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**SECTION 1 – BACKGROUND****1.A History**

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

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

**1.B Purpose**

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

**1.C Period of Performance****1.C.1 Base Period**

| The base period of performance for this contract is 01 August 2011 through 30 November 2011.

**1.C.2 Option Periods**

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

**1.D Contract Type**

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

**SECTION 2 – SCOPE****2.A Scope**

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

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otherwise specified in this contract. The accepted booking, in conjunction with the terms contained in this contract, constitutes the contract of carriage. The terms on a carrier's bill of lading does not govern the shipment and is not applicable.

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

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

During the period of this Contract and subject to provisions set forth below, the Government will ship all military and military sponsored cargo offered for commercial ocean transportation in the Defense Transportation System (DTS) to/from Continental U.S. (CONUS) points and ports to the port of San Juan, Puerto Rico; Alaska, Hawaii; and intra and inter-island service within Hawaii, under contracts awarded pursuant to this solicitation. In cases of emergency/natural disaster, non RDC-5S carriers may be used.

**2.A.2 Excepted Cargo and Routes**

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

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

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

**2.A.3 Additional Services**

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

**2.A.4 Geographic Scope**

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

**2.A.4.1 Custom of the Trade**

Wherever the standard of performance by either party is not provided under the provisions of this contract, the "Custom of the Trade" shall be used as a standard of performance. This phrase shall mean the established practice generally accepted by the trucking, rail and marine shipping industries for cargo transportation service in the geographic area where such services are performed.

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**2.A.5 Regulatory Compliance**

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

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

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

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

**2.B Aggregate Government Volume Estimates**

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

**SECTION 3 – GENERAL REQUIREMENTS**

**3.A General/Administrative**

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

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

**3.A.2 Cargo**

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

3.A.2.1 When booked on a liner basis, cargo will be loaded and discharged by the Contractor at commercial terminals at the Contractor's ports of call. Unless booked under free-in and/or free out terms, liner term rates apply for all cargo (to include POVs). Liner rates are a required rate component, along with the applicable ocean rate.

**3.A.3 Hazardous Cargo**

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3.A.3.1 Limitations of Contractor's Obligation

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

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

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

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

3.A.4.1 Quality Control

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

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

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

3.A.4.1.4 Quality Council Meetings

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

3.A.4.1.5 Freight Cost Reporting

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

Freight Cost - submit freight cost into the following categories:

1. Breakbulk
2. Accessorials
3. Miscellaneous

3.A.4.1.6 Retention of Records

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

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

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

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

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

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

3.A.6.2 Contractor Liability for Government Costs

If the Government stuffs a container with cargo weighing in excess of the container's standard maximum weight carrying capacity or in excess of any lesser weight of which it has been given notice under Paragraph 3.A.19, it shall remove, or pay the expenses of the Contractor in removing or handling the excess weight of cargo.

3.A.6.3 Storage Charges

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

**3.A.7 Space Commitment**

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

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

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

3.A.7.4 Space Available Cargo

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

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**3.A.8 Schedule Maintenance**

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

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

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

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

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

3.A.9.1 Notification

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

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

3.A.9.1.3 Dry-Dock Initiated Service Change

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

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

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

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

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

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

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

The Contractor shall use the Defense Transportation Electronic Data Interchange (DTEDI) approved Implementation Convention for the ANSI X 12 300, 301, 303, 304 and 315 transaction sets in compliance with their approved concepts of operations. Versions 3060, 4010 or later are required. The Contractor shall implement

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changes to business processes contained in revisions to Transaction Set Implementation Conventions and their controlling concepts of operations as may be approved by the Ocean ACI Committee. These changes shall be implemented in accordance with schedules approved by the Ocean ACI Committee.

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

- Contractor receiving order data, 300 (Delivery order, the booking, including increases and decreases)

Contractor ordering confirmation data, 301 (Confirmation of order, Contractor to Ordering Officer/COR)

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

3.A.12.1 Shipment Status Reporting: The Contractor shall provide accurate shipment status reports using the 315 transaction sets. Transactions shall be submitted in ANSI X-12 EDI standard or OCI to SDDC. Table 3. A.12.1.1 identifies specific events that require reporting. The Contractor shall submit all reports within 24 hours of accomplishment or when the Contractor has received the booking details and/or lift information from the U.S. Government.

3.A.12.1.1 Table of Reportable Shipment Status Events

CODE	DEFINITION	NOTES
W	Pickup of Loaded container/ Breakbulk	This transaction is required at the time customer turns over possession to Contractor
I	In-gate at Port of Embarkation (POE)	This transaction is required at the POE
AE	Loaded on Vessel	This transaction is required at the POE and required at all transshipment ports
VD	Vessel departure	This transaction is required at POE and required at all transshipment ports
VA	Vessel arrival	This transaction is required at the POD and required at all transshipment ports
UV	Vessel discharge	This transaction is required at the POD and required at all transshipment ports
OA	Out gate from POD	This transaction is required at the final POD (Port and Door bookings)
AV	Available for Delivery	This transaction is situational at POD or inland locations. This transaction may be submitted when local delivery cannot be made within the next business day due to Government caused or excusable delays.
X1	Deliver to consignee	This transaction is required when shipment is delivered to customer, or possession is turned over to the U.S. Government

**3.A.13 Manual Operational Reports**

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

Cargo Receipt  
 Cargo Lift Information – Breakbulk  
 Pre-Arrival Notice  
 Cargo Discharge  
 Cargo Disposition

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Cargo not lifted as booked / booked and not lifted  
 Direct Booking Report

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

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

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

3.A.15.1 Vessel Cutoffs

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

3.A.15.2 Late Gates

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

3.A.15.3 Expedited Linehaul to POE

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

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

EXPEDITED LINEHAUL SERVICE SCHEDULE

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

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

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

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

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

**3.A.17 Equipment**

3.A.17.1 The Contractor's basic service shall consist of furnishing to the Government fully operable chassis or trailers for Government owned/leased containers, at a specific point designated by the Ordering Officer, such as a warehouse door or loading platform, in a timely manner; moving the stuffed container/trailer between this point and the Contractor's commercial terminal; receiving and handling the stuffed container/trailer at its loading terminal; loading and transporting the container/trailer on the Contractor's vessel; discharging and handling the container/trailer at the Contractor's receiving terminal; and, delivering the container/trailer to a place designated by the Government customer by the RDD.

