.0 SPECIAL CONTRACT REQUIREMENTS

5.1 References to “Master” or “Crew”

All references in this Contract to "Master" or "Crew" or other ship's personnel shall be deemed to be references to "Carrier's Representative" except when the context precludes such reading.

5.2 Limitation of Government Liability

5.2.1 Dead Freight

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

5.2.2 Required Delivery Dates

Notwithstanding any other provisions of this Contract, the Government may make alternative transportation arrangements, without notice to the Carrier, for any cargo that the Carrier cannot deliver by the Required Delivery Date (RDD) provided by the **OO** for that cargo. The determination to make alternative transportation arrangements on the basis of RDD shall be made by the OO after submission of a request in writing from the PCO for such arrangements.

5.3 Excepted Category Cargo

Excepted category cargoes are listed below. Pursuant to the Changes Clause (FAR 52.212-4) rates for their carriage may be negotiated by the Contracting Officer prior to booking. The Carrier shall not accept excepted category cargo for shipment unless a rate for its carriage has been negotiated with the Contracting Officer or the Contracting Officer has issued an un-priced change order pursuant to FAR 52.212-4. Cargo categories not excepted below and for which specific rates do not appear herein, shall be carried at the applicable General Cargo rate.

- Aircraft (unboxed)
- Bulk Cargo (not containerized in tank cars, vehicles, or containers)
- Boats over 40 feet in length

- Unit Moves

- Oversize/Overweight Cargo (single shipment quantity in excess of 50,000 pounds or 30 measurement tons)

5.4 Improper Documentation

If the Government does not provide the Carrier with the correct container documentation at the time and location of Carrier acceptance, the Carrier shall refuse to accept the container. The Carrier shall be held responsible if he chooses to pick-up or accept the container. The Carrier then 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 shall be provided within one (1) working day of receipt or lift, or earlier if necessary to meet the scheduled vessel sailing.

The Government shall hold harmless the Carrier, the Master, and the vessel of and from all consequences or liabilities that may arise from any irregularity in the papers supplied by the Government, and shall reimburse the carrier the direct cost of any fines or charges incurred as a result thereof in accordance with Section 4.7.3.4 of the Contract.

5.5 Failure to Spot

5.5.1 Remedies

When the Carrier fails to spot an empty container by the designated date and time, and as a result there is not reasonable time to allow stuffing and release of the container in sufficient and reasonable time to meet the scheduled sailing date of the vessel to which the container is booked, the Carrier shall be liable either for the payment of liquidated damages or for the reimbursement of expenses incurred by the Government to obtain alternate transportation of the container. The Government shall also be entitled to cancel the booking of such cargo.

5.5.2 Container Liquidated Damages

Liquidated damages shall be equal to the detention charges set forth in Section 5.16.2 for each 24-hour period, or pro-rata portion thereof, from the time of completion of loading of the vessel to which the container was originally booked to the time of commencement of loading of the Carrier's next scheduled vessel to the port of destination to which the container was booked. If the Government cancels the booking, the Carrier's liability for liquidated damages shall be limited to the period ending with cancellation. Charges will not begin to incur until the Carrier has notified either the Shipper or Consignee of the situation with a copy of notification to COR.

5.5.3 Alternate Transportation

If the Government elects to employ alternate intermodal transportation to move the container to another port, the Carrier shall be liable for any expenses or costs incurred by the Government above the expenses that normally would have been incurred had the container been furnished by the designated time and date.

5.5.4 Government Responsibility for Failure

Neither liquidated damages nor charges for Government expenses will be assessed if the Carrier can establish: 1) that the inability to spot the container as agreed is the result of the Government's failure to un-stuff and release an empty container to the Carrier within a reasonable time to meet the required spotting date; 2) that it advised the PCO/COR of such inability at least seven (7) days prior to the required spotting date; and 3) that the Carrier only accepted bookings which could reasonably be expected to be fulfilled.

5.6 Delay in Spotting

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

5.7 Overweight Containers

5.7.1 Cost Liabilities

If the Government stuffs a container with cargo weighing in excess of the container's standard maximum weight carrying capacity, the government shall remove or pay the expense of removing the excess of cargo, reimburse any fines or penalties exacted of the Carrier in moving or handling the excess weight of cargo. All fees or other costs incident to weighing containers shall be the responsibility of the Carrier.

5.8 Government Failure to Timely Release Containers

5.8.1 Occurrence

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

5.8.2 Load on the Next Vessel

The Government may allow the Carrier to load the container on the next Contract vessel scheduled to the booked port of debarkation.

5.8.3 Move to Another Place for Shipping

The Government may order the Carrier to move the container to another place, including another Carrier's terminal. The Government shall bear all costs of such movement.

5.9 Carrier Failure to Load Containers

5.9.1 Occurrence

When a stuffed container is released by the Government within reasonable time to meet the scheduled sailing time and date of the Carrier's vessel to which it is booked and the container is delayed, or there is a delay in sailing as scheduled in excess of 48 hours through the fault of the Carrier precluding the container from being loaded on the vessel, the Government shall have the remedies set forth below.

5.9.2 Load on the Next Vessel

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

5.9.3 Move to Another Shipping Place

The Government may take possession of the container and transport it by any means available to the Government; or, the Government may direct the Carrier to transport the cargo to a destination of their choosing, whereby the Government will prepare the cargo for air/ocean shipment. The Carrier shall be liable for freight and any other expenses paid by the Government for movement of the container/cargo over that freight which would have been paid to the Carrier if it had been loaded as originally booked. The Carrier shall be liable for liquidated damages equal to detention charges commencing at the time of completion of loading of the vessel to which the container was originally booked and ending when the vessel on which the container is loaded sails. The Carrier shall also be liable for freight, and any other expenses, paid by the Government for movement of the container over that freight which would have been paid to the Carrier if it had been loaded as originally booked.

The Government shall responsible to return the container to the Carrier. Depending on which mode of transportation is chosen for movement. The container will be returned after it is empty at either POE or POD. If applicable, rental shall be IAW paragraph 5.24 Equipment Leasing.

5.10 No Fault Failure to Meet Sailing

5.10.1 Occurrence

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

5.10.2 Load on the Next Vessel

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

5.10.3 Move to Another Shipping Place

The Government may take possession of the container and transport it by any means available to the Government; or, the Government may direct the Carrier to transport the cargo to a destination of their choosing, whereby the Government will prepare the cargo for air/ocean shipment. The Carrier shall be liable for freight and any other expenses paid by the Government for movement of the container/cargo over that freight which would have been paid to the Carrier if it had been loaded as originally booked. The Carrier shall be liable for liquidated damages equal to detention charges commencing at the time of completion of loading of the vessel to which the container was originally booked and ending when the vessel on which the container is loaded sails. The Carrier shall also be liable for freight, and any other expenses, paid by the Government for movement of the container over that freight which would have been paid to the Carrier if it had been loaded as originally booked.

The Government shall responsible to return the container to the Carrier. Depending on which mode of transportation is chosen for movement. The container will be returned after it is empty at either POE or POD. If applicable, rental shall be IAW Section 5.24 Equipment Leasing.

5.11 Delay of Scheduled Sailing

5.11.1 Occurrence

If the scheduled sailing to which booked cargo is delayed, through no fault or failure of the Carrier, more than forty-eight (48) hours beyond either the departure time scheduled when the booking was accepted, or the time the stuffed container arrived at the Carrier's terminal, whichever is later, the Government shall have the alternatives set forth below.

