AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT

1. CONTRACT ID CODE	Page
	1 of 14

2. AMENDMENT/MODIFICATION NO.	3. EFFECTIVE DATE	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. *(If applicable)*
0024	06/14/2010		

6. ISSUED BY CODE 00091
DOT/Maritime Administration, MAR-380
1200 New Jersey Ave SE, MAR380 W26-429
Washington, DC 20590

7. ADMINISTERED BY *(If other than Item 6)* CODE 00093
DOT/Maritime Administration, CR Acquisition
500 Poydras Street,Room 1223
New Orleans, LA 70130-3394

8. NAME AND ADDRESS OF CONTRACTOR *(No., street, county, State and Zip Code)*

PATRIOT CONTRACT SERVICES, LLC
1320 Willow Pass Rd Ste 485
Concord, CA 94520-7940

CODE p FACILITY CODE

	9A. AMENDMENT OF SOLICITATION NO.
	9B. DATED *(SEE ITEM 11)*
(X)	10A. MODIFICATION OF CONTRACT/ORDER NO. DTMA8C05021
(X)	10B. DATED *(SEE ITEM 13)* 07/25/2005

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

☐ The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers ☐ is extended, ☐ is not extended.

Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods:

(a) By completing Items 8 and 15, and returning _____ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA *(If required)*
No Funding Information

13. THIS ITEM ONLY APPLIES TO MODIFICATION OF CONTRACTS/ORDERS.
IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

CHECK ONE	
☐	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
☐	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).
☑	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: FAR 43.103(a) Bilateral Contract Modification
☐	D. OTHER *(Specify type of modification and authority)*

E. IMPORTANT: Contractor ☐ is not, [X] is required to sign this document and return 1 copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION *(Organized by UCF section headings, including solicitation/contract subject matter where feasible.)*

This modification incorporates a revision to the contract methodology for calculating adjustments to per diem rates effective on each contractyear anniversary beginning with Year 6 on July 28, 2010. No revision is made to price adjustment methodology for adjusting the "Crew Costs" element. However, the element "other fixed price" shall be escalated using a comparison of successive 12-month rolling averages as described in revised contractlanguage at G.2.e.4, Consumer Price Index (CPI) for Escalation During Contract Performance. See attached revisions highlighted in SECTION G - CONTRACT ADMINISTRATION DATA.

Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER *(Type or print)*		16A. NAME AND TITLE OF CONTRACTING OFFICER *(Type or print)*	
Lisa Hernandez, Sr. Mgr. Govt. Contracts		Jill M. Kline	
15B. CONTRACTOR/OFFEROR *(Signature of person authorized to sign)*	15C. DATE SIGNED 6-16-10	16B. United States of America BY *(Signature of Contracting Officer)*	16C. DATE SIGNED 06/24/2010

Line Item Number	Description	Delivery Date (Start date to End date)	Quantity	Unit of Issue	Unit Price	Total Cost

No Changed Line Item Fields

Previous Total:

Modification Total:

Grand Total:

TABLE OF CONTENTS

SECTION A -- Solicitation/Contract Form 4
A.1 Summary of Changes 4
SECTION G -- Contract Administration Data 5
G.1 GOVERNMENT FORMS 5

SECTION G -- CONTRACT ADMINISTRATION DATA

G.1 GOVERNMENT FORMS

SECTION G -- CONTRACT ADMINISTRATION DATA

G.1 GOVERNMENT FORMS

Government forms may be obtained from the following:
http://www.gsa.gov/Portal/gsa/ep/formslibrary.do

G.2 TYPE OF CONTRACT

a. This is a Firm-Fixed-Price (FFP) service contract with cost reimbursable items and priced options subject to Economic Price Adjustment (EPA), Service Contract Act (SCA), and Fair Labor Standard Act (FLSA).

b. All items listed in Section B shall be Firm-Fixed-Priced except for those items identified as reimbursable items and identified options. (see also Attachment J-9, Reimbursables)
c. This is a multi-year contract except for group 6 (CAPE JACOB).

