AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT

1. CONTRACT ID CODE

2. AMENDMENT/MODIFICATION NO.	3. EFFECTIVE DATE	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. *(If applicable)*
0012	06/03/2009		

6. ISSUED BY CODE 00091
DOT/Maritime Administration, MAR-380
400 Seventh Street, SW., Room 7310
Washington, DC 20590

7. ADMINISTERED BY *(If other than Item 6)* CODE 00092
DOT/Maritime Administration, SAR Acquisition
Office of Acquisition, MRG-7200,7737 Hampton Boulevard, Building 4D, Room 211
Norfolk, VA 23505

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

Interocean American Shipping Corporation
302 HARPER DR STE 200
MOORESTOWN, NJ 08057-4701

CODE * FACILITY CODE

	9A. AMENDMENT OF SOLICITATION NO.
	9B. DATED *(SEE ITEM 11)*
(X)	10A. MODIFICATION OF CONTRACT/ORDER NO. DTMA8C05005
(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:
☐	D. OTHER *(Specify type of modification and authority)*

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

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

5th Comprehensive Administrative Modification, including Summary of Changes. Modified contract Sections attached, herewith.

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)* Milton G. Spears	
15B. CONTRACTOR/OFFEROR *(Signature of person authorized to sign)*	15C. DATE SIGNED	16B. United States of America BY M.G. Spears *(Signature of Contracting Officer)*	16C. DATE SIGNED 06/15/2009

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:

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SECTION A -- SOLICITATION/CONTRACT FORM

A.1 SUMMARY OF CHANGES

The free form item 'Continuation of Block 14 dtd May 2009 has been added.
The free form item 'Continuation of Block 14 dtd Jan 2009 has been edited.
The free form item 'INTRODUCTION has been edited.
The free form item 'GOVERNMENT FORMS has been edited.
The free form item 'J-2 has been edited.
The free form item 'LIST OF ATTACHMENTS has been edited.

A.2 CONTINUATION OF BLOCK 14 DTD MAY 2009

Ship Manager Contracts DTMA8C05001 Thru 0021
Comprehensive Modification

(Sections Impacted)

Section C (Statement of Work) -

C.2.3.1.5.1 - Removed requirement to include preventive maintenance hours and skill level in the business plan.

C.2.5.2 - Removed requirement to estimate emergent work by category. Now reads Reserved.

C.2.6.5 - Removed requirement to update business plan maintenance methodology and ROS crew makeup. Now reads RESERVED.

C.2.8.15 - Deleted requirement to submit spare parts requirements as part of the business plan. Now reads RESERVED.

C.2.8.17.2.c) - Removed requirement. Now reads Reserved.

C.3 - Moved verbage "Performance Goal. . . " and added as C.3 Title.

C.3.2.6 - Changed to incorporate activation cost estimate as part of SMGR Notional Business Plan Template, which is updated annually.

C.3.2.8 - Change of Verbage.

C.3.4.3.1(b) - Change of Verbage.

C.4.2.13 - General Vessel Permitting. Added requirement to comply with EPA regulations regarding General Vessel Permitting.

C.4.3.13.1 - Changed from monthly to quarterly.

C.5.5.10 - Revised CBR-D medicinal language.

C.6.4 - Changed the requirement for a "Five Year Business Plan" to a "Budget Year Plus One (BY+1) Business Plan," except for regulatories and major activities (which remain five years). Added the requirement for submission of an Initial Business Plan.

C.6.5 - Revised language - clarified the requirement for updates during business plan execution. Deleted the requirement for a Five Year Business Plan.

Section G - Contract Administration Data

G.6 - Revised Personnel

Section J - List of Documents, Exhibits and Other Attachments

J.2 - Ship Manager (SMGR) Subcontract Purchasing Policies

3.1 SUBCONTRACT FUNDING. Removed the requirement to issue a separate task order for each subcontract >$200K.

J.4 - Deliverables

Category 1, 3 - Changed "Budget year business plan" to "Final business plan"

Category 1, 50 - Deleted "Update to Five Year Business Plan"

Category 1, 59 - Added "Initial business plan"

Category 2, 1 - Changed submittal period and date/frequency for activation, operations, and deactivation cost estimate

Category 2, 9 - Changed submittal period and date/frequency for deactivation cost estimate

Category 2, 30 - Changed title to "Final Business Plan"

J.23 - EPA Vessel General Permits for RRF Ships - Added as new attachment

J.24 - Capitalized Value Report to Ship Managers - Added spreadsheet as new attachment. NOTE: (This attachment pertains to the Logistics Management Manual, Paragraph 5.1.2 requirement to inventory and apply a new NS5 label to all capitalized assets in the first 10 days of March, June, September and December.)

TE-2 QASP - (Quality Assurance Surveillance Plan)

Updated Performance Element 1-4: Quality and Completeness of Vessel Business Plan (M&R Work Plan).

SECTION C -- DESCRIPTIONS AND SPECIFICATIONS

C.1 INTRODUCTION

SECTION C -- DESCRIPTIONS AND SPECIFICATIONS

C.1 INTRODUCTION

PERFORMANCE WORK STATEMENT (PWS) FOR READY RESERVE FORCE (RRF) SHIP MANAGER SERVICES

1.1 Mission

The Ready Reserve Force (RRF) is the high readiness subset of the Maritime Administration's, Department of Transportation (DOT), National Defense Reserve Fleet (NDRF) established to support the rapid deployment of U.S. military forces. As a key element of strategic sealift, the RRF is specifically structured to transport military unit equipment during initial surge for U.S. forces deploying anywhere in the world.

1.2 Background

This is a performance based service contract (PBSC) issued by the Maritime Administration for maintenance and operational services for the RRF. Previous fixed price contracts for these services were awarded in 1988, 1993, and 2000 to U.S. commercial ship operating firms. The Maritime Administration expects that this PBSC will improve quality of service, productivity, and maximize cost savings during performance. It is the policy of the Federal Government that agencies use PBSC methods to the maximum extent practicable when acquiring services.

1.3 General Scope

Ship Managers shall maintain assigned RRF ship(s) in Fully Mission Capable Readiness Status and efficiently activate and operate these vessels in support of national emergencies and defense objectives. Services required include labor and supervision to equip, provision, supply, replace, upgrade, maintain or repair structures, equipment, machinery, outfitting, spare parts or supplies. The Ship Manager shall provide administrative support to ensure that all requirements of this contract are accomplished in a timely and efficient manner. Administrative support includes: management personnel, technical support, supplies, materials and services necessary to maintain and operate assigned ships, to the extent that such materials, reporting, and services are not specified as being provided by the Government.

1.3.1 Reimbursables: The omission of any particular item required for the performance of this performance work statement (PWS) does not make the item Government furnished or reimbursable unless expressly provided for in Attachment J-9. All work to be reimbursed shall be authorized by Task Order (TO) prior to commencement of work. All work is to be carried out under competent supervision and completed in a timely and lawful manner.

1.4 Definitions and Abbreviations

Definitions and abbreviations used throughout the contract, Technical Exhibits (TEs) and attachments are contained in TE-1 Section 2.

1.5 The Ship Manager is responsible for the development, implementation, management, and maintenance, including updates and lessons learned, of all required plans under the contract. Ship Managers are responsible for establishing policy and procedures related to these plans, inclusive of all necessary training of supervisory and other appropriate personnel. Ships' officers are responsible for enforcement of Ship Manager policies, plans and procedures. All plans and any subsequent modifications will be incorporated by the Government into its Quality Assurance Surveillance Plan (QASP) (TE-2) as one of the standards which the Government will use to determine compliance. Compliance with all Plans is a performance measurement under the QASP.

1.6 The Order of Precedence Reference.
52.215-8 -- Order of Precedence -- Uniform Contract Format (Oct 1997) Deviation

Any inconsistency in this solicitation or contract shall be resolved by giving precedence in the following order:
(a) The Schedule (excluding the specifications).
(b) Representations and other instructions.
(c) Contract clauses.
(d) Other documents, exhibits, and attachments.
(e) The specifications.

1.7 DELIVERABLES - Unless specifically directed otherwise, all deliverables, listed in Attachment J-4, shall be delivered in an electronic format. Advise COTR delivery has been made.

C.2 MAINTENANCE MANAGEMENT INCLUDING LOGISTICS

Performance Goal: Develop and execute a high quality, comprehensive ship-centric maintenance program. The maintenance management program shall ensure assigned ships are fully compliant to prescribed readiness and mission requirements.

2.1 Regulatory Compliance

The Ship Manager shall:

2.1.1 Perform maintenance, repair, and modification of RRF vessels to ensure compliance with all applicable regulatory requirements as dictated by the Government for U.S. Flag Vessels.

2.1.2 Maintain and operate vessels in accordance with the Code of Federal Regulations (CFR), as inspected by the United States Coast Guard (USCG) and classed by the American Bureau of Shipping (ABS).

2.1.3 Maintain and operate RRF vessels in voluntary compliance with the International Maritime Organization Convention for Safety of Life at Sea (SOLAS) except as specifically exempted in writing by the Maritime Administration. No exemption list currently exists. RRF vessels are exempt from International conventions and treaties only to the extent that those requirements are not promulgated in domestic regulations (CFR). Continue this practice on assigned vessels in their current configurations. Submit additional requirements to sustain voluntary SOLAS compliance to the Contracting Officer's Technical Representative (COTR) for review and approval. (CDRL M-0001)

2.1.4 Review existing regulatory compliance schedules and develops and delivers a comprehensive plan and schedule for accomplishing any regulatory requirements in RMS. (CDRL M-0002)

2.1.5 Ensure accurate scheduling of all regulatory compliance inspections, surveys, and tests. Do not apply for nor anticipate being granted any extensions to regulatory due dates by the regulatory bodies.
However, if the Ship Manager believes an extension is beneficial, it should advise the Maritime Administration COTR as part of its business plan. The Maritime Administration may direct the Ship Manager to request extensions if deemed necessary by the Government.

2.1.6 If at any time and for any reason the Ship Manager cannot maintain the vessel to Regulatory Compliance, shall notify the COTR immediately by telephone with written e-mail follow-up within 24 hours of discovery.

2.1.7 Resolve discrepancies found during the vessel inspection or survey process within the period granted by the regulatory body. Submit a change to their current year Business Plan for corrective actions to be accomplished during the current fiscal year or plan for the work in a subsequent year Business Plan.

2.1.8 Maintain cognizance over changes or additions to regulatory body requirements. The Ship Manager has responsibility to identify changes or additions to regulatory requirements. When changes or additions are identified, notify the COTR in writing. The notice shall clearly describe the change or addition and include a proposal for how the vessel will meet the changed or added requirement. (CDRL M-0003)

2.1.9 Alternative Compliance Program: The Maritime Administration has determined that all ROS vessels shall be enrolled in the ABS Alternative Compliance Program. The Government reserves the right to grant exceptions. Exceptions shall be in writing, by the Chief, Division of Ship Maintenance and Repair (MAR-611). Requests shall be submitted to the COTR. All vessels enrolled in ACP must meet the applicable eligibility criteria established by USCG including full voluntary compliance with ISM.

The following specific work items are envisioned as being required to bring a vessel into ACP:
1. All vessels shall within COI anniversary window submit CG 3752 form for inspection to OCMI with notification thereto of becoming a participating vessel in the ACP Program.
2. OCMI /ABS will coordinate with Vessel for joint inspections (hand-off survey)
3. After successful "hand-off survey" the OCMI notifies G-MOC of same.
4. G-MOC (USCG Headquarters, Office of Compliance - G-MOC) is the Program Manager and notifies the vessel's owner by letter (Copy to ABS Coordinator and OCMI) of vessel enrollment into the ACP.

2.1.9.1 Classification Surveys: ROS motor and steam vessels shall maintain machinery in an ABS approved Preventative Maintenance/Condition Monitoring (PM/CM) program to the maximum extent feasible within the guidelines of the scheduled sea and dock trials. Hull and machinery surveys for ROS-4 and ROS-5 vessels shall remain as continuous except where otherwise approved, in writing, on a case by case basis by the Chief, Division of Ship Maintenance and Repair (MAR-611). Requests shall be submitted to the COTR. The schedule and requirements associated with or supporting the Continuous Hull and/or Machinery Survey (CHS/CMS) Class of ROS-4 and ROS-5 vessels shall be integrated into their Maintenance Management Plans. All other RRF vessels shall remain under special periodic surveys for hull and machinery. It is the Maritime Administration's desire to have as many ROS vessels in continuous survey as possible, however, it is recognized that some Ship Manager's preventative maintenance programs and ship configurations are better suited to periodic surveys. This is an acceptable alternative to continuous survey.

2.1.10 Maintain currency of regulatory body due dates, comments and remarks, as appropriate, within the Maritime Administration MARAD Ready Reserve Force Management System (RMS).

2.2 Readiness

2.2.1 Maintain assigned ships in the designated readiness corresponding to the activation timeframe requirements in TE-4. Readiness is defined as the measure of material condition and preparedness of a vessel to activate within its assigned "R-Status" and sustain operations for 180 days.