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

3.A.17.2 Substitution of Equipment:

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

3.A.17.3 Chassis Requirement

The notice will include the type and size of chassis required by the Government, the name and address of the shipper, the date and approximate time (AM or PM) for spotting the chassis. The Contractor shall not furnish a chassis of different dimensions than that ordered without the written consent of the COR. If the OO allows the Contractor to substitute a larger size chassis than booked, and the loaded shipment does not exceed the dimensions of the size chassis originally ordered, the Government will pay for the size ordered. If the loaded shipment exceeds the dimensions of the size of chassis originally ordered, the Government will pay for the size of chassis actually furnished.

3.A.17.4 Government Liability for Improper Documentation

If the Government does not provide the Contractor with the correct Government owned/leased container documentation at the time and location of Contractor acceptance, the Contractor may refuse to pickup or accept the container. If the Contractor refuses to accept a container because the Government has not provided proper documentation, the Government shall reimburse the Contractor for actual costs incurred if the Contractor has made a futile trip in connection with such circumstance. If the Contractor chooses to pick-up or accept the container, the Contractor shall provide the cognizant SDDC manifesting activity with all the missing receipt or lift data in order that the container can be completely identified for onward movement. This information must be provided within one (1) business day of receipt or lift, or earlier if necessary to meet the scheduled vessel sailing container/trailer actually furnished.

**3.A.18 Pickup Containers/Trailers**

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

**3.A.19 Overweight Containers and Notification by Contractor**

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

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**3.A.20 U.S. Government Furnished Containers (GFC)**

3.A.20.1 The shipment of U.S. Government-Furnished Containers (GFC) shall be subject to mutual agreement between the Contractor and the Government, except that the Government shall have the right to ship up to 200 U.S. GFC against the space commitment required under Section 3.A.7 of the PWS as part of a Unit move, provided that such shipments were coordinated at least 45 calendar days in advance of the vessel sailing.

3.A.20.2 The Contractor shall provide a chassis for GFC shipments whenever the Contractor is responsible for the associated inland transportation, unless this requirement is waived by the local shipping/receiving facility or custom of the trade does not normally call for the use of chassis. Detention shall apply to Contractor owned chassis when associated to GFC.

3.A.20.3 Contract linehaul rates shall apply for transporting loaded GFC. Inland transportation of empty GFC requested by the Government shall constitute a separate inland move subject to contract linehaul rates unless otherwise mutually agreed to by the Contractor and the Government. Dry/cargo flatbed linehaul rates shall apply for transporting GFC. Contractor must aggregate cargo whenever possible (i.e. two 20' GFCs = 1 40' flatbed conveyance).

3.A.20.4 The Contractor shall not be entitled to detention for GFC. The Contractor shall return GFC in the same condition as received and shall be liable for loss or damage to the GFC resulting from the Contractor's negligence.

3.A.20.5 When the Contractor provides any Accessorial services in connection with service provided to U.S. Government owned/leased containers, the appropriate Contractor rates contained in the Schedule of Rates shall apply.

**3.B Shipment Planning and Booking**

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

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

**3.B.1.1 Shipment Booking**

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

**3.B.1.2 Booking Acceptance**

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

The Contractor shall accept bookings, up to a vessel's space commitment, if the booking is received no less than three business days prior to a local cutoff.

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

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

**3.B.1.4 Direct Booking Procedures:**

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

3.B.1.4.1 Contractors with Direct Booking capabilities will ensure that the booking acceptance process evaluates "Required Delivery Dates" consistent with booking acceptance logic resident in IBS. When deemed necessary, the U.S. Government in cooperation with the contractor will review and update the acceptance logic and associated tables, and publish results through SDDC generated customer advisories.

### **3.C Ocean Transportation**

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

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

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

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

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

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

### **3.D Destination Services**

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

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

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

3.D.1.3 Deliver all cargo to each consignee during the consignee's Normal Business Hours.

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

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

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

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

3.D.2.1 Expedited delivery service:

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

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

EXPEDITED DELIVERY SERVICE SCHEDULE

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

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

### **3.D.3 Specified Day Delivery**

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

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

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

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

#### **3.E.1 Alternate Service**

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

#### **3.E.2 Service Failure**

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

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

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

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

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

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

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

3.E.2.5 Failure to Sail:

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

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

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

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

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

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

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

3.E.3.1.4 Accommodation for Failure to Release

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

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3.E.3.1.5 No Fault Failure to Meet Sailing

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

3.E.3.1.5.1 Load on the Next Vessel

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

3.E.3.1.5.2 Move to Another Shipping Place

The Government may order the Contractor to move the cargo to another place, including another Contractor's terminal. The Government shall bear all costs for such movement.