(1) It is anticipated that the services to be performed hereunder will be incrementally funded for each performance period. Performance periods beyond year 1 will be subject to availability of funds.

(2) Awards resulting in a multiyear contract are subject to FAR 17.106-1 which requires the establishment of cancellation ceilings in the second and subsequent base program years, where a reduction in funds or program requirements may mandate cancellation of all or some part of this contract, before the completion date in effect at contract award. These cancellation ceilings will be determined by the PCO based upon an analysis of the nonrecurring costs identified by offerors in their proposals and will be incorporated in Section B, upon contract award.

(i) Base Contract - If the base multi-year contract for a Ship Group is cancelled under FAR 52.217-2, Cancellation Under Multiyear Contracts, the cancellation ceiling set forth for that Ship Group in Section B for the program year cancelled shall apply. The ceiling applies to cancellation of an entire group.

(ii) Incentive Award Term Option - Consistent with FAR 17.107, the "cancellation ceiling" for each program year of a multi-year Incentive Award Term Option shall be zero ($0.00). Consequently, if an Incentive Award Term Option is cancelled, the contractor shall not be entitled to any cancellation charges under FAR 52.217-2.

d. Reimbursable items are defined in Attachment J-9. They are compensated at cost; no overhead, materials handling costs, G&A, or profit may be added to these items, regardless of their cumulative effect.

e. Adjustments to Per Diem Rates

1. Base Years. There shall be no adjustments for per diem in Phase M in Section B for the four (4) base years of the performance period, as all escalations are to be included in the firm fixed price. Offerors shall include wages and fringe benefits which cannot be less than the predecessor contractors' CBA/MOUs as identified in DOL issued wage determinations.

2. Award Term Incentive Options

i) The Base Year 4 fixed price Per Diem rates for "ROS (with crew)" CLINs will be escalated as follows:

(1) Price adjustments to the "Crew Costs" element (which included ROS crew wages and bona-fide fringe benefits) will be made in accordance with FAR Clause 52.222-43 Fair Labor Standards Act and Service Contract-Price Adjustment (Multiple Year and Option Contracts); and

(2) The element "other fixed price" costs will be escalated utilizing the Consumer Price Index as stipulated below.

ii) The Base Year 4 fixed price Per Diem rates for CLINs without crew will be escalated year-to-year (July-June) utilizing the Consumer Price Index as stipulated below.

3. Incentive Options for Additional Vessels. Since the contract prices for the additional Vessel Option are based on the Base Year 4 prices, if an additional vessel is awarded, the per diem rate will be adjusted as above based on the year in which the option is exercised.

4. Consumer Price Index (CPI) for Escalation During Contract Performance.

In order to calculate inflation for contract option years, the PCO will utilize the Table Containing History of CPI-U U.S. All Items Indexes and Annual Percent Changes From 1913 to Present. A link to this table is found at the following URL: http://www.bls.gov/cpi/#tables

The PCO will use the fixed price per diem from the previous contract year, excluding the crew cost element, as the base rate that is subject to escalation using CPI-U index series data. The escalation calculation will use the CPI-U Index data for June which is announced in mid-July just prior to the effective date of the adjustment. The resulting escalated fixed price per diem, excluding the crew cost element, will become the base rate for calculation of the next Economic Price Adjustment in the subsequent Contract Year.

Two 12-month averages will be used in calculating the per diem adjustment for the other fixed price cost element. The first 12-month average is the average of the CPI-U index values for the most recent twelve monthly values (July-June); the second is the average of the CPI-U index values for the twelve months preceding the twelve months included in calculating the first average.

The per diem adjustment is directly proportional to the percent change in the two averages. The following sample calculation is provided to demonstrate the calculation methodology of the escalation adjustment.