2.2.2 Report via e-mail or phone to the assigned COTR the recommended material condition status of the vessel(s). Utilize the following condition status "C-ratings" in making the report (CDRL M-0004):

C-Status Title Definitions Description
C-1 No Mission Degrading Deficiencies Describes a ship having no known deficiencies which impact its mission or activation within assigned R-Status
C-2 Documented and Correctable Mission Degrading Deficiencies Describes a ship which has mission degrading deficiencies which can be corrected within the assigned R-Status
C-3 Mission Degrading Describes a ship, which can be activated within its prescribed R-Status, but has deficiencies, which cannot be corrected within the R-status, and limits the full mission capability of the ship.
C-4 Major Deficiencies prevent the ship from activating or performing its primary mission and cannot be corrected within the assigned R-StatusDescribes a ship that cannot be fully mission capable within the assigned R status, or a ship that has a COI that will expire within 15 days, or a COI that has expired. C4 Status applies to unscheduled or otherwise planned events that result in the vessel's downgrade in readiness.
C-5 Scheduled major repairs in progress; unable to meet assigned R-Status Describes a ship undergoing scheduled major repairs, which prevent it from meeting its assigned R-Status. C5 is only for planned availabilities.

2.2.3 Phase M and Phase O: Vessels shall be in one of the two phases, Phase M or Phase O, as defined below, while assigned to the Ship Manager.

2.2.3.1 Phase M - Maintenance: In this phase, the vessel is preserved, tested (including maintenance sea trials), repaired and maintained in its required state of readiness. Vessels may be in a partially crewed or reduced operating status (ROS-4 or ROS-5) or may be in deep lay-up (RRF-10). During this phase the vessel must be capable of activation within the assigned time frame and of operating continuously for 180 days.

2.2.3.1.1 RRF-10 Phase M: RRF-10 vessels are normally in National Defense Reserve Fleets in cold lay-up with no crews assigned. Offerors may propose as an alternative to the RRF-10 vessel being laid up in the Fleet, that is, lay up at a commercial outport facility with a retention team for each ship bid. The retention team will perform maintenance within their capability and keep the vessel in a high state of readiness. A retention crew is not an ROS crew, although they may be given the option of becoming a nucleus crewmember. They are not required to obtain the same level of training (Attachment J-13) as an ROS crew would have, nor do they

have the same benefits (permanent billets) as ROS crewmembers. If a RRF-10 crewmember desires training off of J-13 it will be approved by the COTR on a case by case basis and should be related to maintenance.. If joining the Phase O crew, they must meet standard FOS requirements (see Sections C.5.10 and C.5.4.1). They are not required to maintain internal vessel security.

The Ship Manager is not required to obtain a layberth for the RRF-10 vessels as part of its proposal, however, during the course of the contract, the Maritime Administration may request its assistance at obtaining layberth services as a Prime. RRF-10 vessels with outport locations are listed in TE-4.

2.2.3.2 Phase O - Operation: This Phase involves the operation of the vessel for a specific mission or exercise. The vessel is to be operated in accordance with standard commercial practice and the RRF Operations Management Manual (TE-1). In Phase O the ship is normally under Military Sealift Command's (MSC) operational control.

2.2.4 While in Phase M and Phase O, maintain the vessel in a C-1 or C-2 status.

2.2.5 The Maritime Administration recognizes that events will occur which will result in a C-3 or C-4 status.

2.2.5.1 Notify the COTR within 24 hours of discovery whenever an event occurs which would place the vessel in a C-3 or C-4 status.

2.2.5.2 Initiate planning and as directed by TO take necessary action to correct promptly a C-3 or C-4 deficiency and return the vessel to the required readiness level. Submit a change to the current year Business Plan to reflect corrective actions.

2.2.6 The Maritime Administration recognizes that the vessel will have to be scheduled for C-5 status periods due to regulatory inspections, upgrades, and major maintenance periods.

2.2.6.1 Identify these periods within the vessel's business plan. (CDRL M-0005) The Ship Manager may be expected to adjust its proposed C-5 periods per the direction of the COTR when fleet-wide readiness is evaluated.

2.2.6.2 While the C-5 period must be kept to a minimum, evaluate cost against premium time and work acceleration expenditures in returning the ship to its required C-rating status.

2.3 Preventative Maintenance Plan Development

2.3.1 Develop one (1) preventative maintenance plan for each vessel which addresses both Phase M and Phase O. The plan shall specifically identify where any maintenance action differs between Phase M and Phase O and, if necessary, separate maintenance actions shall be developed and scheduled to reflect what is to be accomplished for the respective phase. Compliance with this Plan, and any of its modifications, is considered a performance measurement under the QASP. The preventative maintenance plan shall take into consideration all facets of inspection, testing, and conditioning the vessel's machinery, equipment, outfitting, and spaces (including structure, habitability areas, cargo areas, etc). The preventative maintenance plan shall include all regulatory body inspections and tests, as required

2.3.1.1 The ship-specific Preventative Maintenance Plan, incorporates both regulatory and preventative maintenance actions, shall be developed when the vessel is inactive. It shall reflect the assigned ROS-4; ROS-5 or deep lay up status (RRF-10). This plan shall be developed so as to ensure the vessel can be activated within the designated activation period, and subsequently sustain operations continuously for 180 days. The Ship Manager will be provided the existing preventative maintenance plan from the Maintenance and Repair Tracking System (MARTS) Vessel Maintenance Action (VMA) database for ROS-4 and ROS-5 vessels and Phase IV procedures for RRF-10 vessels. Existing preventative maintenance plans shall be utilized upon notice to proceed. Revise the existing plan as deemed fit or develop a new Preventative Maintenance Plan. The Preventative Maintenance Plan shall be submitted to the COTR. (CDRL 006)

Scheduled maintenance activations and sea trials are reimbursable and shall be included in the Preventative Maintenance Plan. Provide a cost estimate for maintenance activation and/or sea trial. Acquire qualified Thermography Assessment and Vibration Analysis services to attend sea trials and provide written reports on the condition of vessel electrical installations and machinery per the direction of the COTR. Provide diesel engine analysis for diesel ships. Maintenance actions that can only be conducted or are most practically conducted during the maintenance activation, sea trial, or subsequent deactivation shall be identified in the Preventative Maintenance Plan and scheduled accordingly. Conduct sea trials and dock trials on each assigned vessel at the following intervals:

Intervals Requirement

ROS-4 One (1) Sea Trial Annually
ROS-5 One (1) Sea Trial every other year and one (1) dock trial every other year (alternate years) Sea and dock trials should be based upon the 5 year COI cycle with sea trials performed in the renewal year and the intermediate inspection year. Annual endorsement years get a dock trial.
RRF-10 One (1) Sea Trial every other year. Sea trials performed in the renewal year and intermediate inspection year only. No dock trials.

2.3.1.1.1 Ship Managers will be [or have been] provided an MS Excel spreadsheet by the Maritime Administration which shall be utilized as a template for identifying and scheduling all facets of the PM Plan. This spreadsheet will contain a listing of all equipment in the vessel's current configuration database. The Ship Manager shall enter data supporting the PM Plan such as frequency of maintenance or inspection, running hours, description of the action, etc. The ship manager shall expand the spreadsheet to include any additional equipment or spaces requiring maintenance. The Ship Manager may develop a separate MS Word document for those PM Plan descriptions which require a large text field. If the Ship Manager requires the larger text field(s), all additional PM actions will be consolidated to a single MS Word file. Each action depicted within the MS Word file shall be preceded by the "EQCODE" number for that specific equipment.

2.3.1.2 After initial submittal of the PM Plan spreadsheet and, if required, supplemental MS Word document, the Maritime Administration will upload the information into RMS. The Ship Manager will be responsible for maintaining the data within RMS after being uploaded to the system.

2.3.1.3 The Preventative Maintenance Plans shall be submitted to the COTR for initial review. After initial submittal and acceptance, the Preventative Maintenance Plan shall be included with the Ship's Business Plan. Any revisions to either plan after initial submittal shall be identified in writing to the COTR. (CDRL- RESERVED)

2.3.1.4 The Ship Manager shall utilize the Preventative Maintenance module in RMS to document the execution of the preventative maintenance plan. Any anomalies or findings of the equipment, system, or space through the execution of the PM Plan shall also be recorded.

2.3.1.5 Preventative Maintenance Plans for Vessels in NDRF sites
Ship Managers are responsible for the development of a preventative maintenance methodology.
For RRF-10 Vessels in the Fleet: Offerors have a choice:

a. If the NDRF Fleet personnel perform maintenance procedures they will use the generic preventative maintenance procedures in the VOA Tech Library - "RRF 10 Maintenance Procedures." If the Ship Manager requires any additional preventative maintenance, they must itemize this in the Preventative Maintenance Plan including an hourly estimate ($59/hr).

b. Or the offeror will take the generic maintenance procedures, explain any modification to these in the Maintenance Plan and complete all of the work with their own resources.

2.3.2 Utilize The Maritime Administration's Water Chemistry support contract for procurement of kits and chemicals for the testing and conditioning of boiler water and diesel engine cooling systems. Provide reports on equipment as required. (CDRL M-0010)

2.3.3 Participate in the Maritime Administration's Lube Oil Analysis program. The Lube Oil Analysis program requires samples be submitted to the Maritime Administration's support contractor for all identified machinery as depicted in the vessel-specific testing schedule.

2.3.4 Integrate water chemistry and lube oil analysis into the preventative maintenance plan as applicable.

2.4 Corrective Maintenance and Repairs

2.4.1 Subject to the limitations of funding provided by the Maritime Administration, accomplish all corrective maintenance and repairs to the vessel. Corrective maintenance and repairs include all tasks necessary from initial identification of an unsatisfactory condition through final acceptance of the corrected item. This includes, but is not limited to, overhauling, repairing, or replacing with new machinery, equipment, installations, and spaces (including structure, habitability areas, cargo areas, etc.) to remedy an unsatisfactory condition.

2.4.2 Recommend and, as directed by COTR, accomplish modifications or upgrades determined to be beneficial to the vessel and its performance, extend the vessels life cycle, or enhance its cargo carrying capacity.

2.4.3 Identify deficiencies on the vessel which impact or may potentially impact the performance of the vessel, readiness, regulatory status, safety of the crew, and threaten the environment.

2.4.4 Enter all deficiencies into the Maritime Administration's RMS as an official record. (CDRL M-0011)
The deficiency shall be depicted within the Maritime Administration's RMS with a clear and concise statement of work that includes a cost estimate, planned completion date, duration to complete (number of days), contractor assistance required, and if the vessels readiness will be impacted during the repair period. Identify the impact of each work item on the readiness of the vessel and determine the applicable "C-status" for that item (reference Section C.2.2 or TE-1 Section 2 for definition of C-status).

2.4.5 Determine if deficiencies require immediate accomplishment or can be deferred to a later date or during the next activation (scheduled or unscheduled). Any deficiency that will place the vessel in a C-2 status shall be entered into the Maritime Administration's RMS within 48 hours of initial identification. Notify the COTR within 24 hours of identification for any maintenance or repair item or cumulative items that will place the vessel in a C-3 or C-4 status and enter the deficiency into the Maritime Administration's RMS at the next opportunity. All other repair items, upgrades, and enhancements shall be entered into rhe Maritime Administration's RMS at the discretion of the Ship Manager for funding consideration

2.4.5.1 In the event that a situation or condition develops that poses a threat to life, limb, property or the environment, take immediate action to protect or preserve the same.

2.4.6 Performance of Repair Work

All repair and/or up-grading work required in conjunction with the contract (including all surveys and correction of sea trial deficiencies, or any other deficiencies that may be noted up to time of delivery and acceptance previously noted or not) necessary to meet all requirements of this contract shall be accomplished in a U.S. ship repair facility, unless the work is for emergency, or mission essential repairs, or for pre-positioned ships which are deployed overseas, or for any vessel forward deployed outside of the United States.

2.5 Business Plan Development (Maintenance and Repair)

2.5.1 The Business Plans shall encompass all known facets of the budget, scheduling, maintenance, repair, manning, training, regulatory compliance, and operation (if planned) of the vessel. The Business Plans shall identify all estimated resources and scheduling for successful execution.

2.5.1.1 Submit initial detailed estimates of activation, operation, and deactivation costs for each vessel by item.

2.5.2 RESERVED

2.5.3 Identify the required work; estimate the cost and schedule for projected actions, i.e., preventative maintenance, corrective maintenance, and regulatory surveys and inspections; define the necessary resources; and schedule the execution of these actions to sustain the vessel in its required readiness. Documentation of these proposed actions and scheduling is part of the vessel's Business Plan. (CDRL M-0012)

2.6 Business Plan Execution (Maintenance and Repair)

Execute the Current Year Business Plan for each assigned vessel in accordance with the respective Plan's scope and schedule, subject to the obligation of funds. This shall be applicable regardless if vessel is in Phase O or M. Report status of individual tasks within the plan utilizing RMS. Maintain all data in RMS reflecting start and completion dates (planned and actual); work items (planned, in progress, and completed); method to complete; obligated and actual costs; and other supporting data elements as required by the system. (CDRL M-0013)

2.6.1 Maintain a historical database of work and repairs accomplished, to include associated costs accurately categorized by equipment, system or space. Use RMS database to refine and justify outyear business plans.

2.6.2 During the course of executing the business plan, the Maritime Administration recognizes that there may be events which will cause the Ship Manager to append or deviate from the plan as it was agreed upon, e.g., no-notice activations, the Maritime Administration imposed funding limitations, changes to readiness level, shipyard availability, unforeseen and unanticipated repairs, implement upgrades or changeouts, etc.