5.11.2 Container Release

The Government may allow the container to move on the delayed sailing.

5.11.3 Move to Another Shipping Place

The Government may take possession of the container and transport it by any means available to the Government; or, the Government may direct the Carrier to transport the cargo to a destination of their choosing, whereby the Government will prepare the cargo for air/ocean shipment. The Government shall be liable for freight and any other expenses paid for the movement of the container/cargo over that freight which would have been paid to the Carrier if it had been loaded as originally booked. The Government shall return the container to the Carrier after the container has been unloaded and delivered to the point of debarkation.

5.12 Diversion for the Convenience of the Government

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

5.13 Transfer of Containerized Cargo

The Carrier shall not transfer or transload cargo from one container to another without the authorization of the PCO/COR except when such transfer is required to safeguard the cargo during the continuation of the movement. When cargo is transferred from the original container, the Carrier shall immediately notify the SDDC activities having cognizance over the loading and discharge ports. Such notice shall contain the serial number and seal number of the original container, and of the container to which cargo was transferred, the place where the transfer occurred and the reason for the transfer. When the container to which the cargo was transferred differs in internal cubic capacity from the original container, freight shall be based upon the cubic capacity of the original container.

5.14 Government Drayage/Line-Haul

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

5.15 Time

5.15.1 Free Time Allowed

The total amount of free time in Iceland will be fifteen (15) working days. The total amount of free time in CONUS will be ten (10) working days.

5.15.2 Commencement of Free Time

Time shall commence to run at 0800 hours local time after the container is physically tendered for delivery.

5.15.3 Running of Time

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

5.15.4 No Running of Time

Time shall not run during any period containers are held due to local labor disturbances.

5.15.5 Cessation of Time

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

5.15.6 Delivery at Carrier's Terminal

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

5.16 Detention

5.16.1 Incurrence

In the event the Government holds the Carrier's container longer than the free time allowed, the Government shall pay detention charges as set forth below.

5.16.2 Computation of Detention

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

Container Detention Charges

A. **DRY CARGO CONTAINER:** (Includes closed containers, open top containers, flat racks, car carriers, any of the above with chassis, and chassis alone)

20 FT and Over	$11.00
40 FT and Over	$15.00

B. **REFRIGERATED CONTAINER:** (Includes container with chassis)

20 FT and Over	$30.00
40 FT and Over	$41.00

5.16.3 Detention Invoices

Detention invoices shall be submitted to the COR/PCO's representative designated to certify such invoices no later than six (6) months from the date the empty container is returned to the Carrier. Detention invoices received after that time will not be certified for payment and the Carrier waives any right to payment thereafter.

5.16.4 Chassis Detention

When Government owned or leased chassis are not provided for carriage of Government owned or leased containers, and the carrier must furnish its own chassis, the carrier's chassis will be subject to the same detention and free time provisions as prescribed in Section 5.15 and 5.16. When return of chassis to the carrier is delayed by the Government beyond the allowable free time and the chassis is being used solely for the carriage of Government owned or leased containers, the carrier shall assess detention charges as specified in Section 5.21.

5.17 Use of Government Terminals

The Carrier shall pay the Government, represented by the agency operating the terminal for any services or materials provided in accordance with the rates, terms, and conditions established by that agency if the Carrier utilizes a Government terminal to provide any services under this Contract.

5.18 Shifting Docks

Within a vessel's port of call, the COR/PCO may require the vessel to call at, or shift to a particular dock wharf, place or open roadstead at which the vessel can lie safely afloat at any time of tide, or at which, in the judgment of the Master, the vessel may lie safely aground, and to and from which the vessel may safely proceed when the aggregate of the cargo to be loaded or of the cargo to be discharged at such location is 300 measurement tons or more. If the COR/PCO orders such a call or shift and less than 300 measurement tons of cargo are loaded or discharged, the direct costs of such shift shall be reimbursed by the Government. The calculation of measurement tons shall be 20.3 measurement tons for each TEU if the cargo is containerized and the actual manifest measure of any breakbulk cargo. Nothing herein shall be construed as a warranty by the Government of berth, or approaches thereto, at facilities owned or operated by or for the Carrier or at other commercial facilities normally utilized by ships of the size as the Carrier's vessel to load and discharge cargo.

5.19 Custom of the Trade

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

5.20 Custom of the Port

Wherever the "Custom of the Port" is the standard of performance by either party under the provisions of this Contract, that phrase shall mean the established practice of common carrier operations at commercial facilities in the particular port for ships of the same size and type as the carrier's vessel and with regard to

mail or cargo of the same general specifications or characteristics. Where the carrier calls at a port or terminal in which no common carrier service is available, the term shall mean the "Custom of the Port" as defined above, but as established in the port of approximately the same general ocean shipping capabilities nearest to the port or place of call and located within the same political jurisdictions; except that if there is no such comparable commercial port which may be used as a standard for the Government facility, the established practices of the Government for similar operations of its own dry cargo ships at such facility shall establish the "Custom of the Port."

5.21 Security

If the Government notifies the Carrier that the employment or the continued employment of the Master or any member of the crew is prejudicial to the interests or endangers the security of the United States of America, the Carrier shall make any changes necessary in the appointment(s). The Government shall reimburse any costs to the Carrier occasioned by such changes.

5.22 Safety in Loading and Discharging of Cargo

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

Note: The OSHA responsibility of Department of Defense Carriers is set forth in Defense Acquisition Circular 76-1 (30 Aug 1976), Item XXIII.

5.23 Equipment Interchange

The Government may require that a loaded container belonging to one Carrier be lifted by another Carrier. If so directed by the COR, in writing, the Carrier to whom the container belongs will freely interchange the container to another Carrier designated by the COR to lift the container. Any interchange agreements required are to be negotiated between the two Carriers.

5.24 Equipment Leasing

The OO may request and the Carrier shall furnish container 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. The Carrier shall be paid at the equipment-leasing rate set forth in the table below. 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, the Government shall return containers and chassis leased by the Government to the place where such equipment was originally received from the Carrier. A shipping order will be issued by the OO to reflect each lease of containers and chassis. The shipping order shall set forth the number, size and appropriate identification information of containers and/or chassis, estimated duration of lease and place of return. The Carrier shall be paid for each 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 Carrier, whichever is later, until the time the equipment is returned to the Carrier.

Leasing Rates

1.	Dry Cargo Container	Per Day
	Includes closed containers, open top containers, and flat racks	
	20 Feet and Over	$ 4.50

40 Feet and Over	$ 6.00

2. Refrigerated Containers

20 Feet and Over	$25.00
40 Feet and Over	$35.00

3. Chassis

20 Feet and Over	$ 5.00
40 Feet and Over	$ 6.00

4. Tank Containers

20 Feet and Over	$20.00
40 Feet and Over	$25.00

5.25 Substitution

If the Carrier wishes to materially change its service or to substitute another vessel or other equipment for the vessel or equipment initially offered for service, the Carrier shall submit to the Contracting Officer within 45 calendar days of the anticipated change a written request detailing such change and the impact on the service provided. The Carrier shall not implement such a change without the written consent of the Contracting Officer.

6.0 SPECIAL CONTRACT PROVISIONS

6.1 Regulatory Compliance

The carrier must comply with regulations of the Federal Maritime Commission and the Surface Transportation Board, Department of Transportation and/or other governmental organizations, including local regulations at origin, destination and in-transit as may be applicable for service to the Government in carriage of cargo as set forth in this solicitation.