Sample Calculation

Value	Description
$2,000.00	Non-crew cost element of fixed price per diem
July 16, 2013	Date of release of June 2013 data
July 28, 2013	Effective date of adjustment
218.000	Average CPI Index Value for period July 2011 - June 2012
223.000	Average CPI Index Value for period July 2012 - June 2013

Per Diem Adjustment Calculation: $2,000.00 X (223.000 - 218.000)/218.000 = $45.87

New Fixed Price Per Diem: $2,000.00 + $45.87 = $2,045.87

G.3 DIRECTIONS BY GOVERNMENT PERSONNEL

a. Except as specified in paragraph b. below, no order, statement, or conduct of government personnel who visit the Ship Manager's facilities or in any other manner communicate with Ship Manager personnel during the performance of this contact shall constitute a change under the "changes" clause of this contract.

b. The Ship Manager shall not comply with any order, direction or request of Government personnel that it considers to be outside the scope of the contract, unless issued in writing and signed by the PCO or ACO, or as otherwise directed by this contract.

G.4 CONTRACTING OFFICER'S TECHNICAL REPRESENTATIVE (COTR)

a. The PCO/ACO may designate Government personnel to act as the COTR to perform functions under the contract, such as review and/or inspection and acceptance of supplies, services, including construction, and other functions of a technical nature. The CO will provide a written notice of such designation to the Contractor after contract award and before NTP. The designation letter shall set forth the authorities and limitations of the COTR under the contract.

The PCO will designate the Chief, Division of Ship Maintenance and Repair as a HQ COTR on all contracts. Ship Managers shall attempt to reach rhe Maritime Administration COTR/ACOTRs BEFORE contacting MAR-611.

b. The PCO/ACO cannot authorize the COTR, or any other representative, to sign documents (i.e. contracts, contract modifications, etc.) that require the signature of a CO.

c. The COTR may request the appointment of Assistant Contracting Officer Technical Representatives (ACOTRs) by the ACO. Such written requests shall be made to the respective ACOs, or in the case of headquarters personnel, to the PCO. ACOTRs shall be appointed in writing by the PCO/ACO, and a copy of this appointment letter provided to each affected Ship Manager. The appointment letter shall specify the name, inclusive dates, and specific limits to the authority of that person appointed.

G.5 DUTIES OF THE CONTRACTING OFFICER'S TECHNICAL REPRESENTATIVE (COTR)

a. The COTR is responsible for monitoring the assigned technical aspects of the contract and acts as the technical liaison with the Ship Manager. The COTR is also responsible for the final inspection and acceptance of all reports, and such other responsibilities as specified in their assignment letter. In the event of emergency situations, which threaten the safety of life, limb or property, the Ship Manager shall immediately take all necessary actions, to include expenditure of such funds as may be necessary to preclude such dangers. The Ship Manager shall notify the Maritime Administration ACO and COTR of any such emergency expenditure as soon as possible. A proper TO will be issued at the earliest opportunity practicable.

b. Except as stated elsewhere, the COTR is not authorized to make any commitments or otherwise obligate the Government for any changes, which affect the contract price, terms or conditions. Any contractor request for changes shall be referred to the ACO directly or through the respective Maritime Administration COTR. No such changes shall be made without the prior authorization of the PCO.

c. The COTR may be changed by the Government at any time, and notification of the change shall be provided in writing to the contractor by the ACO or PCO for headquarters personnel.

G.6 DESIGNATION OF GOVERNMENT PERSONNEL

a. The PCO for this contract is:

Ms. Jill Kline
Office of Acquisition, (MAR-380)
1200 New Jersey Ave., SE
Washington, DC 20590
Phone: 202-366-9684
FAX: 202-366-3029
e-mail: Jill.Kline@dot.gov

b. Maritime Administration personnel responsible for informing Ship Managers of alert notifications and providing activation authorization are:

MARAD HEADQUARTERS
Mr. William Cahill
MAR-610
Phone: 202-366- 1875
FAX for HQ: 202-366-3954