2.6.3 Notify the COTR within 24 hours for any unplanned situation or condition, which changes the readiness status of the vessel. In the event that a situation or condition develops that poses a threat to life, limb, property or the environment, take immediate action to protect or preserve the same.

2.6.4 Notify the COTR in the event a change is required in the Business Plan. Recommend an appropriate course of action and identify all impacts to the balance of the Business Plan (including outyears, if necessary). Make all necessary modifications to RMS to reflect the changes.

2.6.5 - RESERVED

2.7 Turnover of RRF Vessels

2.7.1 Initial turnover. Within 14 days after NTP, a joint Maritime Administration/Ship Manager material condition survey shall be conducted as follows:

- The Maritime Administration will provide a print out of deficiencies per vessel. All known deficiencies and requirements will have been entered in the RMS. A Maritime Administration surveyor and the Ship Manager's representative shall verify these deficiencies and conduct a joint material condition survey of the vessel using an MA-58 (Ship Survey) as a checklist.

- New repair and maintenance requirements shall be entered into RMS by the Ship Manager.

- Recommendations to remove or modify existing requirements shall be provided to the Maritime Administration COTR as part of the business plan.

- A completed Ship Survey Form, MA-58, with narrative attachment shall be provided to the Maritime Administration COTR .

- Concurrent with this survey, other requirements of the contract may also be conducted, for example, C.4.3.4.2.1 baseline security assessment.

2.7.2 Within forty-five (45) days prior to the completion of this contract, a joint Maritime Administration/Ship Manager Material Condition Survey shall be conducted and documented on form MA-58 (SHIP SURVEY REPORT). If the contract is terminated for default or convenience, the Maritime Administration will arrange a mutual date to conduct the survey. This condition report shall be delivered to the Maritime Administration COTR within one week of the survey date. A copy shall be provided to the ACO.

2.8 Logistics

The Ship Manager shall:

2.8.1 [Formerly 3.1.1] Responsibility. Account for all Government Furnished Properties (GFP) in accordance with the contract. This includes, but is not limited to, all shipboard accountable property, technical manuals, drawings and spare parts. Preserve, manage and control all spare parts, accountable property, ship's drawings and technical manuals in a manner that prevents waste, theft and unnecessary procurement.

2.8.2 [Formerly 3.1.2] Property Control Systems. Maintain a Maritime Administration approved Property Control System in accordance with Federal Acquisition Regulations (FAR) 45.5, the RRF Logistics Management Manual, (TE-5), and the PC-SAL Users Manual. (NOTE: PC-SAL is a legacy Maritime Administration computer system. The functionality of PC-SAL will be incorporated in RMS. During the first year of the SMC, the Maritime Administration will replace or re-issue manuals as required to reflect RMS applications for logistics operations and spare parts management. The term "PC-SAL" has been replaced in contract documents, however other documents may still refer to this legacy system. Whenever such references are encountered, the term RMS is substituted.) The Ship Manager is not responsible for translating foreign language documents, contained in the property control system, into English.

2.8.3 [Formerly 3.1.3 Records]. Maintain complete, current and auditable records of all GFP transactions in accordance with FAR 45.5 and TE-5. Records of spare parts, accountable property, technical manuals, and drawings shall be maintained in the vessel's RMS computer system in accordance with the RMS manual.

2.8.3.1 [Formerly 3.1.3.1] Maintain the following files onboard each vessel:

a) Documents used to ship any item of GFP off the vessel or receive any item of GFP onboard the vessel; and

b) Copies of Reports of Survey (DOT Form 4410.1) initiated by the Ship Manager for items lost, damaged or destroyed onboard the vessel.

2.8.4 [Formerly 3.1.4] Training. The Maritime Administration Logistics Management Officer (LMO) will schedule training and issue passwords for the MLSS before Ship Manager personnel use it.

2.8.5 [Formerly 3.1.5] Accountable Property - Acceptance Inventory. Conduct a joint (with Maritime Administration) and complete physical inventory of all of the vessel's accountable property. RMS will be adjusted to reflect the results of the inventory. At the conclusion of this reconciliation process the Ship Manger will acknowledge the receipt of the entire inventory of accountable property as well as the accountable property database contained in RMS. (CDRL L-0001)

2.8.6 [Formerly 3.1.6] Completion or Termination Inventory. At the completion or termination of the contract, conduct a joint (with the Maritime Administration) and complete physical inventory of the vessel's accountable property. The results of this inventory will then be reconciled with the accountable property database contained in RMS. Provide a written survey for each item found to be lost, damaged or destroyed. (CDRL L-0002)

2.8.7 [Formerly 3.1.7] Maintain a complete and 100% accurate inventory of all accountable property in RMS

2.8.8. [Formerly 3.1.8] Annual Inventory. Conduct and report the results of a complete physical inventory of accountable property in accordance with TE-5. (CDRL L-0003) This inventory is conduct on/about the anniversary date of contract award on a yearly basis, unless otherwise directed by the COTR. NOTE: Results of this inventory are due January 19, 2007 for FY 07 only. This is a one-time extension of the due date.

2.8.9. [Formerly 3.1.9] Post Phase O Inventory. Conduct and report the results of a complete physical inventory of accountable property in accordance with TE-5. This includes sea trials as well as Phase O. (CDRL L-0004)

2.8.10 [Formerly 3.1.10] Accountable Property. Submit a DOT Form 4410.1 for all lost, damaged or destroyed accountable property in accordance with TE-5. The COTR is responsible for determining whether or not to replace missing accountable property. A survey board will decide the issue of liability. If the Ship Manager is deemed liable for missing, lost or damaged property, the Contracting Officer (CO) will deduct the appropriate value of the item from monies due the Ship Manager.

2.8.11 [Formerly 3.1.11] Failure to Submit Required Survey Form (DOT Forms 4410.1) within five (5) working days after the Completion or Termination Inventory. The value of the items found lost, damaged or destroyed will be deducted from monies due the Ship Manager until the required documents have been both submitted by the Ship Manager and fully reviewed and processed by the Maritime Administration.

2.8.11.1 [Formerly 3.1.11.1] Recovery of Funds for failure to use agency assets. Except as provided for in TE-5, the Administrative Contracting Officer (ACO) will deduct from monies due the Ship Manager as recovery of funds for the cost of spare parts procured by the Ship Manager when the same item (or a valid serviceable alternate), was available in any of the three (3) Shore-based Spares (SBS) warehouses at the time the purchase order was placed unless it is determined by the Maritime Administration that special circumstances preclude such a deduction. A Ship Manager has ordered a part which the Maritime Administration deducts the cost of because it is available within the 3 SBSs, may return the same part for vendor credit. The SM will pay all associated costs of the return.

2.8.12 [Formerly 3.1.12] Spare Parts, Technical Manuals and Ship's Drawings

2.8.12.1 [Formerly 3.1.12.1] Acceptance Inventory of Spare Parts, Technical Manuals and Ship's Drawings. Jointly with the Maritime Administration, obtain and inventory a sample of the vessel's spare parts, technical manuals and ship's drawings in accordance with the statistical standards provided in TE-5. The results of this inventory will be jointly recorded. (CDRL L-0005) This sample will include spare parts stored in the following locations:

a) Loose spare parts;
b) Spare parts mounted on bulkheads; and
c) Spare parts contained boxes and cabinets, both sealed and unsealed.

2.8.13 [Formerly 3.1.13] Acquisition of Spare Parts: Unless otherwise directed by the COTR, be responsible for the acquisition of spare parts in accordance with the Shipboard Allowance List (SAL) and available funding.

When a requirement for any replacement or spare part is identified, review the most recent MLSS CD-ROM and confirm that no valid serviceable asset is available in the three (3) Maritime Administration SBS warehouses. Except as provided for in TE-5 and in accordance with 41 CFR101-26.107, if a valid serviceable spare part (or alternate) is available in any SBS warehouse, request the item. Ship Managers will be reimbursed for travel to warehouse to verify the serviceability of parts. Ship Managers who order parts may return them for vendor credit. All costs associated with the return of improperly order parts will be to the Ship Manager's account.

2.8.13.1 [Formerly 3.1.13.1] Termination or Completion Inventory of Spare Parts, Technical Manuals and Ship's Drawings. Jointly with the Maritime Administration, obtain and inventory a sample of the vessel's spare parts, technical manuals and ship's drawings in accordance with the statistical standards provided in TE-5 and (CDRL L-0006). The results of this inventory will be jointly recorded. This sample will include spare parts stored in the following locations:

a) Loose spare parts;
b) Spare parts mounted on bulkheads; and
c) Spare parts contained boxes and cabinets, both sealed and unsealed.

2.8.14 [Formerly 3.1.14] Standards for Repair Parts. In addition to the requirements set forth in FAR 45.5 and TE-5, maintain the following logistics management standards for repair parts managed in RMS:

a) Maintain a 95% (or greater) accurate inventory of spare parts NOT secured by a Maritime Administration applied seal; and

b) Accurately mark, record and stow repair parts in accordance with FAR 45.5 and TE-5 within ten (10) working days of receipt by the Ship Manager.

2.8.15 RESERVED

2.8.16 [Formerly 3.1.16]Ship Configuration Management. Preserve and maintain the vessel's configuration record in accordance with TE-5, and maintain the following configuration management standards:
a) Record all changes, removals, additions, upgrades and modifications to the installed equipment configuration of the vessel; and

b) Prepare and submit Allowance Change Requests in accordance with TE-5.

2.8.17 [Formerly 3.1.17] Offshore Petroleum Discharge Ships (OPDS), Offshore Utility Boats (OUB), and Improved Mooring System (IMS) outfitting and spare parts.

The OPDS vessels have specialized OPDS, OUB and IMS equipment, spare parts, and outfitting. A significant portion of this outfitting is regularly issued to Navy personal during OPDS evolutions and the Naval Sea Systems Command (NAVSEA's) Material Readiness Assessment (MRAs), and as such, requires special management attention by Ship Managers of OPDS vessels.

2.8.17.1 [Formerly 3.1.17.1] Configuration Management. Review, maintain, revise, and update the vessel's OPDS, OUB and IMS equipment configuration, technical manuals and drawings in RMS in accordance with the Maritime Administration approved NAVSEA technical specifications.

No NAVSEA initiated changes to OPDS, OUB or IMS outfitting, spare parts, equipment configuration, technical manuals or ship's drawings are to be made without the prior written (or email) approval of the COTR.

2.8.17.2 [Formerly 3.1.17.2] OPDS, OUB, and IMS Outfitting Management Procedures. Provide a set of detailed written procedures that implement NAVSEA PMS 325 letter 325R32/0668 dated 25 July 2000. This correspondence is provided as TE-5.
These procedures must comply with FAR 45.5 and TE-5 specifically addressing the following: (CDRL L-0009)

a) The management of OPDS, OUB and IMS allowances;

b) The issue of OPDS, OUB and IMS outfitting and spare parts to military personnel;

c) Reserved

d) The preservation, marking and storage of OPDS, OUB and IMS outfitting and spare parts; and

e) The generation of OPDS, OUB and IMS Shortage Lists.

2.8.17.3 [Formerly 3.1.17.3] Generation of OPDS, OUB and IMS Shortage Listings. Within thirty (30) days of the conclusion of any OPDS exercise or NAVSEA MRA, generate and forward an OPDS Shortage List. (CDRL L-0010)

2.8.17.4 [Formerly 3.1.17.4] Procurement Standards for NAVSEA Baseline Shortages. Maintain "100% on hand or on order" for all OPDS, OUB and IMS outfitting and spare parts listed in the Maritime Administration approved NAVSEA Base Line (TE-5).

2.8.18 [Formerly 3.1.18] The Maritime Administration OPDS Shore Set. Depending on the availability of funding, the Maritime Administration may, at its discretion, maintain limited quantities of OPDS, OUB and IMS spare parts and outfitting at its three (3) SBS warehouses. This subset of Shore-based Spares is referred to as the "OPDS Shore Set." A sample list of possible OPDS Shore Set items that the Maritime Administration may stock is provided in TE-5. With the exception of unique Navy Stock Numbered (NSN) items that can not be purchased commercially, the Ship Manager must NOT rely on theMaritime Administration Shore Set to replenish OPDS, OUB or IMS outfitting and spare parts.

2.8.18.1 [Formerly 3.1.18.1] Maintain the independent capability to research, identify and commercially purchase any item of OPDS, OUB and IMS equipment, spare part or outfitting throughout the life of the contract.

C.3 PERFORMANCE GOAL: SUPPORT CORE RRF FUNCTIONS: ACTIVATION, OPERATION, AND DEACTIVATION.

3.1 all sub-sections - RESERVED. Logistics has been removed from the second goal, and moved to the first goal and re-numbered. Former clause numbers are shown along with new numbers in case there is a problem cross referencing in other documents.

3.2 Activation. There are two (2) categories of activations: scheduled and unscheduled. The former is an integral part of the scheduled preventive maintenance requirements of the vessel and associated with its assigned R-Status. The latter is associated with a specific Department of Defense (DOD) initiated request or requirement or other national emergencies.. The five (5) specific types of activations within these two (2) categories, which the Ship Manager may be required or directed to perform, are defined in TE-1 - Section 2.

3.2.1 For Mission Activations:

3.2.1.1 Provide all resources and support equipment required to accomplish all the necessary work of activating the ship within the ship activation readiness period as defined in TE-4 to ensure that the vessel is capable of sustained operations for up to 180 days.