6.2 Bunker Adjustment Factor (BAF)

An allowance for fluctuations in marine fuel prices shall be paid to the carrier in accordance with the following:

1) Offerors shall provide a fuel consumption standard for the vessel(s) offered in service. Per barrel consumption at steaming by bunker type (e.g., HFO, MDO) and barrels consumed per hour at berth shall be provided. An average price per barrel will be computed over the base period of seven weeks preceding the date set for initial proposals. This base price will be computed for Norfolk. The source of price information is the Bunkerdesk based on the bunker type used by vessel as provided. These prices are quoted in dollars per metric ton. They will be converted to barrels by dividing by the appropriate conversion factor: 6.55 for Bunker C, 6.61 for IFO 180 and 7.628 for Marine Gas Oil and Marine Diesel. Upon award of the contract a modification will be issued establishing the baseline price.

2) No later than thirty (30) calendar days after the conclusion of the base one-year contract period, and for any subsequent one-year option period, the Carrier shall submit to the ACO a certified statement by voyage of total fuel consumption for the voyages accomplished during the one-year contract period. For each voyage, the certification shall contain the following information: Ship name, sailing dates, POD and POE, carrier voyage number and route index, DTS voyage number.

a) Average round trip steaming mileage will be divided by nautical miles per barrel fuel consumption factor provided in the carriers offer to yield barrels consumed per voyage. The ACO shall determine a factor for an average number of hours at berth. This factor shall be divided by hours per barrel at berth provided in the carriers offer to yield barrels consumed at berth. Barrels consumed (steaming and at berth) for all voyages will be totaled for the annual period.

b) A new average annual fuel price, a dollar differential, and a percent differential will be computed by the ACO for the one-year base period of the contract in the same manner as the base period per paragraph (1), above. The dollar differential is the new average fuel price minus the base price. Dividing the dollar differential by the base price derives the percentage differential. If the percent differential is greater than 20 percent, a payment or deduction will be made. If an increase in cost results in payment to the carrier, such payment will be a lump sum. If a decrease in cost results in benefit to the Government, the Government shall set off sums against monies owed the carrier. The dollar payment/set off shall be determined by application of the annual computed dollar differential, less 20 percent, times the total annual fuel consumption (in barrels) for the relevant contract period.

c) The fuel allowance applies to carrier purchases of fuel from normal commercial suppliers and does not apply when fuel has been provided or subsidized by the U. S. Government or foreign Governments.

7.0 MARITIME CLAUSE

7.1 Application of COGSA

The United States Carriage of Goods by Sea Act (COGSA) 46 U.S.C. 1300-1.315 is incorporated into this solicitation 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 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 Carrier 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" a container shall be considered one package only for bulk cargo. For all other cargo the limitation of liability set out in Section 4 of the Act shall apply to each package, and for cargo not in packages to each measurement ton of cargo, within the container. The carriage of cargo under any Shipping Order issued pursuant to this solicitation 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 Carrier 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. The Carrier shall be liable as a common Carrier by land for any loss of or damage to cargo while being transported under this solicitation between any inland origin and the vessel's side and between the vessel's side and any inland destination.

7.2 Scope of Voyage (Liberties)

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 Carrier 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 the Government's goods may, upon notification to and with the consent of the Contracting Officer, discharge the goods 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 is deemed mutually advisable. This notice shall include, but not be limited to, the planned port of discharge of the cargo and any measures planned to protect the cargo. If the Contracting Officer

determines that the planned disposition of the cargo is not in the Government's best interest, the Carrier shall comply with the PCO's direction to the Carrier to divert the cargo to a port of the Government's choice and to make any other arrangements for the cargo the PCO deems necessary to protect the Government's interest. The Carrier may be entitled to an equitable adjustment to the Contract for actions taken pursuant to the PCO's direction. However, for any services rendered without prior notice to and consent of the Contracting Officer, the Carrier shall not be entitled to an equitable adjustment. In no such case shall freights be payable until the goods are delivered to the named destination on the Shipping Order. In any event, the Carrier shall at all times be responsible to assure the security and protection of the cargo until relieved of such responsibility by the Government or its designated agent.

The Carrier, the master and the vessel shall have liberty to comply with any orders or directions as to loading, departure, arrival, routes, ports of call, stoppages, discharge, destination, delivery or otherwise howsoever given by the Government of any nation or department thereof or any person acting or purporting to act with the authority of such Government or of any department thereof, (or by any committee or person having, under the terms of the war risk insurance on the vessel, the right to give such orders or directions). Delivery or other disposition of the goods in accordance with such orders or directions shall be a fulfillment of the contract voyage. The vessel may carry seized contraband, explosives, munitions, warlike stores, hazardous cargo, and may sail armed or unarmed and with or without convoy.

7.3 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. 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 emergency dry dock or into ways with or without cargo on board. However, in no case shall the Carrier be entitled to extra compensation for such a deviation and the Carrier shall not be relieved of responsibility for delivery of cargo to the destination named in the Shipping Order.

7.4 Strikes

Except as provided below, neither the Government nor the Carrier shall be responsible for the consequences of a strike or lockout preventing or delaying the fulfillment of any obligation under this Contract.

7.4.1 Discharge Port

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

7.4.2 Loading Port

In the event the vessel or loading of the vessel is delayed by reason of strike or stoppage of work, the Carrier reserves the right to delay (or cancel the voyage), or to dispatch the vessel with such cargo as may then be on board. If part of the Government's cargo has already been loaded and the Carrier is not prevented from the dispatch of its vessel by reason of the strike or stoppage, then the Carrier must carry it to the port of discharge and the freight payable shall be on the loaded quantity of cargo only, unless contrary instructions are given by the Government.

7.5 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 Carrier is not responsible, by statute, contract, or otherwise, the goods, Shippers, consignees, or owners of the goods shall contribute with the Carrier 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 Carrier, salvage shall be paid for as fully as if such salvaging vessel or vessels belonged to strangers.

7.6 General Average

General average shall be adjusted, stated and settled, according to York-Antwerp Rules 1974 as amended 1990, at such port or place in the United States as may be selected by the Carrier, 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.

7.7 Liens

7.7.1 Seizure of Cargo

The Carrier agrees that it will not assert any type of lien, including a maritime lien, on any cargo shipped by the Government under this Contract. The Carrier 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 Carrier 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 Subcarriers.

7.7.2 Freight

There shall be no liens, including maritime liens, asserted on any freight payable by the Government under this contract. The Carrier 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 Subcarriers.

8.0 WAR RISK

8.1 Compensation

In the event it is necessary for the vessel's owners to pay premiums to extend the coverage of crew, hull and machinery, protection and indemnity insurance and insurance covering the loss and damage of cargo while aboard the vessel to include war risks in excess of premiums on such war risk coverage on the date the Carrier's rates were submitted under this Agreement, or to pay crew war risk bonuses as a result of the vessel entering the war risk area, the Government shall reimburse the Carrier at the appropriate rate filed on carrier's commercial tariff.

If Commercial Marine, War Risk, and Liability Insurance is not available or if Marine, War Risk, and Liability Insurance through the Secretary of Transportation under Sections 1202-1205 of the Merchant Marine Act of 1936, 46 App. U.S.C. 1282-1285, is available at a lesser rate, the Procuring Contracting Officer (PCO) reserves the right to require Carriers to obtain the necessary Marine, War Risk, and Liability Insurance from the Secretary of Transportation. Further, in the event that the Secretary of Defense, or his/her authorized designee, is authorized to provide and does provide indemnification to the Secretary of Transportation under Section 1205 of the Merchant Marine Act, 1936, 46 App. U.S.C. 1285, for Marine, War Risk, and Liability coverage without premium, the Contracting Officer reserves the right to require the Carrier to obtain such insurance from the Department of Transportation and no premiums as set forth in Paragraph (1) above will be paid to the Carrier by the Government.