3.E.3.1.5.3 Return the Cargo

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

**3.E.4 Free Time and Detention**

3.E.4.1 Free Time

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

3.E.4.1.1 Free Time Allowed

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

3.E.4.1.2 Commencement of Free Time

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

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

3.E.4.1.3 No Running of Time

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

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

3.E.4.1.4 Delivery at Contractor's Terminal

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

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3.E.4.2 Detention

3.E.4.2.1 Detention after Free Time expires

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

3.E.4.3 Calculation of Detention-Related Charges

3.E.4.3.1 Standard Detention

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

<u>Equipment Type</u>	<u>Daily Detention</u>
20 ft Chassis	\$9
40 ft Chassis	\$16

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

- (1) The Government notifies the Contractor in writing that the equipment is available for pickup at the Contractor's point of delivery or other mutually agreed location and the equipment is available when the Contractor arrives for pickup;
- (2) The Government returns the equipment to the Contractor at the Contractor point of delivery or other mutually agreed location; or
- (3) The Contracting Officer notifies the Contractor in writing that it is purchasing the equipment under Section 3.E.7 or 3.E.8. Purchase under 3.E.7 or 3.E.8 is not intended to permit the Government to make wholesale purchases of containers. The Government will make a determination on a case-by-case basis that the equipment has been lost, destroyed, or impracticable to return.

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

Detention is payable for chassis only when the chassis is not used with Government owned/leased containers.

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

3.E.5.1 General

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

3.E.5.2. Shipping Order as Leasing Document

A Shipping Order shall be issued to reflect each lease of equipment. The Shipping Order shall set forth the number, size, and appropriate identification information of such Contractor equipment, the estimated duration of lease, and place of return. The Contractor shall be paid for each twenty-four (24) hour period or part thereof, Saturdays,

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Sundays, and holidays included, for the period between the time the equipment is received or ordered from the Contractor, whichever is later, until the time the equipment is returned to the Contractor. The Government shall not lease equipment for storage or other purposes unrelated to the furnishing of transportation pursuant to this contract, unless otherwise mutually agreed between the Government and the Contractor.

Leasing Rates

Equipment Type	Size	Per Day Rate
Chassis	20 feet and over	\$10.00
40 feet and over		\$12.00
Flatrack/Flatcar/Flatbed Truck	20 feet and over	\$10.00
40 feet and over		\$12.00
Trailer	40 feet and over	\$24.00

**3.E.6 Rerouting of Cargo**

3.E.6.1 En-Route Port Changes

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

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

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

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

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

3.E.6.1.1.3 If cargo is stowed so as to require rework of overstowed cargo, Contractor shall advise the COR of the amount of cargo overstowed and provide a cost estimate to discharge each piece. Vessel rework to remove overstowed cargo or vessel delay costs requires authorization by the Contracting Officer.

3.E.6.2 Short Stop

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

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

3.E.6.3 Change of Destination

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

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

**3.E.7 Damage to Contractor Equipment**

3.E.7.1 The Contractor shall be entitled to reimbursement for damages to Contractor owned equipment when such damage or loss is by act, neglect or failure to maintain equipment by the U.S. Government, its agents, employees or Contractors (other than the prime Contractor) while such Contractor equipment is in the custody and care of the U.S. Government, its agents, employees or Contractors (other than the prime Contractor). The U.S. Government shall repair or reimburse the Contractor the least of the following:

- (1) The reasonable costs of repairs or
- (2) The purchase price

3.E.7.1.1 The U.S. Government shall notify the Contractor of damage to Contractor's equipment while in the U.S. Government's care and custody immediately upon identification of the occurrence of said damage. The Contractor shall assign to the U.S. Government any rights, causes of action, or other claims, which the Contractor may have against third parties with respect to such damage.

3.E.7.1.2 The U.S. Government shall not be liable for the repair of any damage under this Section unless written notice specifying such damage shall have been given to and acknowledged by the U.S. Government or its authorized representative:

- 3.E.7.1.2.1 At the time custody of the equipment is returned by the U.S. Government to the Contractor; or
- 3.E.7.1.2.2 Within 5 business days after the damage was discovered or should have been discovered after custody of the equipment is returned by the U.S. Government to the Contractor (for damage that is not readily apparent).

3.E.7.1.3 The Contractor shall be liable for loss of or damage to Government containers and chassis while in the Contractor's custody to the same extent that the Government is liable for loss or damage to the Contractor equipment while in the Government's custody. The Contractor will not procure insurance coverage on Government containers.

**3.E.8 Theft or Disappearance**

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

3.E.8.1 When purchase is made in accordance with this provision, the contractor will be paid as stated in 3.E.7.1.

3.E.8.2 When onward movement has been delayed due to the fault of or at the specific request of the U. S. Government, the Contractor shall be reimbursed for actual expenses incurred in the storage of cargo.

3.E.8.3 To receive reimbursement for Port Storage services while the cargo is in the possession of the Contractor, the contractor shall submit an invoice in accordance with Attachment 6 of this contract and shall include the following attachments to the invoice:

- 3.E.8.3.1 Certify to the Contracting Officer that the Contractor in fact, incurred these costs
- 3.E.8.3.2 Copy of the Port Invoice indicating proof of incurred costs
- 3.E.8.3.3 Copy of the applicable port tariff citing the applicable rate.

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**3.F Accessorials**

**3.F.1 CONUS Linehaul for Ammunition Shipments**

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

**3.F.1.1 Identification of High Value and/or Classified Items**

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

**3.F.2 Tarping Service**

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

**3.F.3 Supercargo**

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

**3.F.4 Standby Time**

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

**3.F.5 Railcar Inspection Service**

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

**3.F.6 Liner Terms**

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

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ocean break-bulk rate for the ports where liner service is ordered. Unless booked under free-in and/or free out terms, liner term rates apply for all cargo (to include POVs). Liner rates are a required rate component, along with the applicable ocean rate.