3.2.1.2 Direct the work of all subcontractors and provide periodic reports to COTR.

3.2.1.3 Activate, store, crew, and provision assigned ships, obtain USCG, ABS and other regulatory tests surveys, inspections or certifications within its assigned readiness period.

3.2.1.4 Bunker the vessel as directed by the COTR.

3.2.1.5 Receive and load cargo.

3.2.1.6 Operate the vessel for up to 180 consecutive days.

3.2.2 Simultaneous activations can be expected, and unless assigned vessel is in readiness category C-3, C-4, or C-5, which indicate it is not able to be activated within the prescribed timeframe, activation timelines are mandatory.

3.2.3 For Notice and No-Notice Activations: Perform all tasks of Section C 3.2.1 though C3.2.1.6. However, the COTR may reduce requirements (quantities of provisioning, stores, extend timelines, etc.) as required by the specific activation or planned operation scenario.

3.2.4 For Maintenance Activations: Conduct in accordance with the Ship Manager developed Preventative Maintenance Management Plan.

3.2.5 Activation Plan

3.2.5.1 Develop, implement, manage, and maintain the ship-specific Activation Plan. (CDRL L-0009)

3.2.5.1.1 Safety Observation Period. Discuss with COTR and implement into Activation Plan a period during activation for crew safety orientation required under your ISM. This is not a stand down. This observation period shall be accomplished after receive of activation orders and prior to Ready For Sea. It may be necessary to request additional time for this activity. A five day vessel which is not required to sea trial may conduct this period on the 5th day. It is important to retain the names of crewmember who attend this observation orientation for future litigation. See sections C.5.6.4.1 and C.5.6.4.2 for details. Note: it will be necessary to develop several scenarios within the activation plan to account for maintenance activation, notice and no-notice activations with time built in or requesting additional time. Conducting the safety observation and orientation requirements at anchor is one option.

3.2.5.2 Compliance with the Activation Plan, and any of its modifications, is considered a performance measurement under the QASP.

3.2.5.3 Absence of the Master. The activation plan shall develop a policy addressing who is in charge during:
" The period before the Master's arrival on an activating ship.

3.2.6 Cost Estimates. The Ship Manager shall provide cost estimates for activation, operation and deactivation of the vessel as part of the Business Plan (i.e., SMGR Notional Business Plan Template). (CDRL A-0001)

3.2.7 Activation Reporting.

3.2.7.1 Develop, manage, and submit timely and accurate reports as defined below, entering data into RMS. COTR Reports include:

3.2.7.1.1 Status Reports - Daily. Provide daily status to the COTR on vessel activation progress. COTR will direct time and frequency of this report for each activation. (CDRL A-0002)

3.2.7.1.2 Status Reports - Special. Provide required special status reports when requested by COTR or by the Maritime Administration HQs Crisis Management Team. These reports usually involve security, Chemical, Biological, Radiological-Defense (CBR-D) outfitting, reporting crew shortages, or other issues unique to a military operation. (CDRL A-0003)

3.2.7.1.3 Vessel Movements (MOVEREPS)

3.2.7.1.3.1 Submit via e-mail or classified message as directed by the COTR vessel movement data including date, time, and location of vessel movement. (CDRL A-0004)

3.2.7.1.3.2 Scan into RMS a PDF copy of all ship delivery reports between the Maritime Administration/MSC. This is not the same as the noon or pre-arrival reports required by MSC.

3.2.7.1.4 Crew List(s)

Provide and maintain currency a crew list including military personnel onboard. This list is provided upon request by COTR. (CDRL A-0005)

3.2.7.1.5 Task Order Accounting

Enter into RMS activation cost information and data including current obligated fund totals, anticipated funding requirements.

3.2.7.1.6 Crew Questionnaire

Arrange for and assist in the collection of data associated with the crew survey forms. (CDRL A-0007)

3.2.7.1.7 Lessons Learned

3.2.7.1.7.1 Collect the following data for mission related activations.
The Maritime Administration Reports (submitted as part of the activation and ops) (CDRL A-0008)
- General condition of ship upon Activation
- Equipment problems encountered at Activation

- Administrative problems
- Voyage summaries
- Operating history, commencing at activation notification, and inclusive of:

· Activation notification received from the Maritime Administration
· Dock Trials
· Tender to MSC
· Shift to loading
· Commenced Loading
· Completed Loading
· Departure Sea Buoy
· Transit
· Funding
· Correspondence
· Personnel
· Sea Trials
· Deficiencies (Operating casualty history and repairs)
· CASREP/CASCOR and associated actions taken
· Vessel Reports
· Vessel Logs
· Thermography and Vibration Analysis Survey Reports
· Deliverables
And an (optional) submission of Photographs (digital, if possible,) for use by the Maritime Administration in briefings or public affairs articles.

3.2.7.2 Maintain throughout both Phases the onboard property, inventory and currency of MSC, USCG, and other nautical publications and instructions.

3.2.7.3 Report any discrepancies (inventory and/or currency) to the COTR (for items, which the Maritime Administration furnishes,) and undertake necessary efforts to replace or update the deficient items.

3.2.7.4 Ensure missing documents or publications are obtained prior to the completion of load-out or departure from CONUS, whichever occurs first. Items in the Standard Administrative Yellow Filing cabinet onboard each vessel are found in CDRL BUS-0004.

3.2.7.5 Embarkation of military personnel. Ship Managers and Masters may be required to support the embarkation of Government personnel including military as passengers, supercargo personnel, and/or observers as directed by the Maritime Administration. This includes military stationed as a temporary security force, for example Guardian Mariners.

3.2.7.5.1 The Ship Manager shall provide berthing, food, medical, laundry, and cleaning services comparable to the equivalent shipboard rating. These services shall be provided on a cost reimbursable basis. Entertainment for embarked military is not required and it is not a reimbursable nor an allowable expense. No additional exercise facilities beyond what is available for the crew shall be provided.

3.2.7.5.2 COMSC has instructions which address Master's responsibility and relationship with military personnel, allocation of space, shipboard safety, behavior and discipline, weapons security and other related subjects. (See MSC SOM Chapter 2 Section 7)

If issues arise regarding weapons/ammunition, advise MAR-612 within twenty-four hours, by the fastest means possible.

3.2.8 Chart Ordering and Nautical Publications. Ship Managers shall obtain nautical publications and charts for vessels prior to operation (J.9) and dispose of them during deactivation in accordance with direction from the COTR.

3.2.9 Slop Chest. Ship Managers will obtain all slop chest items at their own expense, operate the slop chest, and dispose of all materials in accordance with their own corporate procedures. The Maritime Administration will no longer reimburse slop chest materials.

3.3 Operations

3.3.1 General. Provide all resources and support equipment required to accomplish continuous ship operations for at least 180 consecutive days in accordance with good commercial practice and the laws and regulations of the United States. Ships are required to maintain operational sea speed listed in TE-7 or notify COTR immediately.

3.3.1 Ship Managers may provide comments or recommendations on TE-7 to the Chief, Division of Ship Maintenance and Repair. Such comments should occur before a vessel "fails to make speed."

3.3.2 Arrange for port services when in port including anchorages and alongside facilities. Ship Managers must expect and be ready for simultaneous operations of vessels. Although most RRF operations are point-to-point service, Ship Managers must remain flexible to changing operational requirements because there are a variety of worldwide missions for RRF ships. Generally, but not always, RRF ships are under the OPCON of MSC. RRF ships are owned by the Maritime Administration and the Ship Manager is contractually obligated to the Maritime Administration. Administrative control of the RRF remains with the Maritime Administration irrespective of mission or operation assigned. See TE-1, Section 2 for Naval operational terminology.

3.3.3 Maintain vessels such that they achieve the minimum operational speed designated in TE-7. Failure to routinely meet operational speed requirements will result in an investigation to determine root causes, such as, but not limited to, severe weather, improper loading, operational or mission considerations, or failure to perform preventative or routine maintenance.

3.3.3.1 If an RRF ship is unable to comply with naval sailing orders during Operations, because the Master determines compliance is not feasible or it jeopardizes the safety of the ship, the Master, as Ship Manager's representative, must advise the naval operational commander and the Maritime Administration (COTR, MAR 611 and MAR-612 and if activated, the Crisis Management Team) within one (1) hour by immediate precedence message, unless message traffic is restricted by the naval commander. The message must include intended actions and reasons for not accepting naval operational direction. Copy Area COTR.

3.3.3.2 Keep the naval operational command and the Maritime Administration (see Section C3.3.3.1) fully informed of the ship's status until it is capable of complying.

3.3.4 Operations Plan. Develop, implement, manage and maintain the Ship Manager developed ship-specific Operations Plan. Compliance with the Operations Plan, and any of its modifications, is considered a performance measurement under the QASP.

3.3.5 Bunkering

Provide general policy and ship specific plan for bunkering the ship in accordance with Federal, State, and local environmental regulations.

3.3.5.1 Ensure crew members are familiar with the ship's bunkering plan and conduct bunkering operations with the utmost care for environment in strict compliance with the bunkering plan.

3.3.5.2 Bunkering is normally performed after the vessel is reported RFS and accepted by MSC.

3.3.5.3 Bunkering instructions can either be provided in the MSC activation message or by the COTR.

3.3.5.4 Vessels under MSC OPCON must request bunkering instruction from the MSC area commander. The MSC area commander will instruct the vessel to use bunkers or procure bunkers commercially as a reimbursable. Bunkers are GFP or reimbursable (at the discretion of the Government). During operations, request information on availability of bunkers from the local MSC area commander before arriving in port.

3.3.5.4.1 Maintain list of crewmembers to have viewed bunkering video.

3.3.5.4.2 Inventory of oil spill response kit - semi-annually. Coordinate with COTR.

3.3.5.5 The Maritime Administration has provided a laminated Bunkering checklist (in the standard administrative filing cabinet) for use during bunkering; and an instructional video for the training of all crewmembers who are involved in bunkering. Maintain a list of crewmembers' names who have viewed this video and reviewed the bunkering checkoff list.

3.3.5.6 Maintain and utilize Government-furnished (GF) Oil Spill response kits onboard RRF ships.

3.3.5.6.1 Maintain, adjust, deploy, or remove GF containment booms as directed by the COTR.

3.3.5.7 Perform inventories of the oil spill response kits at least semi-annually and advise COTR of missing or expired parts. Maintain and utilize Oil Spill response kits onboard RRF ships, in accordance with regulatory body requirements.

3.3.6 Report on the status of bunkers as directed by MSC/Maritime Administration and request the source of bunkers from the MSC Area Commander.

3.3.7 Hydraulic and Lube Oil Analysis. Utilize the analytical services provided by the Maritime Administration under the RRF's Fleetwide Oil Analysis Program and currently provided by JOAP for hydraulic and lubricating oils. The costs for testing at this laboratory are paid by the Maritime Administration.

3.3.8 Special Mission Operations. Crew and operate each of the special mission vessels in a manner so that the vessel will be able to perform its designated mission as prescribed.

3.3.8.1 The following vessel types have been designated as special mission RRF vessels since they have been modified to conduct special operations that are not typical of normal cargo operations:

3.3.8.1.1 Aviation Support Vessels (T-AVB) - General cargo ships which have been modified to conduct maintenance and repair (M&R) of United States Marine Corps (USMC) fixed and rotary wing aircraft. When activated, vessels' cargo holds are loaded with container/CADS/Conex boxes which are utilized as repair shops for USMC operations. Vessels each embark up to 300 USMC personnel. Vessels conduct extensive helicopter operations during deployment. USMC personnel are self-sufficient for berthing and messing; however, Ship Manager may be responsible for procurement of victuals and stores on a reimbursable basis as well as conducting maintenance and repair to USMC hotel spaces. T-AVB Vessels are:

SS CURTISS
SS WRIGHT

3.3.8.1.2 Auxiliary Crane Ships (T-ACS) - General cargo ships which have been modified with two (2) or three (3) sets of twin heavy lift cranes to load and offload non-self-sustaining cargo vessels in either unimproved ports or while anchored offshore. Cranes are rated at 30 or 35.5 long tons each and can operate individually, in twin mode or conduct tandem lifts (four (4) cranes together). Military personnel rig cargo and operate the cranes under the authority of the vessel's Master during operations and exercises. The ship's crew shall be responsible for M&R of the cranes. Approximately five (5) military personnel may be embarked on each ship full time and will require berthing, victuals, messing and stores. T-ACS vessels are:
SS KEYSTONE STATE (T-ACS 1 Class)
SS GEM STATE (T-ACS 1 Class)
SS GRAND CANYON STATE (T-ACS 1 Class)
SS GOPHER STATE (T-ACS4 Class)
SS FLICKERTAIL STATE (T-ACS4 Class)
SS CORNHUSKER STATE (T-ACS4 Class)

3.3.8.1.3 Modular Cargo Delivery System (MCDS) Vessels - The MCDS vessels have been modified to conduct underway replenishment of Navy combatant and auxiliary ships. Cargo operations are conducted via high line wires between the MCDS vessel and Navy ship or by helicopter cargo operations. MCDS vessels may carry ammunition as cargo. The MCDS vessel's crew shall be responsible for the operation of cargo handling equipment within the cargo holds. Other cargo handling operations will be conducted by Navy personnel embarked on the vessel under the authority of the vessel's Master. Applicable crewmembers shall require specialized training and certification for the conduct of MCDS operations and handling ammunition. Maintenance and repair of MCDS installations and outfitting will primarily be the responsibility of the Navy personnel, however, management of associated spare parts shall be the responsibility of the Ship Manager. Up to 45 Navy personnel may be deployed aboard the MCDS vessel and shall require berthing, victuals, messing and stores. MCDS vessels are:

SS CAPE JACOB

3.3.8.1.4 OPDS Vessels: The Maritime Administration has two Offshore Petroleum Discharge Ships (OPDS). Guidance will be separately provided regarding any future deployments.