8.2 Limitation of Government Liability.

No payments shall be due from the Government under this Section unless and until the Carrier shall also assess such charges against commercial cargo loaded or discharged in the war risk area. The Carrier agrees to add the

United States Government as an additional assured on its War Risk Policy with waiver of subrogation noted, for which the Government has agreed to reimburse the extra premium under this Section.

9.0 DAMAGE TO EQUIPMENT

9.1 Damage to Carrier Equipment

Should a container, chassis, or any other piece of Carrier equipment be damaged by acts of the Government, its agents, employees, or Carriers while such Carrier equipment is in the custody of the Government, its agents, employees or Carriers, the Government shall repair or reimburse the Carrier the least of the following: the reasonable costs of repairs; the fair market value immediately prior to the damage; or the depreciated value on the Carrier's books. The Carrier will assign to the Government any rights, causes of action, or other claims that the Carrier may have against third parties with respect to such damage. The Government shall not be liable for the repair of any damage under this Section unless written notice specifying such damage shall have been given to and acknowledged by the Government or its authorized representative at the time custody of the container or other equipment is returned to the Carrier. Claims submitted under this Section and Section 9.2 below shall be filed with the Military Surface Deployment and Distribution Command, Staff Judge Advocate, Room 12N67, Alexandria, VA 22332-5000. (File copy to COR.)

9.2 Damage to Government Equipment

The Carrier shall be liable for loss of or damage to Government containers and chassis while in the Carrier's custody to the same extent that the Government is liable for loss of or damage to the Carrier equipment while in the Government's custody. The Carrier will not procure insurance coverage on Government containers and will not be liable for any loss thereof under circumstances covered by the Carrier's war risk insurance on its own containers. Should a container, chassis, tractor, or any other piece of Carrier equipment, excluding the vessel, be damaged or lost by act, neglect or failure of equipment of the Government, its agents, employees or Carriers (other than the prime Carrier) while such Carrier equipment is in the custody of the Government, its agents, employees or Carriers (other than the prime Carrier) the Government shall repair or reimburse the Carrier the least of the following: the reasonable costs of repairs or the fair market value of the container immediately prior to the loss or damage. The Carrier will assign to the Government any rights, causes of action, or other claims the Carrier may have against third parties with respect to such damage. The Government shall not be liable for the repair of any damage under this Section unless written notice specifying such damage shall have been given to and acknowledged by the Government or its authorized representative at the time custody of the container or other equipment is returned by the Government to the Carrier.

9.3 Lost Carrier Equipment

Carrier equipment shall be considered lost when theft or disappearance is certified as such by the COR or its representative and upon concurrence by the Contracting Officer. No pre-determined time frame shall govern when equipment must be declared lost under this Contract. Once a piece of Carrier equipment is certified as being lost, any per diem or detention or liquidated damage charges accruing for account of either the Carrier or the Government shall cease, effective with the date specified in the certification. Accrued charges after the date of certification shall be canceled and not considered part of the reimbursement to the Carrier.

10.0 SHIPMENTS BY AUTHORIZED AGENTS OF THE GOVERNMENT

The following provisions apply only for authorized agents' shipments:

10.1 Parties to the Contract

Parties, on the first part, include the US Government and its agents and authorized Carriers other than the Carrier under this contract, including Code 3 Military Household Goods (MHHG) ITGBL Carriers or Global POV Contract Carriers (hereinafter called "the Shipper", and, on the second part, the ocean Carrier.

10.2 Booking of Cargo

Shipments booked by authorized agents will be booked in accordance with the instructions provided by SDDC Operations, Fort Eustis, VA.

10.2.1 Carrier Load Port.

For authorized agent shipments, cargo/container receipt and lift information shall be furnished by the ocean Carrier to the authorized agent who ordered the transportation services stating the Shipping Order number rather than the TCN as used with other DTS shipments (on board ocean bill of lading acceptable). Cargo/container receipt information required at CONUS and designated overseas ports of loading shall be provided within four hours after the cargo or container is received. Cargo/container lift information shall be provided within eight hours after vessel departure from CONUS/overseas port. This information shall be provided by a mutually agreeable means between the Shipper and the Carrier and shall indicate as much of the following data for each shipment of cargo or each container received/loaded as is available within that time:

1. Cargo/container Receipt Information (CONUS and Designated Overseas Ports of Loading)
   (a) Name of ocean carrier

   (b) Port of loading

   (c) Date container received at port

   (d) Carrier's container number with ALFA prefix

   (e) Transportation Control Number (TCN)

   (f) Seal and/or keyless lock number

2. Cargo/container Lift Information (CONUS/Overseas Ports of Loading)

   (a) Name of vessel and voyage document number (com/mil)

   (b) Carrier's container number with ALFA prefix

   (c) Transportation Control Number (TCN)

   (d) Port of discharge

   (e) Final destination

   (f) General description of container contents, i.e., General Cargo - Mail/Mail Equipment - Privately Owned Vehicles (POV'S) - other Unboxed Wheeled or Tracked Vehicles - Refrigerated Cargo

   (g) Seal and/or keyless lock number - Note: The Carrier is to notify the COR if a seal on any unit of cargo or container has been broken and/or replaced between the time the Carrier accepted the loaded container from the Government and the time of arrival at inland destination or point of Government acceptance from the Carrier with a complete report as to the circumstances and the reasons therefore immediately/same day.

10.2.2 Carrier Discharge Port.

For authorized agent shipments, cargo or container discharge information shall be furnished to the authorized agent consignee listed on the Shipping Order stating the Shipping Order number (arrival notice or similar acceptable with discharge noted). This information, which shall be provided for each unit of cargo or each container discharged as soon as practicable after discharge, but not later than one day following the commencement of delivery, shall include the following:

1. Name and voyage number of vessel being discharged

2. Name and voyage number of original vessel sailing if transshipped

3. Date and time the cargo or container was discharged from the vessel

4. Date, time, and mode of commencement of delivery from discharge port to and consignee.

5. Weekly lift and authorized agent shipment statistics:

The Carrier agrees to provide weekly volume information to the Chief, SDDC CONUS Command Booking Office, Ft. Eustis, VA, the COR for all shipments under this contract, with authorized agent statistics specifically segregated from overall lift statistics. Information shall include, but is not limited to, the number of containers by origin or destination, direction and size of equipment. Reports will be provided by fax to 757-878-1810 until such time as SDDC develops an Internet-based capability for Carriers to submit these reports when report via the Internet will be required. Carriers will be notified when Internet capability becomes effective.

10.2.3 Payment

10.2.3.1 Entitlement. Freight shall be earned only upon delivery of the cargo at the ultimate destination set forth in the Shipping Order or applicable amendments thereto. Freight shall consist of the sum of all payments due for services actually furnished in accordance with the Shipping Order calculated at the rates set forth in CARE-SM II System.

