

ORDER FOR SUPPLIES OR SERVICES

IMPORTANT: Mark all packages and papers with contract and/or order numbers.

1. DATE OF ORDER 06/09/2008		2. CONTRACT NO. (If any)		6. SHIP TO: Janice G. Weaver		
3. ORDER NO. DTMA1V08142		4. REQUISITION/REFERENCE NO. PR400080024		a. NAME OF CONSIGNEE DOT/Maritime Administration, MAR-410		
5. ISSUING OFFICE (Address correspondence to) DOT/Maritime Administration, MAR-380 1200 New Jersey Ave SE, MAR380 W28-201 Washington DC 20590				b. STREET ADDRESS 1200 New Jersey Ave, SE MAR380, W28-201		
c. CITY Washington		d. STATE DC		e. ZIP CODE 20590		
7. TO: a. NAME OF CONTRACTOR				f. SHIP VIA		
b. COMPANY NAME TEMS Inc.				8. TYPE OF ORDER		
c. STREET ADDRESS 116 Record St, DUNS 933997827				<input checked="" type="checkbox"/> a. PURCHASE REFERENCE YOUR:		<input type="checkbox"/> b. DELIVERY - Except for billing instructions on the reverse, this delivery order is subject to instructions contained on this side only of this form and is issued subject to the terms and conditions of the above-numbered contract.
d. CITY Frederick		e. STATE MD	f. ZIP CODE 21701-5418		Please furnish the following on the terms and conditions specified on both sides of this order and on the attached sheet, if any, including delivery as indicated.	
9. ACCOUNTING AND APPROPRIATION DATA - - 7008 - 175000 - 1 - 2008 - 20 - 230 - 120001 - - MSS0 - - - 25090 - - -				10. REQUISITIONING OFFICE DOT/Maritime Administration, MAR-410		
11. BUSINESS CLASSIFICATION (Check appropriate box(es))						12. F.O.B. POINT
<input checked="" type="checkbox"/> a. SMALL <input type="checkbox"/> b. OTHER THAN SMALL <input type="checkbox"/> c. DISADVANTAGED <input type="checkbox"/> g. SERVICE-DISABLED VETERAN-OWNED <input type="checkbox"/> d. WOMEN-OWNED <input type="checkbox"/> e. HUBZone <input type="checkbox"/> f. EMERGING SMALL BUSINESS						Destination
13. PLACE OF		14. GOVERNMENT B/L NO.	15. DELIVER TO F.O.B. POINT ON OR BEFORE (Date)		16. DISCOUNT TERMS	
a. INSPECTION	b. ACCEPTANCE		09/01/2008			

17. SCHEDULE (See reverse for Rejections)

ITEM NO. (a)	SUPPLIES OR SERVICES (b)	QUANTITY ORDERED (c)	UNIT (d)	UNIT PRICE (e)	AMOUNT (f)	QUANTITY ACCEPTED (g)
SEE LINE ITEM DETAIL						

SEE BILLING INSTRUCTIONS ON REVERSE	18. SHIPPING POINT		19. GROSS SHIPPING WEIGHT		20. INVOICE NO.		17(h) TOT. (Cont. pages)
	21. MAIL INVOICE TO: Leah MacHugh						
	a. NAME DOT/ Enterprise Services Center (ESC) OFO/FAA, Oklahoma City						
	b. STREET ADDRESS (or P.O. Box) MARAD A/P Branch, AMZ-150 PO Box 25710						
c. CITY Oklahoma City			d. STATE OK	e. ZIP CODE 73125		\$100,000.00	17(i) GRAND TOTAL

22. UNITED STATES OF AMERICA BY (Signature) <i>Delores Bryant</i>			23. NAME (Typed) Delores Bryant TITLE: CONTRACTING/ORDERING OFFICER			
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**ORDER FOR SUPPLIES OR SERVICES
SCHEDULE - CONTINUATION**

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IMPORTANT: Mark all packages and papers with contract and/or order numbers.

DATE OF ORDER 06/09/2008	CONTRACT NO.	ORDER NO. DTMA1V08142
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ITEM NO. (a)	SUPPLIES OR SERVICES (b)	QUANTITY ORDERED (c)	UNIT (d)	UNIT PRICE (e)	AMOUNT (f)	QUANTITY ACCEPTED (g)						
0001	<p><i>See attached Statement of Work</i></p> <p>Modal Shift Study</p> <p>This is fixed price contract.</p> <table border="0"> <tr> <td><i>Delivery Date</i></td> <td><i>Start Date</i></td> <td><i>End Date</i></td> </tr> <tr> <td>09/01/2008</td> <td>06/09/2008</td> <td>09/01/2008</td> </tr> </table> <p>Reference Requisition: PR400080024</p>	<i>Delivery Date</i>	<i>Start Date</i>	<i>End Date</i>	09/01/2008	06/09/2008	09/01/2008	1.00		100,000.000	100,000.00	
<i>Delivery Date</i>	<i>Start Date</i>	<i>End Date</i>										
09/01/2008	06/09/2008	09/01/2008										

TOTAL CARRIED FORWARD TO 1ST PAGE (ITEM 17i) ⇒ \$100,000.00

**Contract Level
Funding Summary**

Document Number

DTMA1V08142

Title

Modal Shift Study

Page

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- - 7008 - 175000 - 1 - 2008 - 20 - 230 - 120001 - - MSS0 - - - 25090 - - -