SS PETERSBURG

3.3.9 Operations Reporting

3.3.9.1 Develop, manage, and submit timely and accurate reports as defined in the Contract Data Requirements List (CDRL) (TE-3), RMS, and as required by the MSC's Standard Operating Manual (SOM) or provided as a special mission requirement from the Maritime Administration.

3.3.9.2 Obtain through MSC the latest version of the MSC SOM (CD-ROM format). MSC SOM requirements are not reported in the Maritime Administration CDRL.

3.3.9.3 When an RRF ship is under MSC OPCON, significant reporting is required under MSC SOM. This manual (in CD-ROM format) is constantly changing. MSC will provide the SM with a quarterly update by mail. If difficulties are encountered advise the MARD COTR immediately. SINCE THE MARITIME ADMINISTRATION IS THE VESSEL OWNER, THE COTR SHALL BE COPIED ON ALL REPORTS. For classified reports: Using the PC to PC Transfer System (PPTS) , the ship is able to send classified message traffic/reports to the appropriate the Maritime Administration divisions and Headquarters address.

3.3.9.4 Upon the issuance of weapons/ammunition, the following reports: 1. the Navy Small Arms Asset Verification List; (CDRL O-0001) and 2. The Ammunition Transaction Report shall be submitted to MAR-612. (CDRL O-0002)

3.3.9.5 Notify the COTR immediately, if any vessel in Phase O has not reported in at least once in any twenty-four (24) hour period. Copying the COTR on the Noon Report, usually required by MSC, is sufficient. (CDRL O-0003)

3.3.10 Ad Valorem Documentation: At the first U.S. port of entry after an overseas voyage the Ship Manager shall utilize U.S. Customs Form No. 226 (Attachment J-17) for reporting all repairs and parts procured from foreign sources. Send a copy of the US Custom's Form 226 with supporting documentation to MAR-611 and the COTR at the same time it is submitted to Customs. Inclusive of the submittal, identify any items on the Form 226 which may be subject to customs relief. Additionally, notify the Maritime Administration (MAR-611) of any difficulties with U.S. Customs. (CDRL O-0004)

The Ship Manager shall be responsible for monitoring the costs of repairs and parts procured overseas and the associated Ad Valorem duties which will be applied. These costs will be applied to the Phase O operations task order and the Ship Manager shall ensure adequate funding remains available to pay incurred Ad Valorem duties. The Ship Manager shall notify the COTR immediately if it is determined the Ad Valorem duties are projected to exceed the available Phase O funding levels.

3.3.11 During all Phases, report to the Maritime Administration (MAR-612) or, if established, the Maritime Administration HQ Operations Center, significant events, e.g. rescues at sea, medivacs, or political unrest which affects ship operations or in which the ship is involved.

3.3.12 The Casualty Reporting System includes: Casualty Reports (CASREPs); Casualty Situation Reports (SITCASREP); Casualty Corrected Reports (CASCORs) and Casualty Cancelled Reports (CASCANs). (CDRL O-0005)

3.3.12.1 CASREPs. Advise the COTR, MAR-612, the Maritime Administration HQ Operations Center, , MSC and the naval operational commander via the Navy's casualty reporting system when a vessel is experiencing a material casualty during Phase O. Provide decision tree rational for C3/C4 for CASREP in a separate report to the Maritime Administration Area Divisions/HQ Operations Center. Include COTR, MAR-612, and the Maritime Administration HQ Operations Center on ALL message traffic regarding the casualty.

3.3.12.2 CASCANs. Cancel outstanding CASREPs upon redelivery of an RRF vessel to the Maritime Administration by issuance of a CASCAN. Information contained in the cancelled CASREP shall be transferred to RMS.

3.4 Deactivation

3.4.1 General. Deactivation is part of Phase M that occurs after redelivery of the vessel to the Maritime Administration from Phase O.

3.4.2 Conduct the necessary planning and preparations to return the vessel to its assigned readiness status, capable of being re-activated and operated for 180 consecutive days, to include the following:

a) Accurately document all known equipment and system malfunctions and other material deficiencies.

b) Accomplish deactivation procedures, repairs, and regulatory requirements.

3.4.3 Deactivation Plan. Develop and maintain a vessel-specific Deactivation Plan. Compliance with the Deactivation Plan, and any of its modifications, is considered a performance measurement under the QASP.

3.4.3.1 In developing the Deactivation Plan, the Ship Manager may consult any of the Government's available procedures:

a) TE-1 Section 31 - Deactivation Procedures and Standard Lay-up Procedures for selected vessel's equipment and systems.

b) The instructions to Form MA-496, are available from MAR-612, provides information for vessels laid up in the NDRF Fleet anchorages.

3.4.4 Execute the Deactivation Plan and associated specifications.

3.4.5 Ensure that both ROS and non-ROS vessels are deactivated and laid up in a manner that prevents deterioration of the vessel, or vessel's equipment and outfitting.

3.4.6 Provide all resources and support equipment required to accomplish all the necessary work of deactivating the vessel as authorized by Task Order.

3.4.7 Deactivation Work Items (For ALL vessels)

3.4.7.1 Provide a detailed deactivation cost estimate by ship work breakdown structure. (CDRL D-0001)

3.4.7.2 Accept vessel tender from the operational commander on behalf of the Maritime Administration, if directed by the COTR.

3.4.7.3 Supervise the discharge of final cargo and cleaning of vessel's spaces by military personnel. Attempt to obtain signatures when damage has been discovered or cleaning is unsatisfactory. Report damage and unsatisfactory cleaning to COTR. (CDRL D-0002)

3.4.7.4 Box, inventory, secure with a Maritime Administration seal all pilferable items. This includes items, which in aggregate have a high value: e.g., special tools, such as torque wrenches.

3.4.8 Box charts (or chart CDs) for storage or disposal in accordance with direction from COTR.

3.4.9 Return and verify all items in standard administrative yellow cabinet. Notify MAR-612 of missing materials.

3.4.9.1 As authorized by TO, arrange for and coordinate all lay-up services with appropriate vendor (shipyard, tugs, pilots) or regulatory agency.

3.4.9.2 As directed by TO, perform material condition surveys which may include: sea trials and, if directed by COTR diagnostic testing such as Thermography or vibration analysis. (CDRL D-0003)

3.4.9.3 As directed by TO, accomplish all voyage repairs and outstanding classification and certification items via ROS crews or with industrial assistance in accordance with the annual business plan.

3.4.9.4 RESERVED

3.4.9.5 Obtain guidance on the disposition of weapons and ammunition from the HQS (MAR-612) COTR for weapons and ammunition.

3.4.10 Deactivation Work Items (ROS vessels)

3.4.10.1 After 48 hours of redelivering the vessel to the Maritime Administration, the per diem rate will change from Phase O to Phase M.

3.4.10.2 Accomplish the following:

a) Inventory, box, and secure pilferable items except those required by crew.

b) Voyage repairs, and outstanding class items as directed by task order.

c) Arrange for vessel to be properly moored at the outport location and connected to the required hotel/shoreside hookups (i.e., power, water, telephone, etc.)

d) Arrange for all lay-up systems (dehumidification, intrusion, fire, and flood alarms and hull protection) to be in place and activated as required in light of ROS crew requirements.

3.4.11 Deactivation (RRF-10 day vessels)

3.4.11.1 Issue solicitation for deactivation in accordance with task order and award subcontract within thirty (30) days.

3.4.11.2 Identify in the business plan, the type by rating and number of personnel who will remain with the vessel for up to ten (10) days to conduct deactivation work. If authorized, the Maritime Administration will reimburse the cost of the designated crew wages.

3.4.12 Transfer vessel to location where voyage repairs, outstanding classification items, and/or lay-up work will be performed.

3.4.13 For RRF-10 day vessels (berthed in the NDRF)

3.4.13.1 Transfer vessel to the NDRF location.

3.4.13.2 Vessel mooring, hookups, and security will be accomplished by Government fleet personnel.

3.4.13.3 There will be limited power for dehumidification and cathodic protection, ensure alarms systems are operational (flooding, intrusion, and fire). Notify the COTR if alarms are not functioning.

3.4.14 For RRF-10 day vessels (outported)

3.4.14.1 Transfer the vessel to the outport site.

3.4.14.2 Arrange for vessel to be properly moored and connected to the required shoreside hookups (i.e., power, water, alarms, etc.)

3.4.15 Deactivation Reporting (all vessels)

3.4.15.1 Enter the Delivery/Re-delivery Report into RMS. (CDRL D-0004)

3.4.15.2 Ensure that fuel data is recorded before re-delivery and provided to Navy (NEURS) and COTR. (CDRL D-0005)

C.4 SAFETY, ENVIRONMENTAL AND SECURITY

4.1 Introduction

Although the RRF program's primary function is to serve as a source of strategic sealift during national emergencies, the Maritime Administration fosters other long-term goals during the execution of the Program. These include: improvements to the sustainability and livability of U.S. communities; reduction in the number of RRF shipboard injuries and deaths; and reduction of the adverse effects of the RRF on ecosystems and the environment. To accomplish these goals, the Maritime Administration will work in partnership with the Ship Manager to maximize safe performance for all personnel, and foster high security and environmental standards and achievements. Should a Ship Manager have any question at any time with respect to public vessel compliance and regulatory statutes, questions shall be directed to MAR-611 with copy to the COTR. Note: The Maritime Administration, as vessel owner, promulgates an Occupational Health and Safety Program (OHS Program TE-1 Section 18). This Program is not approved by a third party - for International Safety Management (ISM) certification. If upon reading the Maritime Administration safety actions in the OHS Program, the Ship Manager finds a conflict between its ISM certificate and the Maritime Administration safety actions, the Ship Manager shall advise the Maritime Administration HQ (MAR-612) OHS COTR immediately. The Maritime Administration 's OHS Program is not meant to replace or supersede the Ship Manager's ISM certificate. The Ship Manager's Safety Management Program which is the vessel's safety program takes precedence until the issue can be worked out. MAR-611 will take appropriate measures to arrange a waiver to individual requirements should one be needed.

The Ship Manager shall:

4.1.1 ISM Certificates

4.1.1.1 International Safety Management (ISM) Document of Compliance (DOC): Maintain a valid ISM DOC, for itself as a corporation, for the vessel types awarded for the performance period of the contract. The entity/offeror who will perform management of the ships must have a separate ISM DOC or interim DOC at NTP.

4.1.1.2 Vessel Safety Management Certificate (SMC): In accordance with appropriate USCG regulations and NVICs for public vessel voluntary ISM compliance, obtain and maintain for the performance period a valid ISM SMC or interim SMC for designated vessels in Sections C4.1.1.2.1 and C4.1.1.2.2. ABS fees in connection with this are reimbursable. (see Attachment J-9) Internal audits for DOC are not reimbursable; audits and other fees for the maintenance of the Ship Management Certificate are reimbursable.

4.1.1.2.1 For ROS vessels with a valid interim Ship Management Certificate review the assigned ships' Ship Management Certificate or renew, a valid interim Ship Management Certificate for the vessel within twelve (12) months.

4.1.1.2.2 For ROS vessels without an SMC or if a new Ship Manager has been assigned the vessel, Ship Managers will apply for and obtain a valid an interim SMC for their assigned ships within twelve (12) months.

4.1.1.3 ISM Safety Management System/Vessel Safety Plan: Update the ISM Safety Management System to incorporate characteristics of awarded vessels, and as conditions warrant. Copies of the safety management system shall be available to all crewmembers and to the Government. (CDRL SFTY-0001) The Ship Manger's ISM Safety Management System becomes the Vessel's Safety Plan for the performance period of the contract. The Maritime Administration will not review or approve as this document as it is part of the Ship Manager's ISM DOC. See also TE-1 Section 18 for the Maritime Administration requested procedures, such as a Vessel Pre-Fire plan, which if not already addressed by the Ship Manager during development of its ISM Safety Management System, should be incorporated..

4.1.1.4 The Maritime Administration will hold periodic meetings with the Ship Manager, the ISM designated person, ship's officers, the Maritime Administration COTR, and the Maritime Administration Safety COTR at a place of mutual agreement to discuss specified agenda items. The Maritime Administration Safety Officer will provide the agenda.

4.1.1.5 Notify the Maritime Administration COTR before internal audits are conducted. The Maritime Administration COTR may attend as an observer. See Section C 6.7.2.3.

4.1.2 Logs: Ship Managers shall maintain an deck log(s) at all times when a crew of any size is aboard. (CDRL SFTY-0002) Safety information shall be recorded, as applicable, in the deck log:

· Emergency, Steering Gear, Abandon Ship, Firefighting, and Boat drills/training
· Security Training/Drills
· Monthly Safety Meeting Findings Training
· Quarterly MSDS and warning label Training
· Quarterly Personal Protection Equipment (PPE) and CBR-D Training
· Duty officer notes - by exception and related to safety
· Results of side-by-side emergency drills (combining crews) for ships nested or located near to each other.