Mr. Eugene Magee (Acting)
MAR-610.1
Phone: 202-366-2629
Cell: 202-366-8187

Mr. Paul Gilmour
MAR-611
Phone: 202-366-8974

Mr. James Kahler
MAR-612
Phone: 202-366-5073
Cell phone: 202-309-0392

Mr. Mike Franklin
MAR-612
Phone: 202-366-2628

Mr. Russell Krause
Phone: 202-366-7031

DIVISION OF ATLANTIC OPERATIONS
Mr. Jeffrey McMahon
Phone: 757-322-5816
Cell: 757-287-8471
FAX: 757-322-5857

Mr. William Ingram
MAR-615.31
Phone: 757-322-5805
Cell: 757-848-8400

Mr. Vince Canepa
MAR-615.32
Phone: 757-322-5811
Cell: 757-287-0581

Division of Gulf Operations
Mr. Deepak Varshney
Phone: 504-589-2000 x 227
Cell: 202-379-6968

Mr. Robert Babin
Phone: 504-589-2000 x 226
Cell: 504-218-6501

Mr. Billy Greer
Phone: 409-833-9696
Cell: 409-284-1427

DIVISION OF PACIFIC OPERATIONS
Mr. Hank Ryan
Mr. Charles "Chuck" Johnston
Mr. Simon Tao
Phone: 415-744-2562
FAX: 415-744-2576

c. Authorities

(1) Director/Deputy Director of Acquisition (MAR-380) appoints the PCO.

(2) The PCO retains the authority to solicit, award and modify the basic terms and conditions of the contract. The PCO shall delegate, in writing, specific authorities to the ACO.

(3) Chief of Contracting Office (COCO) is delegated the authority to appoint qualified ACOs and may perform all the duties of ACO.

(4) ACO has the authority to appoint COTRs and ACOTRs.

G.7 CLAIMS AND LITIGATION

G.7.1 THIRD PARTY TORT ACTIONS IN ADMIRALTY

G.7.1.1 The Ship Manager is considered the agent of the United States within the meaning of the Suits in Admiralty Act (SIAA), the Public Vessels Act, and the Admiralty Extension Act for all third party tort actions in admiralty cognizable under the Jones Act, General Maritime Law, or the Clarification Act, inclusive of claims for maintenance and cure. Such actions include, but are not limited to, claims for death or injury to crew members or invitees, claims for maintenance and cure, claims for illness to crew members, and claims for property damage to third parties.

G.7.1.1.1 The Ship Manager is not an agent of the United States under the Contract Disputes Act and nothing contained herein shall be deemed to extend to the Ship Manager the status of "agent of the United States" under any laws relating to contracts. (see Section G.7.2) Neither is the Ship Manager an agent of the United States for non-admiralty actions, particularly employer/employee disputes. (see Section G.7.3)

G.7.1.2 Actions covered by G.7.1.1 must be brought exclusively against the United States. See the Suits in Admiralty Act (SIAA), 46 U.S.C. §741, et seq., which makes the United States the exclusive defendant for all admiralty cases relating to the activities of its agents.

G.7.1.3 The United States will defend the Ship Manager in actions covered by Section G.7.1.1. Such defense will usually be provided through the United States Department of Justice. By entering into this contract, the Ship Manager hereby agrees to accept the representation of the United States in such legal proceedings. The United States will have the sole discretion to determine whether to settle such suits and the United States will control the conduct of the litigation.

G.7.1.3.1 The Ship Manager may, at its own expense, retain legal counsel to work with the United States in defending any claim or suit.
G.7.1.4 Except as set forth in Section G.7.4, Indemnification, the United States bears the sole financial risk for all actions covered by Section G.7.1.1, for which the RRF vessel, the United States, or the Ship Manager is liable provided the liability arose out of the Ship Manager's performance of this contract and the Ship Manager was acting within the scope of this contract.

G.7.2 SUBCONTRACTOR CONTRACT CLAIMS AND DISPUTES

When the Ship Manager acquires products or services as a prime contractor from a subcontractor under the procedures set forth in Attachment J-2, the Ship Manager is not an agent of the United States. Under the Contract Disputes Act the subcontractor has no direct right to sue the United States or the Maritime Administration for claims and disputes arising under its contract with the Ship Manager since there is no privity of contract between such subcontractor and the Maritime Administration. Therefore, any contract disputes, claims or litigation between the Ship Manager and its subcontractor(s) shall be the responsibility of the Ship Manager consistent with Attachment J-2.