**3.F.7 Delivery Outside of Normal Business Hours**

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

**3.F.8 Hazardous Cargo Surcharge**

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

**3.F.9 Mileage Table**

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

**3.G Breakbulk and RORO Requirements**

**3.G.1 Cargo Lift and Advancement of Cargo**

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

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

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

**3.G.2 Cargo Berth**

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

**3.G.2.1 Shifting of Berths, Meeting Minimum Tonnage**

The Contractor shall (for cargo to be loaded or discharged within a vessel's port of call, or other port located in the same port group as listed in paragraph 7.B.2 if such cargo is booked under Free-in or Free-out terms), at the request of the Ordering Officer, call at, or shift to, any particular dock, wharf, place or open roadstead at which the vessel can lie always safely afloat at any time of tide, or at which the judgment of the master of the vessel may lie safely aground, and to and from which the vessel may safely proceed, at no additional cost, when the aggregate of the Free-

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in/Free-out cargo to be loaded or discharged at such location shall meet the minimum tonnage of 1,000 MsTs for shifting.

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

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

**3.G.2.3 Demurrage if Shift is Requested**

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

**3.G.3 Reimbursement for Damage**

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

**3.G.4 Free-in/Free-out Terms**

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

**3.G.5 Terms for Loading and Discharging Services**

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

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

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

**3.G.5.2 Loading, Stowing, Trimming, Securing Supervision**

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

**3.G.5.3 Stowage Preplans/Plans**

When cargo is to be loaded or discharged by the U.S. Government, the Contractor shall provide to the local terminal commander and to the Ocean Cargo Clearance Authority (OCCA) or Ocean Cargo Booking Office (OCBO) having cognizance over the loading or discharging port, one copy each of the preplan/plan indicating the specific location, pertinent dimensions and total cubic measurement of the vessel space available for the cargo loading or involved

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with the cargo discharge. Upon request U.S. Government will provide load list to Breakbulk carriers a minimum of five (5) business days prior to vessel arrival.

**3.G.5.4 Acceptable Cargo Space:**

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

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

**3.G.5.5 Use of Cargo Handling Gear**

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

**3.G.5.6 Cranemen/Winchmen/Tallymen/Other Crew**

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

**3.G.5.6.1 Reimbursement of Crew Costs**

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

**3.G.5.7 Stevedore Damage**

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

**3.G.5.8 Breakbulk/RORO Liner Service and Linehaul Service**

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3.G.5.8.1 The Contractor shall, provide service on a liner-term basis when ordered and where accessorial rates are awarded. Contractors must have both the applicable ocean and liner term rates to be considered eligible for bookings.

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

3.G.5.9 Containerization for the Convenience of the Contractor

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

### **3.H Additional Services**

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

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

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

3.H.1.2 Cargo handling at origin or destination. Load/unload cargo into/from container/conveyance at origin/destination block/brace/secure for safe transport; provide materials to block/brace/secure cargo; pack/mark.

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

3.H.2.1 Transloading:

Transloading service is a direct crossdock transfer of cargo from one conveyance to another without grounding or storing the cargo. Contractor shall ensure that cargo is secure until it is reloaded into the delivery conveyance.

3.H.2.2 Dunnage and materials:

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

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

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

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

3.H.2.5 In-transit storage:

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

**3.H.3 Services for Special Cargo**

3.H.3.1 Hazardous cargo handling: transloading services for IMO hazardous cargo.

3.H.3.2 Extraordinary monitoring of cargo: Full 24-hour per day continuous oversight of cargo at designated locations.

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

**3.I.1 Flatbed and double drop service**

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

3.I.1.1.1 Rates are provided.

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

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

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

3.I.1.2 Service Requirements

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

3.I.1.3 Pricing and Rate Rules.

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

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

\* Not to exceed 44,000 lbs.

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

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

3.I.1.3.1.1.1 Flatbed includes dropdeck/stepdeck.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**3.I.2 Reserved**

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

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

**4.A.1 Scope**

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

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

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

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

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

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

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

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**4.A.4 Payment**

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

4.A.4.2 The Contractor shall notify the Contracting Officer when payment for services identified in 4.A.4.1 are not received within forty-five (45) calendar days of invoice. Should the Authorized Agent fail to pay the Contractor for transportation services rendered to the Authorized Agent within ninety (90) calendar days of invoice, the Contractor may submit a claim for said services to the U. S. Government.

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

4.A.5.1. POV Receive/Deliver

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

4.A.5.2. RDD for POV Transport

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

4.A.5.3. Failure to Meet POV RDD

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

4.A.5.4. POV Delivery after Force Majeure or Excusable Delay

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

**SECTION 5 – MEASURING PERFORMANCE**

**5.A Performance Requirements**

The expectation of the U.S. Government is that all cargo booked under this contract shall successfully move in accordance with the terms of the contract. The US Government strategy for assessing the Contractor's performance under this contract focuses on two business lines, Unit Moves and Other Than Unit Moves (OTUM).

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

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

**5.A.2 Performance Objectives**

Performance Objective No. 1: On-Time Delivery

The Contractor shall deliver the cargo not later than the Required Delivery Date (RDD) specified in the accepted booking.

Performance Objective No. 2: In-Transit Visibility

The Contractor shall provide accurate and timely shipment status reports using the Electronic Data Interchange (EDI), or the Ocean Carrier Interface (OCI) as required by Section 3.A.12.

Performance Objective No. 3: Good Order & Condition

Cargo shall be delivered to the consignee in the same order and condition as when turned over to the contractor for shipment.