4.1.3 Conduct, via the ship's Safety Committee, pre-firefighting training, drills, and actual practice with ship's equipment in full gear. Further, ship supervisors in all departments must know the location of the ship's fire plan.

4.1.4 Post Station Bills: Ensure, via the senior deck officer, that all station bills are properly posted and emergency equipment (personal floatation devices, exposure suits) is functioning properly or replaced. Materials required for drills is either GF or reimbursable at the Government's direction - consult COTR.

4.1.5 Cooperation. The Ship Manager shall cooperate with the Maritime Administration to develop and implement to the maximum extent possible the policies, plans, and procedures of the Maritime Administration 's OSH Program and to offer recommendations for its improvement. Ship Manager personnel shall attend, as directed and funded by the COTR, OSH conferences organized by MAR-612. These are normally twice a year trips to Washington DC.

4.1.6 Cargo Handling: The Ship Manager shall promulgate, to shipboard personnel, procedures incorporating all federal, state, and local statutes and regulations, and equipment manufacturers' safety requirements for cargo handling in U.S., foreign ports, and in-the-stream for the safe handling of all types of cargo, including HAZMAT.

4.1.6.1 Ship's cargo gear includes, but is not limited to cranes, winches, davits, booms, Roll-on/Roll-off (RO/RO) ramps, SEABEE or Lighter Aboard Ship (LASH) barges, elevators and transporters, underway replenishment (UNREP) and vertical replenishment (VERTREP) cargo gear, and Material Handling Equipment (MHE) items such as, forklift trucks, pallet jacks, and hand trucks.

4.1.6.2 The Ship Manager via crew supervisors is responsible for ensuring that the crew utilizes proper protective clothing during work. Advise COTR if special sizing of PPE is required.

4.1.6.3 Operate cargo support equipment when required for any cargo operation and in accordance with the applicable manufacturer's operating manuals and instructions.

4.1.6.4 Master is responsible to ensure his ship is properly loaded, secured, discharged, and cleaned.

4.1.7 Workforce Planning: Reconcile the potential of military exercises which often are scheduled for twenty four (24) hour periods two 10 hour shifts with 4 hours for maintenance with the crewing requirements of Title 46, Subtitle 1 Part F, Chapter 81, section 8104 Watches.

4.1.8 Unsafe Operations: Instruct the Master that any unsafe practice, by military or military contracted stevedores, noted by a ship's officer during cargo operations, shall be reported to the senior military official present and a copy of the incident kept in the ship's files. If unsafe practices continue, the Master has the authority to cease cargo operations until the situation is corrected.

4.1.9 Cargo Operations/Plans: Recognizing that stow plans are fluid, ensure, via the Master, that a copy of the loading/stow plan (and master cargo stowage plan for firefighting and damage control) is obtained from DOD Surface Distribution and Deployment Command (SDDC, formerly MTMC) terminal supervisors and/or MSC representatives prior to sailing.

4.1.10 Personal Flotation Devices: All personnel working in an operating environment including ship ramps, or lighters, shall wear USCG-approved, buoyant, personal floatation devices equipped with a light and whistle. DOD personnel, unfamiliar with ocean environments frequently are unaware of this regulation. The Master shall enforce this safety procedure. The ship's crew shall set an example by wearing such equipment themselves when working in lifeboats, over the side, or on ramps.

4.1.11 Seaman's Injury Claims and Maintenance and Cure

4.1.11.1 Process Seaman's Injury Claims and Maintenance and Cure (M&C) in accordance with Attachment J-3 and provide administrative claims and litigation support in accordance with Attachment J-3 and Section G.7 of the contract.

4.1.11.2 Reports. Be responsible for documenting on a quarterly basis (CDRL SFTY-0003) all costs incurred in providing emergency services or other medical treatment, transportation, and all other costs incidental thereto.

4.1.11.3 Provide a report and maintain its currency at least quarterly for as long as a specific case is active. More frequent updates than quarterly are encouraged particularly during the initial stages of an injury or illness. This ensures funding is available and owner exposure is minimized. (CDRL SFTY-0004)

4.1.11.3.1 The report will initially be provided by email. It will be accessed and used by MAR-380, 580, 610, 611, 613, and 220 personnel during planning and litigation. If any part is password protected, provide password to MAR-611.

4.1.11.3.2 At the end of the contract performance period provide a full electronic report of outstanding litigation and all open M&C actions including required payments to MAR-220, 611, and COTR (CDRL SFTY-0005)

4.1.11.3.3 The Ship Manager shall obtain, report, and manage the information and data required by Attachment J-3 to the extent that it is not available in RMS.

4.1.12 Severe Weather Plan. Note the terms "hurricane plan," "emergency evacuation plan," or "Plan for Getting underway" are interchangeable with "severe weather plan."

4.1.12.1 Develop, and if required execute, a Severe Weather Plan (CDRL SFTY-0006) which accounts for both remaining alongside and getting underway. Obtain approval of the USCG COTP. At the Ship Manager's discretion this plan may be part of the overall activation plan, or a separate document. In either case it must be easily recognizable. Note: the Mooring plan below may be part of the severe weather plan or stand as an independent document. This is the Ship Manager's choice.

4.1.12.1.2 For vessels located on the West Coast the Severe Weather Plan shall address the plan of action in anticipation of Earthquakes.

4.1.13 Mooring Plan

4.1.13.1 Obtain from COTR a copy of the outport vessel's Mooring Plan. The Maritime Administration does not have Mooring plans for all vessels contained in TE-4. However, the Maritime Administration will provide a copy of those it has. See TE-4, Column K. Obtain copy for review after NTP from MAR-612. Review this plan, correct if required, and resubmit as the Ship Manager's Mooring Plan. If a mooring plan is unavailable, contact MAR-612 for directions. Ensure that the vessel is properly moored in accordance with its parameters at all times. Comments should be provided to the COTR. Take additional action if winds are anticipated to exceed 70 mph. Note: the Maritime Administration uses the Navy's (NFESC) guidance to moor ships that are going to remain in port in heavy weather to a standard referred to as "Mooring Service Type III". The wind speed varies by port and ranges from 70 mph to 113 mph. A copy of the table is in Attachment J-15. However, during the performance period of the contract, the most recent copy can be obtained from MAR-612. Attachment J-15 will not be updated. NDRF moored vessels may obtain copy of Fleet Mooring plans, however, fleet personnel are responsible for the vessel's safe mooring. (CDRL SFTY-0007)

4.1.14 NDRF Safety Requirements. All contract or subcontractor personnel working at the Maritime Administration's NDRF work sites and onboard the Maritime Administration's outported ships shall follow safe work practices and abide by the NDRF's safety and health rules, as applicable, in the performance of their duties.

4.1.15 Cargo Safety. The Ship Manager shall comply with the Occupational Safety and Health Act of 1970 (29 U.S.C. et) for safety in loading and discharging of cargo.

4.2 Environmental

4.2.1 Pollution Prevention: All RRF ships shall comply with all federal, state, local, and foreign hazardous material and hazardous waste regulations unless waived in foreign ports. Masters of RRF ships shall conform to USCG and Environmental Protection Agency (EPA) laws and regulations where foreign regulations are less stringent.

4.2.2 General: Provide personnel resources with adequate environmental training to accomplish the functional tasks anticipated. This includes Port Engineering staff, ship manager staff supervisory or staff personnel, or ship's crew. The Ship Manager shall take all prudent actions to prevent violations of law. Violations of law will be reported to the appropriate enforcement agency for civil or criminal prosecution.

4.2.3 Policy Directives: Develop, and execute programs, policies, and procedures to ensure proper execution of pollution prevention measures in accordance with applicable regulatory requirements.

4.2.3.1 Incorporate The Maritime Administration provided directives (Vessel Response Plan/Shipboard Oil Pollution Emergency Plan VRP/NTVRP/SOPEP) (CDRL E-0001) into Ship Manager programs, policies, and procedures and promulgate as necessary. Advise COTR and MAR-612 of any conflicting guidance or deficiencies. Carry out the procedures contained therein with the VRP and NTVRP/SOPEP and, when specified in the activation order, COMSCINST 5090.1B CH-1 (All RRF Ships), COMSCINST 5090.5 CH-1 (Tankers) and COMSCINST 5090.6 CH-1 (Non-Tankers.) Copies of each of these documents are contained in the standard administrative yellow cabinet. Ship Managers desiring copies for corporate office retention must reproduce them at their expense. It is imperative that Ship Manager and Ship Manager employees be aware of the laws and programs for abating and controlling the release of harmful pollutants. For spills of any size, immediately notify the Maritime Administration COTR (or SOMO in the COTR's absence) and MAR-612 who maintains the Maritime Administration oil pollution insurance policy.

4.2.3.2 Oil Spill - The Maritime Administration maintains an oil pollution insurance contract for RRF vessels. For spills requiring the services of a response team, contact the following Maritime Administration personnel in order:

" Your Area Division SOMO who is a QI with estimated clean-up cost (up to $250,000)
" Andy Jordan (COTR) 202-366-5071 (costs over $250,000)
" Gene Magee (ACOTR) 202-366-5073 (costs over $250,000 if Andy is not available).

For spills requiring a response team, phone your Area Division COTR and send an e-mail message to Adrian.Jordan@dot.gov.

4.2.4 Environmentally Related Research: RRF vessels may occasionally be used for environmental research by other governmental organizations. Be responsive and flexible during research conducted by Maritime Administration-approved sources.

4.2.5 Hazardous Materials (HAZMAT): The term "hazardous material", as used in this section, is as defined for hazardous chemicals in 29 CFR 1910.1200, the U.S. (OSHA) Hazard Communication Standard, and the Emergency Planning and Community's Right-To-Know Act. No RRF ship shall transfer (donate) hazardous materials or hazardous waste to any private sector, state or local/city agency.

4.2.5.1 Hazardous Material -- Asbestos
The EPA has determined that asbestos is a hazardous air pollutant. All persons are cautioned that asbestos may be found on pipes, ducts, boilers, tanks, reactors, turbines, or structural members, engine exhausts, etc., or in the holds or compartments of the vessels to be managed.

4.2.5.2 HAZMAT Training: Provide personnel resources with adequate HAZMAT environmental training to accomplish the functional tasks anticipated.

4.2.5.2.1 Group Environmental Training: Provide ship and shoreside personnel as directed via task order to attend periodic booming demonstration(s) in connection with HAZWOPER refresher materials.

4.2.6 TE-1 Section 19: The Maritime Administration policy, procedures and directives involving environmental concerns are provided in TE-1 Section 19. Ship Managers shall incorporate Maritime Administration provided directives into Ship Manager programs, policies, and procedures and promulgate as necessary. Advise COTR of any conflicting guidance, or deficiencies.

4.2.7 Material Safety Data Sheets (MSDS): Develop and execute programs, policies and procedures for receiving, handling, inventorying and reporting, Material Safety Data Sheet (MSDS) labeling, maintaining MSDS labels in readable condition during loading/unloading, proper securing and stowage of hazardous materials to the ship(s) in all Phases including the maintenance and appropriate filing of associated records. (CDRL E-0002)

4.2.8 Minimum HAZMAT During Retention: Maintain minimal amounts of HAZMAT onboard RRF vessels during all phases and this HAZMAT will be properly labeled, and handled. Additional general guidance includes:
a) Retained HAZMAT shall have a shelf life of two (2) years or more.
b) All ships entering the NDRF will be inspected by NDRF representative.
c) Stowage locations for all HAZMAT, solvents, and chemicals will be directed by COTR.

4.2.9 Disposal of HAZMAT: Ship Managers shall develop, manage, and execute programs, policies, and procedures to ensure the lawful disposal of HAZMAT including the retention of associated records. (CDRL E-0003)

4.2.9.1 The U.S. Environmental Protection Agency (EPA) now requires all generators to use a new shipping document for transporting hazardous waste offsite, off ship, etc. The new shipping document known as a Uniform Hazardous Waste Manifest became a requirement on September 5, 2006. The old forms can no longer be used by generators, transporters and treatment disposal facilities. To obtain the form or if you have questions, Ship Managers should consult either their Area Division environmental specialist, their COTRs, or the following web address: http://www.epa.gov/epaoswer/hazwaste/gener/manifest/index.htm Both training link and the form itself are available on-line. The alternative method to obtain the website is to go to www.epa.gov and go to the link for wastes and under that section you will see Highlights on the right side of the page. Go to New Hazardous Waste Manifest Effective Sept 5, 2006 and read.

4.2.10 Air Testing: Ship Managers with ROS crews shall develop, manage, and execute programs for their environmental training and safety including ambient air baseline testing; orientations; drills as first responders to various emergencies including, but not limited to fire, oil spills, health; and maintain all associated personnel records.

4.2.11 Waste Management and Control: In accordance with Annex V of MARPOL 73/78 and 33 CFR 151.51 through 151.77 and industry best practices, develop, manage, execute and monitor the Master's execution of both an individual shipboard solid waste management plan and a shipboard recycling plan, which minimizes the use of plastics during all Phases; and addresses the collection, processing, storing and disposal of garbage or medical waste during activation, operation, and deactivation. If applicable, address execution variation during Phase M and vessel activation.

4.2.12 Environmental Responsibilities During Ship Repair Availabilities: The Ship Manager shall develop programs, policy, and plans for the identification and disposal of any unused, or unidentified HAZMAT or HAZMAT with an expired shelf life, during repair availabilities. The Ship Manager shall address, as applicable, two (2) scenarios in the development of its shipwork solicitation:

1. the removal of waste generated during vessel operations.