G.7.2.1 The Ship Manager shall comply with the provisions in Attachment J-2 to ensure subcontractor and their agents and employees are properly notified that the vessel is a public vessel NOT subject to maritime liens. (Attachment J-20)

G.7.3 THIRD PARTY ACTIONS NOT IN ADMIRALTY

G.7.3.1 All liability for third party actions which do not lie in admiralty shall be the sole responsibility of the Ship Manager, not the United States, its agents, servants, and employees, nor the vessels owned by the United States. Such liability includes, but is not limited to, all costs of legal representation. Examples of third party actions which do not lie in admiralty include, but are not limited to:

(a) All employer/employee claims or suits brought by the seamen employed by the Ship Manager or by their union, either via arbitration or in court, i.e.:

i) allegations of discrimination, including sexual harassment. Discrimination claims include, but are not limited to, those claims arising under Title VII of the Civil Rights Act, as amended (42 U.S.C. sections 2000e et seq.), the Age Discrimination in Employment Act, as amended (29 U.S.C. sections 621 et seq.), and the Americans with Disabilities Act, as amended, (42 U.S.C. sections 12117 et seq.); or

ii) employment disputes like disciplinary action undertaken by the Ship Manager against its employee; or

iii) enforcement of the terms of the CBAs between the Ship Manager and its unions.

(b) Lawsuits or administrative proceedings brought by federal, state or local authorities alleging the Ship Manager violated federal, state or local laws or regulations; i.e., OSHA or environmental laws and regulations.

G.7.4 INDEMNIFICATION

G.7.4.1 Notwithstanding anything in this contract to the contrary, particularly Section G.7, the Ship Manager agrees to indemnify and hold the United States, the Maritime Administration, and its employees and agents harmless from any damages, loss, or injury resulting either directly or indirectly from:

(a) acts of Gross Negligence, Willful Misconduct or Violations of Law or Regulations of the Senior Management of the Ship Manager; or

(b) acts of Gross Negligence, Willful Misconduct or Violations of Law or Regulations performed by employees, servants, contractors, subcontractors, suppliers or agents of the Ship Manager and which occurred with the Privity or Knowledge of Senior Management of the Ship Manager; or

(c) all third party actions covered by Section G.7.3; or

(d) all maritime liens by third parties where the Ship Manager or its subcontractors or agents failed to notify a third party as required in Attachment J-2, that the vessel was a public vessel not subject to lien under the Maritime Lien Act; or

(e) damage caused by a subcontractor or its agents or employees during the performance of their work which is reimbursable by insurance, an indemnification clause or other similar provision required by Attachment J-2.

G.7.4.2 Such indemnification shall be provided upon the Maritime Administration's request or, if necessary, the United States may bring a legal action, either directly or in a third party action, against the Ship Manager and/or individuals working for the Ship Manager, for damages, loss, or injury to the United States.

G.7.4.3 Definitions (for purposes of this section):
(a) Senior Management means those individuals responsible for senior management of the Ship Manager's organization with respect to major components of any of its operations relating to the NDRF or RRF vessels. Senior Management will include the chief executive officer, president, vice president(s), and head(s) of vessel operations for the Ship Manager.

(b) Privity or Knowledge means that the relevant individuals had either personal cognizance of the circumstances, which either caused or contributed to the claim or the means to obtain that knowledge of which such person should have availed itself.

(c) Gross Negligence means harm that is willfully inflicted or caused by a wanton disregard of a duty of care.

(d) Third Party means all persons who are not parties to this contract.

(e) Violation of Law or Regulation means instances where civil or criminal liability results from a violation of a law or regulation that falls on the vessel, the United States and/or the Ship Manager. A Violation of Law or Regulation will not be deemed to occur for purposes of this definition when liability occurs without fault on the part of Ship Manager.