10.2.3.2 Submission of Invoices. Invoices shall be submitted in accordance with the Standard Billing Instructions. The Carrier shall submit properly certified invoices or vouchers for outbound/inbound shipments, detention and other authorized charges to Military Surface Deployment and Distribution Command, Deployment Support Command, 661 Sheppard Place, Third Floor, ATTN: WS2-3S, Fort Eustis, VA 22304. Invoices shall be submitted within six (6) months from date of shipment. Invoices received after that time will not be certified for payment and the Carrier waives any right to payment thereafter.

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

10.2.3.4 Withholding of Payment. If, after delivery of the cargo or container and unstuffing by the Government, there is any damage to or shortage of cargo not definitely known to be the fault of the Government or its agents, and it is considered by the Contracting Officer that withholding of certain monies is necessary to protect the interests of the Government pending final determination of the amount of shortage or damage and the Carrier's liability therefore, the dollar amount of such shortage or damage may be estimated and withheld from sums owing to the Carrier by the Government under any Shipping Order. Likewise, the

Government may recover overpayments of freight and may recover charges paid to the carrier for services and supplies.

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

10.2.3.6 Payment. Unless otherwise provided herein, payment shall be made on the basis of freight earned as computed in accordance with paragraph 10.2.3.5 above. In accordance with the Prompt Payment Act, all payments earned on shipments will be made after a) receipt of a proper invoice, in accordance with the procedures outlined above, or b) evidence of delivery as described above, whichever occurred later. The failure of the Government to provide a proper manifest in a timely manner shall not preclude the Carrier from submitting a proper invoice upon delivery of cargo as set forth above.

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

10.2.3.8 Electronic Payment – Carrier Payment Automated fund transfer (AFT) is the required method of payment for this contract. Carrier not yet authorized AFT must provide bank and account information necessary to implement AFT.

10.2.3.9 MRM-15 automated payment procedures. During the term of this contract, the shipping instruction (EDI 304), plus carrier invoice (EDI 310) and/or lift notice (EDI 315) transactions will be used in conjunction with U.S. Bank's PowerTrack service as the basis for effecting payment to Carriers. Electronic Carrier Payment, MRM15 Payment Procedures (see Attachment 4) will be implemented 30 days from the effective date of the contract. The automated payment procedures require the awardee to become a certified PowerTrack carrier, unless already processing on PowerTrack. The POC at U.S Bank is Mr. Lee DeNoyer, (815) 784-8421 (lee.denoyer@usbank.com), or Mr. Nate Mork, (612)973-6558 (nathan.mork@usbank.com).

10.2.4 Detention Invoices

The authorized agent ordering services from the ocean Carrier is responsible for certification and payment of all detention charges applicable under this contract.

11.0 ALTERNATE DISPUTE RESOLUTION PROCEDURES (ADR)

BACKGROUND: Pub. L. 101-552, the Alternate Dispute Resolution Act encourages the use of alternative means of resolving disputes involving Government agencies. The Act is based on Congress' finding that alternative processes, including mediation, often "yield decisions that are faster, less expensive and less contentious and can lead to more creative, efficient and sensible outcomes."

PARTNERING: To most effectively accomplish this contract and resolve potential disputes, the SDDC Contracting Office proposes to form a cohesive partnership with the Carrier. Partnering lays the foundation for better working relations on a project including better dispute resolution. This partnership would strive to draw on the strengths of each organization in an effort to achieve a quality project done right the first time, within budget and on schedule. This partnering would be bilateral in make-up and participation will be totally voluntary. Any cost associated with effectuating this partnership will be agreed to by both parties and will be shared equally with no change in contract price. All partnering procedures shall be conducted IAW applicable ADR laws and regulations.

12.0 DEFINITIONS AND ABBREVIATIONS/ACRONYMS

12.1 Definitions

ADMINISTRATIVE CONTRACTING OFFICER (ACO) – Military Surface Deployment and Distribution Command, Global Intermodal Acquisition Division, 200 Stovall Street, Alexandria, VA 22332-5000, or his designee.

AGREEMENT - See "Contract".

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

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

BEAUFORT SCALE – The Beaufort Scale is a system for estimating the wind strengths without the use of instruments, based on the effects wind has on the physical environment. The behavior of smoke, waves, trees, etc., is rated on a 13 point scale, of 0 (calm) to 12 (hurricane). A complete scale can be found at www.anbg.gov.au/jrc/hayak/beaufort.html.

BERTH TERM - See "Liner Terms".

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

BREAKBULK CARGO - Cargo that is not containerized.

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

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

CARE – SM II – The program/system that a carrier is required to submit his rates to a contract solicitation or modification/addition of rates.

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

CARGO TRAILER - See "Van".

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

CARRIER - Any Carrier awarded a Contract pursuant to a request for proposal (RFP), including its agents and subcontractors. The term "Carrier" is used interchangeably with the term "Contractor."

CHARTERER - See "Government".

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

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

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

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

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

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

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

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

CONTAINERIZABLE CARGO - All cargo, which can be physically loaded in or on a container.

CONTRACTING OFFICER - A Contracting Officer within the scope of that definition in Federal Acquisition Regulation 52-202-1, who has been appointed or designated as such by the Military Surface Deployment and Distribution Command. (See Procurement Contracting Officer)

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

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

CONTRACT CARRIER - Any person who engages in vessel operating ocean transportation of passengers or cargo in the foreign commerce of the United States for compensation under a continuing contract with the

Government for a specified period of time for the furnishing of such ocean transportation services through the dedication of space in its vessels, and for which the carrier assumes responsibility for that transportation from the port or point of receipt to the port or point of destination.

CONTRACTOR - See "Carrier".

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

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

DAYS - Shall mean calendar days unless specified otherwise.

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

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

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

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

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

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

DRY CONTAINER - A completely enclosed weatherproof container.

DOD 4500.9-R- Defense Transportation Regulation, Part II, Cargo Movement

EXPLOSIVES - Includes all military explosives (STB Classes A, B, and C) and military lethal chemicals included within classes II through XI, Title 46, Code of Federal Regulations, Section 146.29-100 (Coast Guard Pamphlet No. 108) for which a permit for handling is required by Title 46, Code of Federal Regulations, Section 146.29-100. This category shall not include small arms ammunition and other items included in Class I of the aforementioned publication.

FLATCAR - A railroad car without weatherproof sides or top.

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

FORCE MAJEURE - Title of a contract provision exempting the parties for non-fulfillment of their obligations as result of conditions beyond their control and without the fault or negligence of the breaching party. Examples of such causes are Acts of God or of Public Enemies, acts of the Government, fires, floods, epidemics and quarantine restrictions, strikes, freight embargoes, and unusually severe weather (Beaufort Force 10 or greater). This does not include breakdown of vessel due to neglect, poor maintenance, upkeep, Coast Guard infractions or mismanagement.

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

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

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

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

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

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

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

HAMPTON ROADS AREA- The area in the state of Virginia consisting of the cities of Portsmouth, Newport News, Little Creek, Norfolk, Virginia Beach or a area in close proximity that is approved by the COR/PCO.

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

IBS BOOKING PROCEDURES – Integrated Booking System (IBS) booking procedures established by SDDC Operations, Fort Eustis. IBS is the present booking system of record, but Government has the option of designated new or additional systems based on new booking processes or replacement systems

ICELANDIC SHIPPING COMPANIES - Definition in accordance with Article 2, Definitions, of Attachment 6.

INOPERABLE - Not capable of being operated.

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

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

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

MAIL - Includes all classes and types of postal matter.

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

MILITARY SURFACE DEPLOYMENT AND DISTRIBUTION COMMAND, Headquarters (SDDC-HQ) - Commander, Military Surface Deployment and Distribution Command, 200 Stovall Street Alexandria, VA 22332-5000.