\$100,000.00

Reference Requisition: PR400080024

Total Funding: \$100,000.00

STATEMENT OF WORK

Proposed Consultant Study on Modal Shifts from High Fuel Prices

The national average price of diesel fuel (which is used by trucks, railroads, and ships) rose to \$4.79 per gallon on May 30, 2008. Tracking the dramatic rise in the price of crude oil from \$27 in 2000 beyond \$100 per barrel, the price of diesel has more than tripled since its last peak of \$1.64 per gallon in October 2000 (and more than 3.5 times since its last low of \$1.15 per gallon in February 2002). Should the price of oil rise to \$200 per barrel or more as forecast by some industry analysts, the associated increase in the price of diesel is expected to further increase transportation costs to such an extent that there may be structural shifts in freight moved by competing modes of transportation.

Significant increases in fuel prices can affect transportation demand for freight moved by changing the relative costs of shipping by truck, train, or ship. While trucks can reach any place connected by roads, ships and trains are most attractive for lower value freight travelling long distances, because they usually still require trucks to provide door-to-door service. Ships can be used when water services are available, particularly when the geography of bodies of water or coastlines present a barrier that effectively boosts the relative costs, travel time, and convenience of alternative truck and rail services. Shippers choose among different modes of transportation based on service characteristics that include the net cost, time; convenience, reliability, and availability of each mode of transportation for a shipment.

Objectives

- Evaluation of the competitive sensitivities of truck, rail, and water transportation as regards rising fuel prices: in particular, how much do the cost per mile of using direct truck, rail/truck, and ship/truck intermodal freight transportation service increase over a long-distance (e.g., 500- and 1000-mile) trip for each short ton and containerized unit (e.g., TEU, FEU, or 54-foot trailer) for oil-price scenarios that generate higher, milestone diesel prices (e.g., \$1.50 to \$4.50 to \$9 per gallon).
- Forecast of potential increases in freight volumes for water transportation characterized by broad commodity groups for five major corridors: East Coast, West Coast, Gulf Coast, Great Lakes, and Mississippi River to Gulf of Mexico.
- Development of a written report evaluating the potential modal shifts in response to milestones in the increase of the price of diesel fuel on freight transportation, that also addresses shippers' demand requirements in addition to price and the supply characteristics that constrain the capability of intermodal-waterborne carriers to meet shippers' needs.

General Scope of Work

- The contractor must provide an overview (or synopsis) that describes and quantifies, where possible, the economic ramifications of the past rise of oil prices and the potential for further resulting increases in the price of diesel fuel used in freight transportation by trucks, railroads, and ships (e.g., market exit of smaller truck companies and independents, changes in the relative cost of freight transportation modes; modal shifts by shippers, and other significant impacts on freight transportation, such as the location of new shipper distribution centers and the impact of inland distribution costs).
- The contractor must explain what drives shipper choice of competing modes of freight transportation in the United States, identify milestone increases in diesel prices (e.g., at the current record level around \$4.50 per gallon and a double of that level at around \$9 per gallon) that can cause modal shifts to water intermodal transport, and characterize the nature of freight that would find travel by ship attractive. The analysis should indicate what type of truck and rail/intermodal freight movements by broad commodity groups might shift to water/intermodal transport: for example, a freight commodity group below a certain value per short ton or container/trailer being transported over a minimum long-distance (e.g., 500- and 1,000-mile threshold) trip that does not need to arrive within a week.
- The contractor must estimate the volume (by short ton and containers or trailers) of long-distance freight that shippers may choose to move by water depending on milestone price increases for diesel fuel in five major domestic transportation corridors: Great Lakes, Mississippi River, and along the U.S. East, West, and Gulf coasts. Freight flows can be described for origins and destinations at the major metropolitan regional level around major port complexes (such as Los Angeles/Long Beach in southern California) or at the state level (where a state like Maryland only hosts one port complex -- Baltimore). Similarities and major differences in the shipping demand or supply characteristics between the five different corridors should be discussed.
- Based on the general fuel and modal transportation as well as corridor analyses, the contractor should develop policy and development options for different oil-price / milestone-diesel-price scenarios to identify:
 - The potential for water transportation as regards the best options for supporting the national multimodal network in an environment of higher fuel prices;
 - Specific bottlenecks and infrastructure limitations on the development of effective water options;
 - Institutional and funding limitations on the development of water options; and

- How water transportation can support the continued development of port gateways for U.S. international trade (e.g., by providing local distribution along coastal regions and by the development of “inland ports”).
- The contractor’s written report must include a broad summary discussion of how foreseeable economic, trade, and transportation trends and developments may change modal competitiveness in shipper decision-making. The report should be written for a general public audience with appropriate graphics and a PowerPoint presentation of the key results and findings

Deliverables

- Draft study proposal.
- Draft summary of five-corridor analysis.
- Draft and final reports with appropriate graphics and a PowerPoint presentation of the key results and findings.

Timeframe

- | | |
|---|-------------------|
| ● Draft study proposal: | June 16, 2008 |
| ● Draft summary of 5-Corridor Analysis: | August 2, 2008 |
| ● Draft report: | August 18, 2008 |
| ● Final report: | September 1, 2008 |