(f) Willful Misconduct means conduct that is either intentional or committed under circumstances exhibiting a reckless disregard for the safety of others, such as a failure after knowledge of impending danger to exercise ordinary care or a failure to discover the dangers through recklessness or carelessness.

G.7.5 DUTY OF COOPERATION

G.7.5.1 The Ship Manager has a duty to fully cooperate in the defense of any claim or action (whether or not such claim or action is in admiralty) for which the United States bears a financial risk or a responsibility to defend.

G.7.5.1.1 As soon as practicable after the occurrence of any claim or suit, or any loss or damage for which the Ship Manager believes the United States is at risk under this contract; the Ship Manager shall immediately furnish the assigned ACO, with a copy to the assigned COTR, detailed written notice of such claim, suit, loss, and/or damage as well as a copy of every demand, notice, summons, complaint, or other process received by the Ship Manager or its employees or representatives.

G.7.5.1.2 The Ship Manager will cooperate with the Government and, upon request, will assist in effecting settlements, securing and giving evidence, technical advice, and obtaining the attendance of witnesses for consultation, depositions, and trials. Such information, advice, evidence and documentation will be given by the Ship Manager to the United States in the manner and form the United States requires.

G.8 CLAIMS AND REPORTS

G.8.1 Claims by crew members shall be processed in accordance with the provisions listed in Attachment J-3, Supplement A, Seafarer's Personal Injury/Illness Claims.

G.8.2 Claims submitted by ROS crew members are subject to the same processing of Attachment J-3. However, since ROS seamen do not sign articles, they are not entitled to unearned wages.

G.8.3 Report of Injuries/Illness. The Ship Manager shall submit quarterly (Oct, Jan, Apr, Jun) reports of injuries/illness via email in addition to the information required in Attachment J-3, Supplement A, Section 5. Submissions for multiple ships or contracts may be combined, and shall be provided to the ACO, COTR, MAR-782(J. Myers) and MAR-610.5 (J. Barile).

G.8.4 On an annual basis (prior to the close of the fiscal year) the Ship Manager shall reconcile TO closeouts and notify the ACO/COTR of any excess funding deobligation on any TO which was issued in connection with Maintenance and Cure. The Ship Manager shall provide a revised estimate of \cf0anticipated obligations for the upcoming fiscal year. The Government will provide new funding with the next fiscal year allotments.
G.8.5 Upon reporting that a case is closed, Ship Managers shall advise the ACO so that TOs with any remaining reserve funding may be liquidated.

G.9 MEDICAL INVOICE REVIEW SERVICES

Medical Invoice Review services shall be obtained by the Ship Manager from competent commercial sources. Ship Managers shall obtain the use of a third party to assist with reviewing and validating costs submitted on medical invoices. A copy of the service agreement shall be provided to the ACO within sixty (60) days of contract award. Ship Managers shall obtain a medical invoice review service, which operates on a percentage of savings basis. If it is impossible to obtain a percentage payment service, then the cost of this service is reimbursable.

G.10 MINIMUM WORKING CAPITAL REQUIREMENTS

G.10.1 Irrevocable Line of Credit. The Ship Manager shall maintain an irrevocable line of credit of at least $250,000 per ship with a federally insured bank or financial institution. The form and substance of this line of credit shall:

a. be dedicated solely for the purpose of vessel activations under the Ship Manager contract;

b. remain in effect throughout the life of this contract, without change or alteration, without prior approval of the Maritime Administration's ACO;

c. as part of the provisions of this irrevocable line of credit, the bank or financial institution providing same shall notify the MARAD Office of Financial Approvals of any changes in the outstanding amount, form or substance of the line of credit. This may be accomplished by the bank providing copies of any statements, which are provided to the Ship Manager;

d. the bank or financial institution must be federally insured; and

e. the terms of all proposed irrevocable lines of credit should first be determined acceptable by the Maritime Administration's Office of Financial Approvals. The Ship Manager shall notify the ACO if there is any change in the status of their $250,000 line of credit per ship.