Only upon written direction (no verbal permitted) from the COTR, the Ship Manager is responsible to obtain all appropriate EPA Identification Numbers and permits and/or state/local equivalent to track the removal of this waste. These numbers shall be provided to the repair facility. The repair facility shall price and accomplish the removal of this waste in accordance with all applicable laws and regulations.

2. the removal of waste generated during the repair, by the repair facility.
Ship Managers shall require that the repair facility:

a) complies with all applicable federal, state, and local environmental laws and regulations

b) addresses the use of properly licensed (permitted) transporters and storage, treatment, disposal facilities and provides as a deliverable prior to the commencement of work:

c) photostatic copies of all required EPA identification numbers permits and/or licenses and or state/local equivalent

d) a copy of its waste removal plans, and any other plans and programs related to the required work

The Ship Manager shall ensure that his subcontractor prices and is responsible as the generator of all hazardous and solid waste that results from the activities of the subcontractor under the subcontract.

The Ship Manager shall provide copies of all documentation of work performed to the COTR or his representative pertaining to sampling, analysis, storage, transportation and disposal of all hazardous, industrial, and special wastes generated from work resulting from a subcontract. (CDRL E-0004)

Ship Managers must be knowledgeable in the regulations that pertain to vessel operations and shipyard/repair activities and ensure that these regulations are complied with. Questions regarding this section shall be forwarded to MAR-611 who will coordinate with MAR-820 and provide guidance.

C.4.2.13 General Vessel Permitting. Ship Managers are required to comply with EPA regulations regarding General Vessel Permitting. Attachment J-23 provides general guidance. MAR-612 (M. Franklin) and MAR 220 (M. Nobel) may be contacted for specific guidance. Copy any questions to your COTR.

4.3 Security

4.3.1 General. Owners (The Maritime Administration) and operators (Ship Managers) have the primary responsibility for ensuring the physical security and safety of vessels. The Maritime Administration and Ship Managers shall work together to develop a comprehensive national program for response to a variety of security conditions based upon homeland security levels.

4.3.2 Internal Security: Provide resources, programs and procedures to provide routine internal security for ROS vessels 24/7. Routine internal security involves responding to vessel alarms; maintaining operational shipboard equipment; and the prevention of unauthorized personnel from vessel entry. The vessel must be manned 24/7 by someone who can properly respond to a fire, security breach, or equipment failure.

4.3.2.1 Internal Security Includes: the gangway/gate guards, guard shacks when these are not supplied by other agencies/entities. (For example, the CAPT T berths in Houston, the Port provides the Gate guards, but in Charleston the Ship Manager provides the gate/ramp guards at the piers. Specific direction may be obtained from the Maritime Administration COTR or MAR-612.

4.3.3 "Heightened security" will be as directed by the Maritime Administration via the COTR and is reimbursable. Heightened security is anticipated only during Homeland Security assessment codes of orange and red and may include armed guards from military, private, or non-Ship Manager contract sources.

4.3.4 The Maritime Administration, as a vessel owner, complies with the Maritime Security Act of 2002, the International Ship and Port Security (ISPS) Code, and subsequent USCG regulations and requires its Ship Managers to execute this policy.

4.3.4.1 Identification of Company/Vessel Security Officers. Provide in RMS the name and contact data for the Company Security Officer(s) (ISPS Code Part A 1.3 paragraph 11) and individual Vessel/Ship Security Officer - one (1) per ship (ISPS code Part A 1.3 paragraph 12). It is strongly suggested that the property custodian for weapons/ammunition and force protection ATO should also be the Ship Security Officer, although they may be separate people. (CDRL SEC-0001) Note: Services of Company security officer should be pro-rated among all ships managed by the Ship Manager and included in G and A. The Ship Security Officer shall be included in the fixed price.

4.3.4.2 Vessel and Layberth Security Risk Assessments: Conduct periodic security risk management assessments for both vessel (ISPS Code Part A 1.3 paragraph 8, ISPS Code Part B and USCG NVIC 10-02), and if applicable, the outport (wharf/pier and any area which the Vessel Security Officer determines may pose a security risk). Perform an annual security audit of the Vessel Security Plan for each vessel in accordance with ISPS and subsequent USCG regulations.

4.3.4.2.1 Baseline security assessment of vessel internal spaces. After NTP, the Maritime Administration COTR/Ship Manager representative shall conduct a joint baseline assessment of security consisting of a joint inspection of all storage areas to ensure that all storerooms, cages, spare part boxes, etc. are locked, sealed, or otherwise secured. A joint security statement indicating completion of the inspections and certifying the condition of the secured spaces shall be prepared by the Ship Manager representative and provided to the Maritime Administration. (see Section C.2.7.1)

4.3.4.3 International Ship and Port Security (ISPS) Security Plan: The Ship Manager will be provided a copy of the USCG approved ISPS Security Plan in accordance with ISPS (Part A Section 9.4 and Part B Section 9) and the Maritime Transportation Security Act of 2002. The Ship Manager will review and re-submit this plan to the USCG. {Note: if USCG establishes a shorter required timeframe for this deliverable, the Ship Manager will be advised by the COTR. At the time of publication, rules have not yet been established for the transfer of this document.} IMO requires that audits and inspections be conducted to formally assess the effectiveness of the ISPS Security Plan. (see also Section C.1.5) (CDRL SEC-0002).

4.3.5 Reports: Maintain, via the Company Security Officer, the Continuous Synopsis Record in accordance with ISPS, (Chapter XI-1 Regulation 5 and Chapter XI-2) and shall report security incidents in accordance with ISPS Part A paragraph 12.2.8. (CDRL SEC-0003) If required for public vessels, the Maritime Administration (MAR-612) will perform the initial application.

4.3.6 Exterior Security Drills: Conduct both shoreside and waterside security drills in accordance with ISPS (Part A paragraph 13.4) and the vessel security plan.

4.3.7 The Maritime Administration Security Directives: Incorporate the following the Maritime Administration security directives into security procedures against terrorism, hostage situations, demonstrations, stowaways, sabotage, piracy, and hostile acts at any time and especially in areas where incidents are likely to occur:

" Post visible sign(s) - "Government-owned vessel. Restricted area. No solicitation. No unauthorized visitors."

" RRF vessels do not carry spouses, dependents, friends or guests of either the crew or DOT/DOD personnel. In special circumstances, the Maritime Administration HQs MAR-610, may waive this requirement for specific events.

" Official visitors - See TE-1 Section 2.

" Non-official visitors must sign a Waiver of Responsibility for Injury, Accidents or Illness occurring while onboard the vessel and have the waiver approved by the Director, Office of Ship Operations prior to visiting the vessel. Non-official visitors are not authorized to remain overnight onboard any RRF vessel. The Director, Office of Ship Operations on the occasion of ceremonial events or other activities onboard RRF vessels may authorize exceptions.

" Since RRF vessels are public vessels, they shall not be used for commercial purposes or personal profit. Any such use or attempted use will result in disciplinary action.

" Ships lifeboats shall not be used for liberty, or recreation.

" Report any breach of security on any Government property (leased or owned) to COTR and Fleet superintendent (if applicable).

" Execute the Ship Manager's Physical Security Plan, and Bomb Threat Response Plan.

" Determine threat level and provide for gangway security, extra watch standers, roving patrols, or request outside (non-ship's force) assistance, upon direction of COTR.

" Positive security control of entrance into an RRF ship is required at all times in all phases. A visitor log shall be maintained entering the time of arrival/departure, name of person, and reason for visit. This includes vendors. The senior deck officer shall authorize the inspection of all persons and materials coming onboard and ensure there are procedures in place to summon additional assistance. Personnel not assigned to the vessel shall present identification.

" The senior deck officer shall ensure the Watch Standing Mate, when utilized, understands his/her responsibilities with respect to physical security of the vessel even when military personnel are present. Watch standing Mate must be familiar with standing orders, and be familiar with emergency procedures to summon assistance as well as to report threats to proper authorities.

" Take any action within his/her authority and capability to prevent or minimize loss or damage to ship/cargo from theft, espionage, sabotage, terrorism, and other criminal activities.

" Use the resources provided by Navy operational commanders, host nation or other sources to enhance the security of the ship.

" The senior deck officer shall maintain signature custody records on the Maritime Administration provided weapons by serial number at all times. (MAR-612 is POC for weapons and ammunition.)

" A locked stateroom door is not a secure place. The Master may, at his/her discretion, allow crewmembers to store personal items (cash, etc.,) in the vessel's safe. Masters are to ensure the crewmember understands that neither the Government nor the Ship Manager assumes liability for items stored in the vessel's safe.

" The ROS crew participates in external security. ROS crewmember orientation shall be accomplished within fourteen (14) days of reporting onboard. ROS crewmembers shall be provided Ship Manager-developed procedures for several "routine" security conditions, i.e., unauthorized personnel attempting to board vessel, person found onboard without authorization, personnel leaving with what appears to be ship's equipment as well as "terrorism" scenarios, such as bomb threats, unidentified person in water adjacent to vessel. Ship Managers shall advise the ROS crew what outside resources are available to them for maintaining security (including local police, fire, Naval Investigative Service (NIS), Federal Bureau of Investigation (FBI), MSC, port authorities etc., and vessel systems.

4.3.8 Training for Crewmembers: Comply with Attachment J-13 for security training of personnel. For ROS crewmembers see "Training section" under Human Resources. For Fully Operational Status (FOS) crewmembers that join the vessel, security training is to be provided as part of vessel orientation.

4.3.9 Notification to the Maritime Administration: Throughout the performance period of the contract, notify the COTR of any layberth deficiency that may affect the security of the vessel.

4.3.10 Review the Vessel Security Plan provided by the Maritime Administration and ensure a statement of the Master's Authority (see also Section C.5.11.1) is contained. The vessel's Master is responsible for shipboard security in accordance with maritime law.

4.3.11 At Sea Security: Ship Managers and Masters shall provide for physical security while ships are at-sea, at-anchor, and in-port. The latest edition of COMSCINST 5530.3, Subj: MSC Ship Physical Security provides guidance. Reasonable, not total compliance, with this directive is required.. For example, if the vessel does not have a wash down system, the Ship Manager is not required to install one.

4.3.12 Master Briefing: Discuss with vessel Masters' their Phase O physical security duties, responsibilities, and options. Masters can assign additional officer and crew personnel to security duties, hire outside guards or request additional assistance from MSC Area subarea Commanders. However, such actions shall be reported on the daily POSREP (See CDRL O-0006) so that the COTR may assure funding is available.

4.3.13 Force Protection/Information Security. Be flexible and cooperate with the Maritime Administration and other authorized U.S. Government officials in the development and management of force protection and security. This includes:

" Designating the FOS Chief Mate as the Force Protection Officer with commensurate collateral duties. (see Maritime Transportation Security Act) Note: this may be the 2nd Mate in ROS.

" Obtaining and maintaining a list of all shipboard clearances and associated personnel data at all times.

" Coordinating and tracking crew force protection and security training.

" Maintaining custody of and inventorying and managing small arms, weapons, ammunition, CBR-D Personnel Protection.

" Protect all classified documents and materials.

" If small arms are issued to the vessel by MSC, maintain custody of them, determine when it is appropriate to use small arms, and issue same to qualified personnel.

" Ensure all crewmembers are trained in physical security procedures. This may be incorporated into damage control drills. Ensure five (5) ROS crewmembers have small arms training (see Attachment J-13).

" Ensure the Maritime Administration-provided check-list is used for determining who is eligible for anti-terrorism property custody and training.

4.3.13.1 Force Protection Report, Provide to the Maritime Administration on a quarterly basis updates to NS5 force protection training spreadsheet. This spreadsheet contains information on force protection readiness of crews and vessels and is similar to the information required at activation. (CDRL Sec 006).

4.3.14 Facility Clearance and Classified Materials Manager: Ship Managers shall obtain a DOD facility clearance and maintain a classified materials manager throughout the performance period of the contract. The Ship Manager shall develop and promulgate directives for the handling, retention, safeguarding, and disposition of classified materials. During vessel deactivation no classified material shall be retained onboard ship which will not be needed within ninety (90) days. All classified material, when ready for destruction, must be destroyed in accordance with the DOD Security Manual for Industrial Facilities. (CDRL SEC-0004)

4.3.15 Security Clearances for Mission Operations: The Ship Manager shall provide personnel with security clearances up through SECRET for the Master, Chief Mate, classified materials custodian, or communications officer. If personnel are unable to attain security clearances during mission operations, the Ship Manager shall notify the COTR. If additional personnel may be required to obtain security clearances, the Maritime Administration will notify the Ship Manager. If the classified materials custodian and the communications officer are the same individual, then at a minimum 3 separate deck officers must have security clearances. If during the performance period, a Ship Manager has difficulty in providing these 3 minimum personnel, contact MAR-612 immediately. (CDRL 0005)

C.5 HUMAN RESOURCES

Performance Goal: Ability to adequately crew the ship with qualified marine personnel.

The Ship Manager shall:

5.1 Shoreside Staffing

5.1.1 General: To the extent that such materials and services are not specified as being provided by the Government, provide all administrative support to ensure that all requirements of this contract are accomplished in a timely and efficient manner. Administrative support includes: management personnel, technical and professional personnel irrespective of each an individual's discipline, all overhead and G&A employees, supplies, materials, and services necessary to maintain, activate, and operate assigned ships, and to fulfill all other requirements of this contract and those offered by the Ship Manager.