5.A.2.1 Performance Assessment

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

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

5.A.2.2 Performance Rating

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

**Table 5.A.2.2**

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

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

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

### **6.A Puerto Rico**

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

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

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6.A.2 Cargo from Puerto Rico

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

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

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

6.A.4 Containerization for the Convenience of the Contractor

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

**6.B Alaska**

6.B.1.1. Northbound Service to Alaska

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

6.B.1.2. Southbound Service from Alaska

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

6.B.2. Alaska Tie-Down Services

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

6.B.3. Less Than Trailerload Service

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

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

**6.B.4 Railhead Handling/Drayage Service for Military Vehicles**

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

**6.B.5 Surcharge for Carriage of Poles**

When ordered by the OO, the Contractor will transport both treated and non-treated poles that are greater than thirty-nine feet in length. The Contractor will be compensated for this service at the rate per foot set forth in the Accessorial Rate Tables, applied to each 12" in excess of 39'.

**6.B.6 Mileage in Alaska**

Alaska mileage rates apply to mainland and island locations.

**6.C. Hawaii**

**6.C.1. Inter-island (intrastate) Hawaii Service**

6.C.1.1. Any carrier offering rates for inter-island service between and among the ports of Hawaii shall ensure that the service is performed by an entity that holds a Certificate of Public Convenience and Necessity (CPCN) approved by the Hawaii Public Utilities Commission.

**SECTION 7 – RATE RULES AND ADDITIONAL CLAUSES**

**7.A Reserved**

**7.B. Grouping of Certain Ports, Cities, and Places**

7.B.1 In order to avoid proliferation of rates, certain ports and inland points have been grouped together as described in Attachment 4, City Groupings.

7.B.2 The ports listed below have been grouped. For routings via below listed ports, CARE II SM shall only accept routings that use the port group for drayage and linehaul.

<u>Port Group</u>	<u>Port Members</u>
Galveston Bay	Galveston, Houston
Los Angeles	Los Angeles, Long Beach, San Pedro, Wilmington, Terminal Island
Miami	Miami, Port Everglades, Fort Lauderdale
New York	New York, Bayonne, Newark, Elizabeth, Howlan Hook- Kearney
Norfolk	Norfolk, Newport News, Portsmouth, Virginia Beach

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Philadelphia Puget Sound San Francisco Bay Area	Chesapeake Philadelphia, Pennsauken Bremerton, Seattle, Tacoma San Francisco, Oakland, Richmond, Mare Island, Alameda
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**7.C Application of Ocean Freight Rates—Breakbulk/RORO**

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

<b>General Cargo</b>	<b>U.S. Government Owned/Leased Dry Containers</b>
<b>Light Vehicles</b>	<b>Helicopters</b>
<b>Heavy Vehicles</b>	

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

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

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

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

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

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

7.C.7 Linehaul for Breakbulk and RORO cargo

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

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

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**7.D Application of Mileage Rates—**

7.D.1 Mileage Source.

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

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

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

7.E.1 Allowance

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

The allowance shall be paid per freight payable unit of cargo.. For breakbulk cargo, they are measurement tons.

The Bunker Adjustment Factor is zero unless the one-month average fuel price is at least 20% higher or 20% lower (inclusive) than the baseline average fuel price. No bunker adjustment is payable on the routes not included in Table 7.E.7. below.

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

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

7.E.2 Baseline Fuel Price

The baseline is \$ 225.00 for Norfolk and \$ 225.00 for Los Angeles. The baseline is for a bunker fuel mixture of IFO 380 (95%) and MDO (5%). This baseline will apply to the base year and all option years.

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

7.E.3 Calculations

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

7.E.3.2 An average fuel price shall be computed by SDDC for Los Angeles and Norfolk. This average price shall be calculated on or after the first of the month for the prior month and shall apply to shipments booked for sailings in the next month. The monthly computation of adjusted average fuel prices will be posted to the SDDC website no later than the 10th of the month prior to the month in which it will be applied. Example: The average fuel prices for calculation of BAF charges for March shall be based on bunker prices for the month of January.

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7.E.3.3 The scheduled month the vessel departs the load port at the time of booking shall determine the month for calculation of BAF charges.

7.E.3.4 The source for bunker prices is Bunkerworld; <http://www.bunkerworld.com/>, which calculates bunker average monthly prices by port and fuel type. These prices are quoted in metric tons and shall be converted to barrels by dividing by 6.50. The IFO 380 and MDO average quotes shall then be averaged to calculate the monthly average fuel prices for Norfolk and Los Angeles.

Conversion Factors for fuel types identified above are fuel conversions

Fuel Type	BBLs per MT
IFO 380	6.467
MDO	7.162

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

7.E.4 Payment procedures.

7.E.4.1 For shipments paid using Syncada (or current EEIP provider), the BAF shall be fixed at the time of booking and shall be based on the date the booked vessel is scheduled to sail. When BAF is payable, shippers shall include the applicable BAF amount (plus or minus) to all shipments paid to the Contractor via their own documentation and payment system at the time that the original transactions are sent to PowerTrack. Contractors using the Syncada invoice procedure shall include the applicable BAF amount (plus or minus) in their invoice.

7.E.4.2 For all shipments other than those paid using Syncada (or current EEIP provider), Contractors are responsible for indicating on their shipment invoice whether a fuel payment is due them, whether no fuel payment is to be made or whether a fuel payment is due SDDC. If a fuel payment is due the Contractor or SDDC, the Contractor shall compute the value of the payment (or credit) and indicate this on the shipment invoice. If there is no fuel payment, the Contractor shall indicate on the invoice "No Fuel Adjustment". BAF for authorized agent shipments shall be paid using this process.

7.E.5 Application

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

7.E.6 Technical Factors and Freight Payable Units

The technical factors and their freight payable units are shown in Table 7.E.6.1.