G.10.2 Alternative. Where a firm has sufficient financial resources to meet the $250,000 per ship financial requirements, and wishes to rely on those resources instead of obtaining a line of credit, the Maritime Administration will consider this alternative financing. To receive the Maritime Administration's approval for this alternative, a firm must submit, with their proposal, a current audited financial statement of the firm or the parent, as appropriate, for the Maritime Administration's approval. In addition, firms receiving awards shall submit to the PCO, for Maritime Administration's approval, an annual audited financial statement each year of the contract.

G.11 TASK ORDERS - REIMBURSABLE

G.11.1 General
(1) Any reimbursable supplies and services to be furnished by the Ship Manager under this contract shall be authorized by issuance of TOs.

(2) All TOs are subject to the terms and conditions of this contract. In the event of conflict between a TO and this contract, the contract shall have precedence.

G.11.2 Issuance

(1) The scope of TOs may vary greatly. The Ship Manager shall not commence work until they receive a TO executed by an authorized Maritime Administration CO.

(2) Prior to issuance of a TO, the Ship Manager shall submit a written specification, cost estimate and time estimate, for completion of the required work. The specification will be reviewed, approved or modified by the Maritime Administration prior to issuance of a TO. At a minimum, the cost estimate shall include the labor and material costs for each work item. (See PWS in Section C)

(3) A TO is considered issued when posted electronically and notification is sent to the Ship Manager.

G.11.3 Acceptance of the Task Order

(1) Implied Acceptance. Acceptance of the TO by the Ship Manager shall be implied if, after three (3) working days of receipt, the Ship Manager has not notified the ACO, either orally or in writing, of problems and/or disagreements with the TO.

(2) After the commencement of performance under the TO, the Ship Manager shall notify the COTR in writing of the need for required revisions, or to request additional funds.

G.11.4 Expedition of Task Order(s) for Activation(s)

(1) Upon receipt of an activation notice, the ACO will communicate to the Ship Manager the number of the task order that will be used for Activation.

(2) The Ship Manager may then use the activation Task Order number within RMS to facilitate timely issuance of commercial purchase orders in support of the activation efforts.

(3) The executed Task Order will be issued within three working days of the receipt of funding.

G.12 EXPENDITURE AND TRACKING OF REIMBURSABLE FUNDS

G.12.1 Upon receipt of the executed TO, the Ship Manager may proceed in accordance with procedures in Attachment J-2.

G.12.2 It is the Ship Manager's responsibility to track all funds expended under reimbursable TOs. The SM shall develop a system, which tracks funds obligated and funds available on each TO. Funds shall be further tracked to show the status of purchase order(s) (PO) issued, funds obligated and expended, and PO closed out. The system shall further track the PO to the deficiency(ies) covered by the TO. At times, a PO may cover several deficiency(ies). Alternatively, a deficiency(ies) DSN may require the use of several POs. The tracking system must be able to accommodate such possibilities. The Maritime Administration may request a copy of the tracking document on an "as needed" basis, or as often as monthly.

G.13 PURCHASING RESTRICTIONS

a. Interested or Related Company. Agreements or arrangements with any interested company to render any reimbursable service or to furnish any reimbursable stores, supplies, equipment, materials, repairs or facilities hereunder, shall be submitted to the ACO for approval. Unless and until such agreements or arrangements have been approved, compensation paid to any interested or related company shall be subject to review and readjustment by the ACO, who may deny payments, in whole or in part, if such compensation is deemed to be inappropriate or unreasonable.

b. The term "interested company" shall mean any person, firm, or corporation in whom the Ship Manager or related company of the Ship Manager, may own any substantial financial interest therein, either directly or indirectly.