MILITARY SURFACE DEPLOYMENT AND DISTRIBUTION COMMAND (SDDC) OPERATIONS, Fort Eustis, VA-Commander, Military Surface Deployment and Distribution Command, Operation, 661 Sheppard Place, Fort Eustis, VA 23604-1644

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

OCONUS - Outside Continental United States

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

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

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

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

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

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

OVERTIME DIFFERENTIAL COST (ODC) - Overtime Differential Cost is the difference in cost to perform cargo handling services during regularly scheduled working hours (as defined by the existing terminal tariff) and to perform the same services during non-regularly scheduled (overtime) working hours. For the purpose of this contract, ODC will apply in the Azores when it is incurred by the Government as a result of an express request by the vessel owner or his agent to perform such services on an overtime basis. ODC may include, but is not limited to, overtime costs for loading/unloading cargo to and from the vessel, bringing cargo to and taking it alongside the vessel within the terminal area, documentation and other administrative services, and extra wages or salary rates or charges related thereto (which may include the portion of the sum paid for pensions, health and welfare, payroll taxes and other fringe benefits in connection with work performance of the ordered services.

OWNER - See "Carrier".

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

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

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

PROCUREMENT CONTRACTING OFFICER (PCO) - A warranted contracting officer who is responsible for, but not limited to, the following: appoints and trains the contracting officer representative (COR), issues administrative modifications, analyzes contractor claims, evaluates the contractor's performance, and provides reports on the contractor's performance. The PCO is located at HQ, Military Surface Deployment and Distribution Command, Office of the Principal Assistant Responsible for Contracting, Global Intermodal Distribution Division, (MTAQ-G), Room 12S67, 200 Stovall Street, Alexandria, Virginia 22332-5000, (703) 428-3304 or FAX (703) 428-3325. The PCO has been authorized and designated responsibility for this contract.

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

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

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

REFRIGERATED CARGO - Cargo requiring controlled temperature during transportation and storage and is transported via a 20 ft or 40 ft ISO approved container.

REFRIGERATED CONTAINER - A weatherproof container used for the carriage of controlled temperature cargo which is properly insulated against the effects of temperature outside the container and is equipped with

mechanical, thermostatically temperature controlled air circulation or air exchange cooling equipment with venting capability capable of providing temperature protection to cargo (between plus 75 degrees and minus 10 degrees Fahrenheit) and is not over 2 years of age

a. Non-self-sustaining. A refrigerated container, which requires a power or fuel source, not mounted on the reefer or its chassis and is external to the refrigerated container (e.g., independent power source such as an electrical plug), to operate the refrigeration unit.

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

REGULARLY SCHEDULED SAILINGS - Sailings at regular intervals maintained between the same port ranges and consisting of scheduled arrivals and departures along an established route and is consistent to the requirements and terms of the contract.

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

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

SCHEDULED DRY-DOCKING - When a carrier's vessel(s) are put into dry-docking and the carrier notifies the COR/PCO in writing, at least 120 days in advance of an impending vessel dry-docking and is approved by the COR/PCO. Scheduled/Approved dry-docking does not relieve the carrier from the responsibility maintaining a regular schedule of service IAW the requirements of the terms and conditions of the contract.

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

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

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

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

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

STRIPPING - The process of unloading a container.

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

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

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

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

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

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

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

TRANSSHIPMENT - Service by which one ocean Carrier serving a port of origin by direct vessel call and another such Carrier serving a port of destination by direct vessel call provide transportation between such port via an intermediate port served by direct vessel call of both Carriers, and at which cargo will be transferred from one Carrier to the other.

UNSCHEDULED DRYDOCKING - When a carrier's vessel(s) are put into dry-docking and the carrier does not notify the COR/PCO in writing at least 120 days prior to an impending vessel dry-docking, or carrier does not receive approval from the COR/PCO in writing. Unscheduled or unapproved dry-docking will be recorded in past performance information and is subject to liquidated damages and/or actions IAW the requirements and terms and conditions of the contract.

UN-STUFFING - See "Stripping."

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

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

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

VESSEL IRCS -The vessel's international radio call sign of the ships license for operation of radio communication on the vessel. The IRCS is required in IBS or other designated Government booking system before booking commencement and vessel approval.

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

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

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

WORKING DAY - Excludes weekends and locally observed holidays.

12.2 Abbreviations/Acronyms

ACCT - Account

ACO - Administrative Contracting Officer

CAR - Carrier

CAT - Category

CDRSDDC - Commander, Military Surface Deployment and Distribution Command

CFR - Code of Federal Regulations

COGSA - United States Carriage of Goods by Sea Act

COJTMO - Commander, Military Sealift Command

CONUS - Continental United States

COR-Contracting Officer Representative

CTA - Central Technical Activity

DFARS - Defense Federal Acquisition Regulation Supplement

DOD - Department of Defense

DTS - Defense Transportation System

EDOB - Estimated Date on Berth

ETA - Estimated Time of Arrival

ETD - Estimated Time of Departure

FAR - Federal Acquisition Regulation

FCL - Full Container Load

FEU - Forty-Foot Equivalent Unit

FIO - Free In and Out

GBL - Government Bill of Lading

GOH - Garment on Hangers

GOVT - Government

IBS - Integrated Booking System

LB(S) - Pound(s)

LT - Liner Terms

L/T - Long Ton (2,240 Pounds)

MBM - 1,000 Feet Net Board Measure

MT - Measurement Ton (40 Cubic Feet)

NASKEF - Naval Air Station, Keflavik, Iceland

N/C - No Charge

NO(S) - Number(s)

OCONUS - Outside Continental United States

OO - Ordering Officer

PCO - Procurement Contracting Officer

POV - Privately Owned Vehicle

RDD - Required Delivery Date

REEFER - Refrigerated Container

REV - Revised

RFP - Request for Proposals

RI - Route Index

RLD - Required Loading Date

SA - Shipping Agreement

ST - Short Ton (2,000 Pounds)

TEU - Twenty-Foot Equivalent Unit

TGBL - Thru Government Bill of Lading

USC - United States Code

VEH - Vehicles

(End of Performance Work Statement)

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CLAUSES INCORPORATED BY REFERENCE

52.202-1	Definitions	DEC 2001
52.203-5	Covenant Against Contingent Fees	APR 1984
52.203-7	Anti-Kickback Procedures	JUL 1995
52.203-8	Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity	JAN 1997
52.203-10	Price Or Fee Adjustment For Illegal Or Improper Activity	JAN 1997
52.204-4	Printed or Copied Double-Sided on Recycled Paper	AUG 2000
52.212-4	Contract Terms and Conditions--Commercial Items	FEB 2002
52.223-3	Hazardous Material Identification And Material Safety Data	JAN 1997
52.227-1	Authorization and Consent	JUL 1995
52.232-4	Payments Under Transportation Contracts and Transportation-Related Services Contracts	APR 1984
52.233-1 Alt I	Disputes (Jul 2002) - Alternate I	DEC 1991
52.237-3	Continuity Of Services	JAN 1991
52.242-13	Bankruptcy	JUL 1995
52.249-8 Alt I	Default (Fixed-Price Supply and Service) (Apr 1984) - Alternate I	APR 1984
252.203-7002	Display Of DOD Hotline Poster	DEC 1991
252.204-7004	Required Central Contractor Registration	NOV 2001
252.223-7002	Safety Precautions For Ammunition And Explosives	MAY 1994
252.223-7003	Changes In Place Of Performance--Ammunition And Explosives	DEC 1991
252.223-7006	Prohibition On Storage And Disposal Of Toxic And Hazardous Materials	APR 1993
252.242-7000	Postaward Conference	DEC 1991
252.243-7001	Pricing Of Contract Modifications	DEC 1991

CLAUSES INCORPORATED BY FULL TEXT

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

(a) If the Contractor fails to deliver the supplies or perform the services within the time specified in this contract, the Contractor shall, in place of actual damages, pay to the Government liquidated damages of $1, 000.00 per calendar day of delay [Contracting Officer insert amount].