TABLE 7.E.6.1

Route	Payable Unit	Factor
03 U.S. West Coast - Hawaii	Breakbulk	0.049
26 U.S. West Coast - Alaska	Breakbulk	0.036
37 U.S. East Coast - Caribbean	Breakbulk	0.038
42 U.S. Gulf Coast - Caribbean	Breakbulk	0.045
1B Hawaii - Alaska	Breakbulk	0.049

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

Fuel price formula:

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

BAF Trade Route Numbers ID

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

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

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

7.F.1 Baseline. The SDDC TR-12 domestic freight fuel adjustment table will be used to establish average fuel price baselines. The baseline fuel price will be the average of the three monthly SDDC TR-12 Policy price reports filed immediately prior to the issuance of the solicitation (Personal Property fuel Related Rate Adjustment Table posted on the SDDC web site). For instance if the solicitation is issued on 08 April 11, the Baseline will reflect the average of the January, February, and March 2011 reports.

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

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

7.F.4 Reserved

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

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

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

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

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

**7.G Rounding**

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

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

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

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

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

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

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

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

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

## **7.I Maritime Clauses**

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

The United States Carriage of Goods by Sea Act 46 U.S.C. 30701 et seq. (hereinafter "COGSA" or "the Act") is incorporated and shall apply to the ocean transportation of all goods under any Shipping Order with the same force and effect as if the Act applied to such carriage by express provision therein. For the purpose of interpreting Section 4 of the Act, "Limitation of Liability", the act of loading cargo into, or upon, a container and/or flatrack shall not transform such containerized cargo into a single COGSA "package" (as defined herein). (for example, the decision of a contractor to load a piece of breakbulk equipment or other cargo on a flatrack does not necessarily convert that equipment/cargo into a single COGSA "package.") Cargo booked under this contract will be booked breakbulk and thus the carrier will be liable to pay the COGSA measurement ton rate for lost or damaged cargo regardless of whether the booking documents state in any fashion the shipping unit is a single "package" or "unit." If the Government document (i.e. IBS transaction) is for "breakbulk," the COGSA limitation of liability will be valued by the measurement ton of the breakbulk cargo. The carriage of cargo under any Shipping Order issued pursuant to this contract shall not be deemed or construed to be the carriage of cargo pursuant to special terms and conditions as provided for in Section 6 of the Act; and nothing in this solicitation is intended to relieve the contractor or the vessel from liability for loss or damage to or in connection with the goods arising from negligence, fault or failure in the

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duties and obligations provided by the Act or to lessen such liability otherwise than as provided therein. COGSA shall apply from the point of delivery to the Contractor to the point of delivery to the Consignee whether in connection with intermodal or ocean-only transportation under this Contract. Accordingly, COGSA shall apply in determining the limits of a Contractor's liability for loss or damage to cargo booked under this Contract arising at any time in the custody of the Contractor.

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

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

The United States Carriage of Goods by Sea Act 46 U.S.C. 30701 et seq. (hereinafter "COGSA" or "the Act") is incorporated and shall apply to the ocean transportation by the Contractor of all goods owned by a non-government cargo owner under any Shipping Order with the same force and effect as if the Act applied to such carriage by express provision therein. For the purpose of interpreting Section 4 of the Act, "Limitation of Liability", the act of loading cargo into, or upon, a container and/or flatrack shall not transform such containerized cargo into a single COGSA "package" (as defined herein). For example, the decision of a contractor to load a piece of equipment or other cargo on to a flatrack does not necessarily convert that equipment/cargo into a single COGSA "package". Cargo booked under this contract will be booked breakbulk and thus the carrier will be liable to pay the COGSA measurement ton rate for lost or damaged cargo regardless of whether the booking documents state in any fashion the shipping unit is a single "package" or "unit." If the Government document (IBS transaction) is for "breakbulk," the COGSA limitation of liability will be valued by the measurement ton of the breakbulk cargo.

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

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

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

If the Contractor provides service via a barge system, the following additional provisions apply. The Contractor will be liable for cargo claims in accordance with the Carriage of Goods by Sea Act, 46 USC 30701 et seq. from the time the cargo is loaded on a barge to the time the cargo is discharged from the barge. On any voyage, the Contractor will not invoke limitation of shipowner's liability under 46 USC 30701 for aggregate losses or damages to cargo in barges to a value less than the limitation value of the tug(s) and barges at time completion of the voyage. A barge will not be deemed to be a package within the meaning of the five hundred (500) dollar package limitation in Section 30701 of Title 46 of the United States Code (See also Paragraph 7.I.1). The Government will not be liable for any damage sustained by a barge or tug while alongside a loading or discharging facility, except to the extent

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that it would be liable for such damage to an oceangoing vessel alongside such facility under the law and other terms of this contract. All barges will be equipped with sufficient battery operated mooring lights, when required.

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

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

**7.I.2 Scope of Voyage (Liberties)**

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

**7.I.2.1 Diversion of Cargo**

In any situation, whatsoever or wheresoever occurring and whether existing or anticipated before commencement of or during the voyage, which in the judgment of the contractor or master of the vessel is likely to give rise to capture, seizure, detention, damage, delay or disadvantage to or loss of the vessel or any part of her cargo, or to make it unsafe, imprudent, or unlawful for any reason to begin or continue the voyage or to enter or discharge the goods at the port of discharge, or to give rise to delay or difficulty in arriving, discharging at or leaving the port of discharge or the usual place of discharge in such port, the master, whether or not proceeding toward or entering or attempting to enter the port of discharge or reaching or attempting to reach the usual place of discharge therein or attempting to discharge U.S. Government Cargo (the Cargo) may, upon notification to the Contracting Officer (CO) as described at Section 7.I.2.1.1 below, discharge the Cargo into another port, depot, lazarette, craft, or other place, or retain the goods on board until the return trip or until such other time as would be prudent in the ordinary course of the Contractor's business.