An "interested company" shall also exist when any substantial financial interest in the company (either directly or indirectly) rests with:

1) immediate family members of the Ship Manager
2) any employee of the Ship Manager who is charged with executive or supervisory duties or
3) any member of the immediate family of any such officer, director, employee or
4) any officer or director of any related company of the Ship Manager or
5) any member of the immediate family of any officer or director of any related company of the Ship Manager.

c. The term "related Company" as used to indicate a relationship with the Ship Manager for the purpose of this Article only, shall include any person or concern that directly or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with the Ship Manager. The term "control" (including the term "controlled by" or "under common control with") as used herein, means possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of the Ship Manager (or related company) whether through ownership or control of voting securities, by contract or otherwise.

G.14 TYPES OF INVOICES

a. All invoices shall be submitted for one of the following two (2) categories:

(1) Fixed Price CLIN.

(2) Reimbursable CLIN.

b. General. The Ship Manager shall submit invoices in accordance with Office of Management and Budget (OMB) Circular A-125, Prompt Payment, and FAR 52.232-25, Prompt Payment (Oct 2003), as described herein. All invoices shall be submitted electronically via the Maritime Administration DOT Electronic Invoice Systems (EIS), at https://www.marad.dot.gov/EIS/.

c. Ship Manager shall submit invoices in accordance with instructions contained on the EIS website.

G.15 TRAVEL REQUIREMENTS

G.15.1 Reimbursable travel performed by the Ship Manager, subcontractors and crew, in direct performance of this contract will be reimbursed on an actual, and allowable basis. Travel costs for subsistence and lodging shall not exceed the Federal Travel Regulations (FTR) at http://www.gsa.gov/, except as stated in FAR 31.205-46.

(1) Vouchers are required when submitting travel claims.

(2) Crew members may submit claims without itemized receipts for subsistence and lodging at the current rate set in labor agreements, if less than the FTR rate.

(3) The Contractor shall use only coach or economy airfares while performing travel under this contract, unless otherwise authorized by the ACO. For travel performed on a cost reimbursable basis all cost documentation must accompany invoices for reimbursement except as identified above.

G.15.2 The Federal Travel directory will be used to verify current maximum allowable subsistence and lodging rates.

G.15.3 Requests for travel reimbursement shall be clearly identified and submitted on a SF 1012, Travel Voucher (Attachment J-18) or other form acceptable to the ACO. Requests for reimbursement of travel expenses, including supporting documentation thereof, shall not include commingled reimbursable and fixed price travel cost data.

G.16 METHOD OF PAYMENTS

(1) The Ship Manager shall forward the information required below, to the Department of Transportation, Maritime Administration, MAR-333, Room 7325, 400 7th street, S.W. Washington, DC 20590, not later than fourteen (14) days after receipt of the notice of award. It is the Ship Manager's responsibility to furnish changes promptly to avoid payments to erroneous addresses or bank accounts.

(2) Electronic Funds Transfer Payment Methods

Payments under this contract will be made by the Government either by check or electronic funds transfer (EFT) (through the Automated Clearing House (ACH)), at the option of the Government. Submit a completed SF 3881 (Attachment J-11) to the address above in (a). The SF 3881 designates a financial institution for receipt of EFT payments. See the clause in Section I, FAR 52.232-33, Payment by Electronic Funds Transfer - Central Contractor Registration (Oct 2003).

G.17 CONTRACTORS PURCHASING SYSTEM REVIEW REQUIREMENTS

The Maritime Administration requires all contractors to submit procedures for approval of their purchasing system within ninety (90) days of NTP. Attachment J-2 contains the policies and procedures for meeting Maritime Administration's requirements.

G.18 POST AWARD CONFERENCE

A post-award conference may be held within the first sixty (60) days after award. Attendees will include the Maritime Administration CO/ACO, the COTR or ACOTR, and other personnel deemed necessary to represent the Government. The Ship Manager (Contractor) may be represented by the Ship Manager's employees as deemed appropriate. This conference will be scheduled for a time mutually agreeable to the Ship Manager and to the Government. The purpose of this conference is to review the terms and conditions of the contract, to discuss technical matters pertaining to contract performance, and to address any questions brought forth by either the Ship Manager or the Government.

[END OF SECTION G]