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

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

(End of clause)

52.212-5 CONTRACT TERMS AND CONDITIONS REQUIRED TO IMPLEMENT STATUTES OR EXECUTIVE ORDERS--COMMERCIAL ITEMS (MAY 2002)

(a) The Contractor shall comply with the following FAR clauses, which are incorporated in this contract by reference, to implement provisions of law or executive orders applicable to acquisitions of commercial items:

(1) 52.222-3, Convict Labor (E.O. 11755).

(2) 52.233-3, Protest after Award (31 U.S.C. 3553).

(b) The Contractor shall comply with the FAR clauses in this paragraph (b) that the Contracting Officer has indicated as being incorporated in this contract by reference to implement provisions of law or Executive orders applicable to acquisitions of commercial items or components:

(Contracting Officer shall check as appropriate.)

_X__ (1) 52.203-6, Restrictions on Subcontractor Sales to the Government, with Alternate I (41 U.S.C. 253g and 10 U.S.C. 2402).

___ (2) 52.219-3, Notice of HUBZone Small Business Set-Aside (Jan 1999).

___ (3) 52.219-4, Notice of Price Evaluation Preference for HUBZone Small Business Concerns (Jan 1999) (if the offeror elects to waive the preference, it shall so indicate in its offer).

___(4) (i) 52.219-5, Very Small Business Set-Aside (Pub. L. 103-403, section 304, Small Business Reauthorization and Amendments Act of 1994).

____(ii) Alternate I to 52.219-5.

____(iii) Alternate II to 52.219-5.

_X__ (5) 52.219-8, Utilization of Small Business Concerns (15 U.S.C. 637 (d)(2) and (3)).

___ (6) 52.219-9, Small Business Subcontracting Plan (15 U.S.C. 637 (d)(4)).

___ (7) 52.219-14, Limitations on Subcontracting (15 U.S.C. 637(a)(14)).

_X__(8)(i) 52.219-23, Notice of Price Evaluation Adjustment for Small Disadvantaged Concerns (Pub. L. 103-355, section 7102, and 10 U.S.C. 2323) (if the offeror elects to waive the adjustment, it shall so indicate in its offer.

_X__(ii) Alternate I of 52.219-23.

_X__(9) 52.219-25, Small Disadvantaged Business Participation Program--Disadvantaged Status and Reporting (Pub. L. 103-355, section 7102, and 10 U.S.C. 2323).

_X__(10) 52.219-26, Small Disadvantaged Business Participation Program--Incentive Subcontracting (Pub. L. 103-355, section 7102, and 10 U.S.C. 2323).

_X__ (11) 52.222-21, Prohibition of Segregated Facilities (Feb 1999).

_X__ (12) 52.222-26, Equal Opportunity (E.O. 11246).

_X__ (13) 52.222-35, Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era and Other Eligible Veterans (38 U.S.C. 4212).

_X__ (14) 52.222-36, Affirmative Action for Workers with Disabilities (29 U.S.C. 793).

_X__ (15) 52.222-37, Employment Reports on Special Disabled Veterans, Veterans of the Vietnam Era and Other Eligible Veterans (38 U.S.C. 4212).

____(16) 52.222-19, Child Labor--Cooperation with Authorities and Remedies (E.O. 13126).

___ (17)(i) 52.223-9, Estimate of Percentage of Recovered Material Content for EPA-Designated Products (42 U.S.C. 6962(c)(3)(A)(ii)).

___ (ii) Alternate I of 52.223-9 (42 U.S.C. 6962(i)(2)(C)).

_X___(18) 52.225-1, Buy American Act--Supplies (41 U.S.C. 10a-10d).

_X___(19)(i) 52.225-3, Buy American Act--North American Free Trade Agreement--Israeli Trade Act (41 U.S.C. 10a-10d, 19 U.S.C. 3301 note, 19 U.S.C. 2112 note).

____(ii) Alternate I of 52.225-3.

____(iii) Alternate II of 52.225-3.

____(20) 52.225-5, Trade Agreements (19 U.S.C. 2501, et seq., 19 U.S.C. 3301 note).

_X___(21) 52.225-13, Restriction on Certain Foreign Purchases (E.O. 12722, 12724, 13059, 13067, 13121, and 13129).

____(22) 52.225-15, Sanctioned European Union Country End Products (E.O. 12849).

____(23) 52.225-16, Sanctioned European Union Country Services (E.O.12849).

_X___(24) 52.232-33, Payment by Electronic Funds Transfer--Central Contractor Registration (31 U.S.C. 3332).

____(25) 52.232-34, Payment by Electronic Funds Transfer--Other than Central Contractor Registration (31 U.S.C. 3332).

____(26) 52.232-36, Payment by Third Party (31 U.S.C. 3332).

____ (27) 52.239-1, Privacy or Security Safeguards (5 U.S.C. 552a).

_X___ (28) 52.247-64, Preference for Privately Owned U.S.-Flag Commercial Vessels (46 U.S.C. 1241).

____Alternate I of 52.247-64.

(c) The Contractor shall comply with the FAR clauses in this paragraph (c), applicable to commercial services, which the Contracting Officer has indicated as being incorporated in this contract by reference to implement provisions of law or executive orders applicable to acquisitions of commercial items or components:

(Contracting Officer check as appropriate.)

____ (1) 52.222-41, Service Contract Act of 1965, As amended (41 U.S.C. 351, et. seq.).

____ (2) 52.222-42, Statement of Equivalent Rates for Federal Hires (29 U.S.C. 206 and 41 U.S.C. 351, et. seq.).

___ (3) 52.222-43, Fair Labor Standards Act and Service Contract Act -- Price Adjustment (Multiple Year and Option Contracts) (29 U.S.C.206 and 41 U.S.C. 351, et seq.).

____ (4) 52.222-44, Fair Labor Standards Act and Service Contract Act - Price Adjustment (29 U.S.C. 206 and 41 U.S.C. 351, et seq.).

____ (5) 52.222-47, SCA Minimum Wages and Fringe Benefits Applicable to Successor Contract Pursuant to Predecessor Contractor Collective Bargaining Agreement (CBA) (41 U.S.C. 351, et seq.).

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

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

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

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

(e) Notwithstanding the requirements of the clauses in paragraphs (a), (b), (c) or (d) of this clause, the Contractor is not required to include any FAR clause, other than those listed below (and as may be required by an addenda to this paragraph to establish the reasonableness of prices under Part 15), in a subcontract for commercial items or commercial components--

(1) 52.222-26, Equal Opportunity (E.O. 11246);

(2) 52.222-35, Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era and Other Eligible Veterans (38 U.S.C. 4212);

(3) 52.222-36, Affirmative Action for Workers with Disabilities (29 U.S.C. 793);

(4) 52.247-64, Preference for Privately-Owned U.S.- Flag Commercial Vessels (46 U.S.C. 1241)(flow down not required for subcontracts awarded beginning May 1, 1996)., and

(5) 52.222-41, Service Contract Act of 1965, As Amended (41 U.S.C. 351, et seq.).