**7.I.2.1.1 Notice of Diversion.** The Notice described at Section 7.I.2.1 above shall include, at a minimum, a description of the cargo to be diverted (cargo number, Transportation Control Number, etc.), the conditions giving rise to the Contractor's planned diversion of the Cargo, the diversion planned and any other measures deemed necessary by the Contractor to protect the Cargo. The Contractor or his designated representative shall provide such Notice in a manner and place consistent with the provisions of this agreement (eg., electronic mail), but it is understood that such notice may be delayed if it would put the vessel, her crew or cargo at risk of loss, damage or injury.

**7.I.2.1.2 Equitable Adjustment, Contractor Proposed Course of Action.** After notification to the CO and approval by the CO of the contractor's proposed course of action, the contractor may submit a request for an equitable adjustment to the contract for the reasonable, allocable, incurred costs to implement the approved course of action. It is understood that the contractor may be required to act before CO approval to prevent risk of loss, damage or injury to the vessel, her crew or cargo. If the contractor acts before notice to and approval by the CO, the contractor shall nonetheless be entitled to reasonable, allocable, incurred costs if the CO finds that the actions were prudent and necessary for the security and protection of government cargo. In no case shall an equitable adjustment duplicate compensation provided in a RDC-5S rate, accessorial charge or similar charge or otherwise reimburse the Contractor for costs chargeable (by the Contractor) to or otherwise allocable to a non-RDC-5S shipper. If the contractor has been paid for delivery to destination, the CO will consider this fact in evaluating any request for an equitable adjustment or potential government claim for a windfall to the contractor.

**7.I.2.1.3 Mutual Agreement.** Where the CO determines that the Contractor's planned diversion of the Cargo is not in the best interest of the U.S. Government, the CO shall so advise the Contractor as soon as practicable. Thereafter, the CO and the Contractor shall, with all due diligence and good faith, endeavor to mutually agree upon the prudent disposition of the Cargo.

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7.I.2.1.4 Responsibility for the Cargo. Where the Contracting Officer determines that the contractor's planned diversion of the Cargo is not in the best interest of the U.S. Government and the Contracting Officer and the Contractor cannot timely agree upon the disposition of the Cargo, the Contractor shall comply with the CO's direction to the contractor to diver the cargo to a port of the U.S. Government's choice and to make any other arrangements for the cargo the Contracting Officer deems necessary to protect the Government's interest.

7.I.2.1.5 Equitable Adjustment for US Government Directed Course of Action. The contractor may submit a request for an equitable adjustment to the contract for reasonable, allocable costs incurred to carry out the CO's direction if such costs are caused by the need to respond to the special situation and would not have been incurred in performing the contract of carriage except for the special situation. This equitable adjustment includes costs associated with cargo on the vessel that is not transported under this contract to the extent these costs exceed costs allocable to any non-RDC-5S shipper under any Scope of Voyage (Liberties) or similar clause in any contract between the contractor and a non-RDC-5S shipper. In no case shall an equitable adjustment duplicate compensation provided in a RDC-5S freight rate, accessorial charge or similar charge or otherwise reimburse the Contractor for costs chargeable (by the Contractor) to or otherwise allocable to a non-RDC-5S shipper. If the contractor has been paid for delivery to destination, the CO will consider this fact in evaluating any request for an equitable adjustment or any government claim for a windfall to the contractor.

7.I.2.1.6 In any event, the contractor shall at all times be responsible to assure the security and protection of the cargo until relieved of such responsibility by the U.S. Government or its designated agent.

**7.I.2.2 Liberties.** The Contractor, the master and the vessel shall have liberty to comply with any orders or directions as to loading, departure, arrival, routes, ports of call, stoppages, discharge, destination, delivery or otherwise howsoever given by the government of any nation or department thereof or any person acting or purporting to act with the authority of such government or of any department thereof. Delivery or other disposition of the goods in accordance with such orders or directions shall excuse delay in performance to the extent that such order or direction persists in prevention of performance. (See compensable Delay Clause below in Para 6.) The vessel may carry seized contraband, explosives, munitions, warlike stores, hazardous cargo, and may sail armed or unarmed and with or without convoy.

**7.I.2.3** The vessel shall have the liberty to deviate for the purpose of saving life and property, to tow or to be towed, to sail with or without pilots, or to go into dry dock or into ways with or without cargo on board. However, in no case shall the contractor be entitled to extra compensation for such a deviation and the contractor shall not be relieved of responsibility for delivery of cargo to the destination named in the Shipping Order.

**7.I.3 Strikes**

7.I.3.1 Loading Port—In the event the vessel or the loading of the vessel is delayed by reason of strikes or stoppage of work, the contractor may, at the loading port dispatch the vessel with such portion of the cargo as may then be on board.

7.I.3.2 Discharge Port—In the event the vessel or discharge of the vessel is delayed by reason of strikes or stoppage of work, the contractor at the discharge port may discharge the cargo still on board or with the approval of the U.S. Government dispose of the cargo or any part of it at the U.S. Government's risk and expense.

**7.I.4 Amended Jason Clause**

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

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**7.I.5 General Average**

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

**7.I.6 Liens**

7.I.6.1 Seizure of Cargo: The contractor agrees that it will not assert any type of lien, including a maritime lien, on any cargo shipped by the U.S. Government under this Contract. The contractor further agrees that it will not take any action to seize, arrest, hold, or otherwise detain such cargo through any judicial process in the U.S. or any foreign country. The contractor agrees to insert this clause in all subcontracts at any level and to expend any resources necessary to expeditiously enforce the provisions of this clause against such subcontractors.