(End of clause)

52.216-19 ORDER LIMITATIONS. (OCT 1995)

(a) Minimum order. When the Government requires supplies or services covered by this contract in an amount of less than 1 FEU, the Government is not obligated to purchase, nor is the Contractor obligated to furnish, those supplies or services under the contract.

(b) Maximum order. The Contractor is not obligated to honor:

(1) Any order for a single item in excess of the capacity of the carrier vessel ;

(2) Any order for a combination of items in excess of the capacity of the carrier vessel or

(3) A series of orders from the same ordering office within 3 days that together call for quantities exceeding the limitation in subparagraph (1) or (2) above.

(c) If this is a requirements contract (i.e., includes the Requirements clause at subsection 52.216-21 of the Federal Acquisition Regulation (FAR)), the Government is not required to order a part of any one requirement from the Contractor if that requirement exceeds the maximum-order limitations in paragraph (b) above.

(d) Notwithstanding paragraphs (b) and (c) above, the Contractor shall honor any order exceeding the maximum order limitations in paragraph (b), unless that order (or orders) is returned to the ordering office within 1 days after issuance, with written notice stating the Contractor's intent not to ship the item (or items) called for and the reasons. Upon receiving this notice, the Government may acquire the supplies or services from another source.

(End of clause)

52.216-22 INDEFINITE QUANTITY. (OCT 1995)

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

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

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

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

52.217-8 OPTION TO EXTEND SERVICES (NOV 1999)

The Government may require continued performance of any services within the limits and at the rates specified in contract. These rates may be adjusted only as a result of revisions to prevailing labor rates provided by the Secretary of Labor. The option provision may be exercised more than once, but the total extension of performance hereunder shall not exceed 6 months. The Contracting Officer may exercise the option by written notice to the Contractor within 45 days (insert the period of time within which the Contracting Officer may exercise the option).

(End of clause)

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

(a) The Government may extend the term of this contract by written notice to the Contractor within 45 days of (insert the period of time within which the Contracting Officer may exercise the option); provided that the Government gives the Contractor a preliminary written notice of its intent to extend at least 90 days (60 days unless a different number of days is inserted) before the contract expires. The preliminary notice does not commit the Government to an extension.

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

(c) The total duration of this contract, including the exercise of any options under this clause, shall not exceed 5 years.
(End of clause)

52.247-5001 European Union (EU) Restrictions Involving Non-Manufactured Wood Packaging (NMWP) and Pallets

All wood packaging and pallets used to ship material destined for Europe shall be constructed from Heat Treated material (HT to 56 degrees Centigrade for 30 minutes) that is certified by an accredited agency recognized by the American Lumber Standards Committee (ALSC) in accordance with Non-manufactured Wood Packing Policy and Non-manufactured Wood Packing Enforcement Regulations both dated May 30, 2001. For more information, visit

the United States Department of Agriculture website at http://www.aphis.usda.gov and click on "Solid Wood Packing Materials" under "Hot Issues."

52.252-2 CLAUSES INCORPORATED BY REFERENCE (FEB 1998)

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this/these address(es):

http://farsite.hill.af.mil

(End of clause)

252.212-7001 CONTRACT TERMS AND CONDITIONS REQUIRED TO IMPLEMENT STATUTES OR EXECUTIVE ORDERS APPLICABLE TO DEFENSE ACQUISITIONS OF COMMERCIAL ITEMS (JUL 2002)

(a) The Contractor agrees to comply with the following Federal Acquisition Regulation (FAR) clause which, if checked, is included in this contract by reference to implement a provision of law applicable to acquisitions of commercial items or components.

_X___ 52.203-3 Gratuities (APR 1984) (10 U.S.C. 2207).

(b) The Contractor agrees to comply with any clause that is checked on the following list of Defense FAR Supplement clauses which, if checked, is included in this contract by reference to implement provisions of law or Executive orders applicable to acquisitions of commercial items or components.

____252.205-7000 Provision of Information to Cooperative Agreement Holders (DEC 1991) (10 U.S.C. 2416).

____ 252.206-7000 Domestic Source Restriction (DEC 1991) (10 U.S.C. 2304)

____252.219-7003 Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan (DoD Contracts) (APR 1996) (15 U.S.C. 637).

____ 252.219-7004 Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan (Test Program) (JUN 1997) (15 U.S.C. 637 note).

____ 252.225-7001 Buy American Act and Balance of Payment Program (MAR 1998) (41 U.S.C. 10a-10d, E.O. 10582).

____ 252.225-7007 Buy American Act--Trade Agreements--Balance of Payments Program (SEP 2001) (41 U.S.C.10a-10d, 19 U.S.C. 2501-2518, and 19 U.S.C. 3301 note).

____ 252.225-7012 Preference for Certain Domestic Commodities (APR 2002) (10.U.S.C. 2533a).

____ 252.225-7014 Preference for Domestic Specialty Metals (MAR 1998) (10 U.S.C. 2533a).

____ 252.225-7015 Preference for Domestic Hand or Measuring Tools (DEC 1991) (10 U.S.C. 2533a).

____ 252.225-7016 Restriction on Acquisition of Ball and Roller Bearings (DEC 2000) (____Alternate I) (DEC 2000) (Section 8064 of Pub. L. 106-259).

____ 252.225-7021 Trade Agreements (SEP 2001) (19 U.S.C. 2501-2518 and 19 U.S.C. 3301 note).

____ 252.225-7027 Restriction on Contingent Fees for Foreign Military Sales (MAR 1998) (22 U.S.C. 2779).

____ 252.225-7028 Exclusionary Policies and Practices of Foreign Governments (DEC 1991) (22 U.S.C. 2755).

____ 252.225-7029 Preference for United States or Canadian Air Circuit Breakers (AUG 1998) (10 U.S.C. 2534(a)(3)).

____ 252.225-7036 Buy American Act--North American Free Trade Agreement Implementation Act--Balance of Payment Program (MAR 1998) (_____Alternate I) (SEP 1999) (41 U.S.C. 10a-10d and 19 U.S.C. 3301 note).

_X___ 252.227-7015 Technical Data--Commercial Items (NOV 1995) (10 U.S.C. 2320).

_X___ 252.227-7037 Validation of Restrictive Markings on Technical Data (SEP 1999) (10 U.S.C. 2321).

_X___ 252.243-7002 Certification of Requests for Equitable Adjustment (MAR 1998) (10 U.S.C. 2410).

_X_____252.247-7023 Transportation of Supplies by Sea (MAY 2002) (_____Alternate I) (MAR 2000) (_____Alternate II) (MAR 2000) Alternate III) (MAY 2002) (10 U.S.C. 2631).

_X___252.247-7024 Notification of Transportation of Supplies by Sea (MAR 2000) (10 U.S.C. 2631).

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

252.225-7014 Preference for Domestic Specialty Metals, Alternate I (MAR 1998) (10 U.S.C. 2533a).

252.247-7023 Transportation of Supplies by Sea (MAY 2002) (10 U.S.C. 2631).

252.247-7024 Notification of Transportation of Supplies by Sea (MAR 2000) (10 U.S.C. 2631)

(End of clause)

252.243-7002 REQUESTS FOR EQUITABLE ADJUSTMENT (MAR 1998)

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

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

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

(Official's Name)

(Title)

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

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

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

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

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

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