7.I.6.2 Freight: There shall be no liens, including maritime liens, asserted on any freights payable by the U.S. Government under this contract. The Contractor agrees to insert this clause in all subcontracts at any level and to expend any resources necessary to expeditiously enforce the provisions of this clause against such subcontractors.

**7.I.7 Force Majeure**

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

**7.J Cargo Claims**

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

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

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

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

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

**7.L Compensable Delays**

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

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

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

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

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

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

**7.M Pass-through Charges**

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

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

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

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

**8.A Abbreviations/Acronyms**

AAFES	Army Air Force Exchange Service
BAF	Bunker Adjustment Factor
CAF	Currency Adjustment Factor
CO	Contracting Officer
CONUS	Continental United States
COR	Contracting Officer’s Representative
CPA	Cargo Preference Act (1904)
CSC	Convention of Safe Containers
DeCA	Defense Commissary Agency
DFARS	Defense Federal Acquisition Regulation Supplement
DLA	Defense Logistics Agency
DoD	Department of Defense
DSC	Deployment Support Command
DTEDI	Defense Transportation Electronic Data Interchange
DTR	Defense Transportation Regulation
EDI	Electronic Data Interchange
FAR	Federal Acquisition Regulation
FAK	Freight All Kinds
FIO	Free In and Out
GLOC	Ground Line of Communication
GPC	Global POV Contract
GSA	General Services Administration
IMO	International Maritime Organization
ISO	International Organization for Standardization
IBS	Integrated Booking System
ITGBL	International Thru Government Bill of Lading
MPSA	Military Postal Service Agency
MSC	Military Sealift Command
MsT	Measurement Ton (40 Cubic Feet)
MVC	Minimum Volume Commitment
NEXCOM	Navy Exchange Command
OCBO	Ocean Cargo Booking Office
OCCA	Ocean Cargo Clearance Authority
OCI	Ocean Carrier Interface
OCONUS	Outside Continental United States
OO	Ordering Officer
POD	Port of Discharge
POE	Port of Embarkation
POV	Privately Owned Vehicle
PWS	Performance Work Statement
QCP	Quality Control Plan
RDD	Required Delivery Date
RFP	Request for Proposals
RORO	Roll-On/Roll-Off
SCAC	Standard Carrier Alpha Code

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SDDC	Surface Deployment and Distribution Command
TCMD	Transportation Control & Movement Document
TCN	Transportation Control Number
VETCOM	U.S. Army Veterinary Command
VISA	Voluntary Intermodal Sealift Agreement
VPC	Vehicle Processing Center

**8.B Definitions**

The following terms have the meaning as set forth below:

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

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

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

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

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

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

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

Cargo Cleaning Service

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

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

Commercial Zone – The pickup and delivery limits of cities, ports and municipalities in the United States as defined by the Surface Transportation Board and published in 49 CFR, Part 1048, on the date service is provided by the Contractor.

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

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

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

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

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

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

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

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

Cutoffs

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Liner Terms/Breakbulk – Liner Terms (Breakbulk) Accessorial service provided by the contractor for all services from receipt of break-bulk cargo at POE to load of break-bulk cargo on the vessel (liner in) or from discharge of the vessel at POD to outgate (liner-out). Unless booked under free-in and/or free out terms, liner term rates apply for all cargo (to include POVs). Contractors must have both the applicable ocean and liner term rates to be considered eligible for bookings. The applicable liner term rate(s) in the Table of Accessorials shall be added to the FIO ocean breakbulk rate for the ports where liner service is ordered.

Live Load – See Spotting of Containers

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

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

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

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

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

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

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

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

Weight: 44,000 lbs. Length: 40'00" Width: 11'00" Height: 11'8"

Oversized Breakbulk Cargo – Cargo that has any one dimension over 50 feet long, more than eleven (11) feet wide or over eleven (11) feet in height, or as determined by the Ordering Officer, requires special handling equipment for loading aboard or discharging from a vessel because of that cargo's atypical size. All wheeled or tracked vehicles regardless of size are excluded from this definition.

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

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

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

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

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

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

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

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

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

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

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

T – Same as Code L, 1-9, or M

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

Code	POE	POD
1.	Free-in	Free-out
2.	Liner-in	Liner-out
3.	Free-in	Liner-out

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4.	Liner-in	Free-out
5.	Door/Liner-in	Free-out
6.	Door/Liner-in	Liner-out
7.	Free-in	Liner-out/Door
8.	Liner-in	Liner-out/Door
9.	Door/Liner-in	Liner-out/Door

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

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

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

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

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

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

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

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

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

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

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

Caribbean: Includes ports in Puerto Rico

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

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

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

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

### 8.C.2 Descriptions of Zones

Many of the routes in this contract have been structured into zones so that ports can be grouped to best reflect market conditions and minimize the number of rates to be submitted by Contractors. Ocean rates apply on a zone to

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zone basis. The rates are directional for service between different zones of the same area. More information on zones can be found in Attachment 4, City Groupings.

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

**SECTION 9 – LIST OF ATTACHMENTS**

Attachment 1 – Hazardous Cargo

Attachment 2 – Reserved

Attachment 3 - Reserved

Attachment 4 – City Groupings

Attachment 5 – Route Matrix

Attachment 6 – Invoicing and Payment

Attachment 7 – Reports and Formats

Attachment 8 – Special Provisions for DLA Prime Vendor Program Cargo

Attachment 9 – Prime Vendor/RDC Carrier Agreement

Attachment 10 – US Domestic Shipyard Preference Document