The omission of any particular person or item required for performance under this PWS does not make it Government furnished or reimbursable. Reimbursables are listed in Attachment J-9. All work is to be accomplished under competent supervision.

5.1.2 Changes of Personnel. Obtain prior approval by PCO for any changes in personnel that occur within the first sixty (60) days after NTP.

5.1.3 Verification of Personnel Data. Verify that the information for shorebased is valid, entered into RMS, and updated as necessary throughout the life of the contract. (CDRL HR-0001)

5.1.3.3 Comply with E-verify Federal starting January 15, 2009 to verify their employees' eligibility to work within the United States. Additional information, including registration process, can be found at:
http://www.uscis.gov/portal/site/uscis/menuitem.eb1d4c2a3e5b9ac89243c6a7543f6d1a/?vgnextoid=75bce2e261405110VgnVCM1000004718190aRCRD&vgnextchannel=75bce2e261405110VgnVCM1000004718190aRCRD

5.1.4 President/Owner Data. Provide the name, work and home phone number of the corporate President/Owner(s). Note: this information shall be password protected and the password to MAR-610 by separate cover for use by the Maritime Administrator. (CDRL HR-0002)

5.1.5 Emergency Contact: Provide emergency contact information to the COTR upon NTP and enter into RMS. This information shall provide The Maritime Administration the ability to contact the Ship Manager 24/7 during emergencies and no-notice activations. (CDRL HR-0003)

5.1.6 Port Engineering Requirements. Provide port engineering services to execute the requirements of this contract including corrective maintenance.

5.1.6.1 Physical location of PE for ROS ships: Provide on-site office facilities for the Port Engineers/Team who is supporting any ROS vessel or combination ROS/RRF vessel. On-site is defined as being anything within 2 hours response time to the vessel. The facility is defined as a trailer or commercial office space, or equivalent. Use of the ROS vessel is permissible, however, the Ship Manager must plan for re-location of the facility within the activation timeframe without interruption to activation activities.

5.1.6.2 Absence/temporary replacement: Perform any duties normally carried out by the permanent shoreside staff members during any periods of absence.

5.1.7 Overtime for Shoreside Staff: All shoreside staff hours, inclusive of Port Engineer(s), are included in the fixed price for purposes of this contract. No overtime for shoreside staff shall be reimbursable.

5.1.8 Ship Tours/Visits: The Ship Manager may be required to have the Senior Officer, or other suitable crew member(s), or Port Engineer conduct tours of the ships while in ROS and FOS. When ships are in ROS, requests are submitted to and approved by the The Maritime Administration COTR or Area Division Training officer. If messing is ROS is required, the Ship Manager can charge for individuals meals at the established Federal Travel Regulations (FTR) rate for the ship's location. While the vessel is in FOS, the Maritime Administration may direct the Ship Manager to berth, and/or mess additional supercargoes, security teams/force protection teams, and other visitors for which the Ship Manager should include and estimated costs in the estimated operating cost for the ship. Additionally, the Ship Manager should anticipate and include in their operating estimate for the cost for messing anticipated official visitors (up to ten per port call) to attend the vessel. The Ship Manager shall maintain and present to the Maritime Administration COTR a record containing the names, rank, and unit/agency of all personnel messing an/or berthing onboard the ships.

5.2 Shipboard Crewing

5.2.1 ARTICLES FOR NEGOTIATION: The Ship Manager shall provide the following for ALL RRF Ships through his negotiated employee agreements:

5.2.1.1 NO STRIKE Clause. Recognizing that critical sensitive services are required under this contract, it is essential that continuous operation of the ships be maintained. Therefore, there shall be no work stoppages of any type, including but not limited to strikes, sympathy strikes, boycotts, slowdowns, sickouts, primary picketing, secondary picketing, protests against unfair labor practices, contract violations, social or political protests and any other protests or interruption or interference with work onboard the vessel(s) for the full term of any voyage or any subsequent extension thereof.

5.2.1.2 RIGHT TO SELECT Clause. A right to approve or reject each licensed and unlicensed member.

5.2.1.3 RIGHT TO FIRE Clause. An agreement permitting the Ship Manager with the right to fire any licensed and unlicensed member.

5.2.1.4 RIGHT TO RESTRICT FUTURE EMPLOYMENT Clause. Any crewmember discharged by the Ship Manager for cause, shall not be eligible for future employment onboard an RRF vessel.

5.2.2 REQUIRED MEDICAL INOCULATIONS: The Ship Manager shall inform its labor sources for crewing the vessel and potential crewmembers that, as a condition of employment on a Ready Reserve Force vessel, all crewmembers are required to receive certain immunizations/inoculations (see Section 5.5.1).

5.2.3 The Maritime Administration, as the vessel owner, reserves the right to approve in advance or request the removal of any RRF vessel Master. The request for removal of a Master will only be made by the Director, Office of Ship Operations through the PCO. No other individual is authorized to do this. Please note: in the past 15 years, the Maritime Administration has exercised this option twice.

5.2.3.1 The Ship Manager is solely liable for any amounts agreed to in its collective bargaining agreements or employee labor agreements and any revisions thereto. Simply because the CBA is submitted as part of a Government contract proposal does not obligate the Government in any manner to the contents therein.

5.3 Labor Disruption

5.3.1 Critical, sensitive services are required under the terms of this contract, and it is essential that the continuous operation of the ship be maintained. The Ship Manager submitted with its proposal, and must maintain throughout the contract period, a contingency plan adequate to ensure that there is no interruption of contract service due to labor disruption or phase-in/out of crew. Such plan shall remain continuously in effect throughout the period of performance under this contract, including any options hereunder, and may consist of or include any or all of the following:

(1) CBAs with no-strike, no lock-out provisions.
(2) Employment agreement.
(3) Plans to demonstrate the continuous availability of adequate numbers of qualified personnel in a labor pool to perform services required under this contract.

5.4 The following requirements apply to any and ALL crewmembers.

5.4.1 General: For the safe, efficient and economical operation of the vessel, employ medically/dentally and psychologically fit Deck, Engine, and Radio (when assigned) Officers and unlicensed personnel who meet requirements of STWC-95 or its successor agreement(s); and possess current, valid USCG licenses, including all necessary endorsements, commensurate with the tonnage and classification of the ship. Unlicensed personnel shall have the necessary endorsements on their USCG Mariner's Document for the rating to which they are assigned. Fit for Duty documentation is available in Attachment J-3.

5.4.1.1. Professional Credentials. The Transportation Worker Identification Credentials (TWIC) - are not reimbursable to the Ship Manager. They are part of the mariners' professional certification. The Maritime Administration pays for ROS wages 365 days/yr. Before the implementation date of October 1, 2008, the Ship Manager shall allow no more than two of these paid days to permit the permanent ROS mariner (not temporaries or replacement ROS crewmember(s)) to obtain the card. Travel is not included as a reimbursable for this item. No associated costs (with the exception of 2 days pay) shall be reimbursed FOS mariners are expected to comply with the regulations by the implementation date of October 1, 2008.

5.4.2 Mariner Citizenship. All licensed crewmembers must be U.S. citizens. Comply with 46 U.S.C. 8103 (b)(1) which permits the employment of unlicensed seamen who are aliens lawfully admitted to the United States for permanent residence, provided not more than 25% of the unlicensed seamen on a vessel are resident aliens. All crewmembers must hold USCG-issued mariner documents for the full length of their assignment.

5.4.3 Mariner Vetting. Provide to MAR-612 each crewmember's vetting information anytime there is a new or relief crewmember. This includes temporary and permanent changes to ROS complement. Vetting information, password protected, includes (CDRL HR-0004):

· Name (Last, First, Middle I)
· Social Security Number
· Date of Birth
· Place of Birth
· Citizenship

· Passport number
· Security clearance

Advise mariners of vetting requirement. The Maritime Administration will abide by Privacy Act restrictions in handing this data.

5.4.3.1 Vetting of aliens: If the Ship Manager complies with USC 8103 (b) (1) B which permits up to 25% of the unlicensed crew to be lawfully admitted aliens, these personnel must also be vetted. Advise MAR-612 by the fast means possible of the change in crewing. Provide Name, Last, First Middle Initial, Date of Birth, Place of Birth, Citizenship, Passport number, and alien registration number.

5.4.3.2 Vetting is accomplished for all Phase M and Phase O shipboard personnel. It may occasionally be performed for personnel carried during a sea trial. MAR-612 will advise. Ship Managers should include in sub-contracts the requirement that Vendors and their employees are subject to vetting. Vetting is usually accomplished on vendors when vessel is layberthed within a military facility or at times of heightened security.

5.4.4 Complaints. The Master and Officers must execute their responsibilities as defined by law and exercise sound judgment at all times. In the event that the Maritime Administration has any reason to be dissatisfied with the qualifications, conduct, or performance of any person employed by the Ship Manager, the Maritime Administration will notify the Ship Manager and the Ship Manager shall investigate the matter and take appropriate corrective action as warranted.

5.4.4.1 Employment Disputes. Litigation involving an employee who is disciplined by a Ship Manager is at the Ship Manager's expense.

5.4.5 Mariner Status. All crewmembers (ROS and FOS) are direct employees of the Ship Manager. Their performance is the direct responsibility of the Ship Manager. The Ship Manager has the prerogative to institute management actions (e.g., reprimand, reassignment, additional training, additional supervision, dismissal) to achieve acceptable performance. The Government will not interfere with the employer-employee relationship unless there is a violation of Federal statutes or regulations.

5.4.6 Abide by all Federal, state, and local regulations regarding employment and maintain the appropriate records from pre-hire solicitations through dismissal.

5.4.7 Ship Managers who employ crewmembers through CBAs shall make it clear to the crewmembers and the holders of the CBA, that the crewmember's employment relationship is with the Ship Manager and not the U.S. Government, although they will work on Government-owned vessels. Dismissal for cause is a matter between Ship Manager and crewmember.

5.4.8 Probationary periods, right to transfer previously accrued benefits, accumulation of compensatory time or leave, and Convalescent Pay are totally up to the employer within the parameters of the Service Contract Act (SCA).

5.4.9 Crewing Shortages. If at any time during the contract, the Ship Manager is unable to meet the crewing requirements of the contract, the Government reserves the right to crew the ship using whatever means are necessary, including military, federal or state reservists, civil service, or any other civilian personnel including other competitively obtained contract personnel that meet regulatory and security requirements for the position(s).

5.5 Medical

5.5.1 Requirement for Immunizations: All licensed and unlicensed crewmembers employed to serve aboard RRF vessels shall, as a condition of employment, be required to receive all immunizations associated with commercial trade, and all immunizations/inoculations required by Commander, Military Sealift Command (COMSC) policies including, but not limited to, BUMEDINST 6230.15, as amended. Such immunizations/inoculations may be required at the time of their employment and/or at anytime during their employment. Such immunizations/inoculations may include, for example: Tuberculosis Testing (PPD), smallpox, anthrax, annual Flu shots, various other immunizations against diseases encountered during worldwide travel (such as yellow fever, typhoid). Furthermore, all crewmembers employed on RRF vessels must, as a condition of employment, agree to comply with any supplemental immunization programs later established for RRF vessels through written policies or directives. A seafarer unwilling or medically ineligible to receive all required immunizations or inoculations is ineligible for employment on RRF vessels. Decisions regarding crewmember who are medically unfit to receive inoculations/immunizations will be made on a case by case basis depending upon BUMED medical advisories. Ship Managers will not be penalized for not sufficiently screening mariners for medical ineligibility to receive inoculations/immunizations beyond those normally required for commercial service.

5.5.1.1 ROS Crew - The Ship Manager shall ensure that all ROS crewmembers have received or are medically eligible to receive all required immunizations/inoculations prior to hiring the crewmember and assigning them to a vessel in Phase M status.

5.5.1.2 FOS Crew - The Ship Manager shall ensure that all FOS crewmembers have received or are medically eligible to receive all required immunizations/inoculations before the vessel leaves United States territorial waters. For FOS mariners medically ineligible to receive an inoculation/immunization, Ship Managers will coordinate with the Military Sealift Command medical department regarding any data they must maintain for the length of the voyage. Masters will be instructed whether or not the ineligible crewmember will be allowed ashore or will be allowed to continue the voyage. See C.5.5.1.3.2. (b).

5.5.1.3 Reimbursable Costs (Attachment J-9)

5.5.1.3.1 RESERVED.

5.5.1.3.2 The Government will reimburse the Ship Manager for the cost of repatriation and up to one month's wages, or as required by articles if foreign articles were signed, as well as the cost of obtaining replacement personnel, for any ROS or FOS crewmember who:

(a) Reserved.

(b) is willing to comply with a new supplemental immunization directive that became effective after the crewmember was employed by the Ship Manager but who is ineligible to receive the newly required inoculation because of a medical condition, but who requires the new inoculation or immunization in order to perform his/her duties.

5.5.2 In accordance with USCG regulations, include all crewmembers in the Ship Manager's drug testing programs.

5.5.3 Medical Claims. Comply with Attachment J-3 with respect to medical claims.

5.5.4 Medical Screening/Consultative Service: Provide the services of a third party medical invoice screening company to assist with the review and validation of invoices. Provide the ACO a copy of the agreement.

5.5.5 Medical On-call Service: In Phase O, provide shorebased services of a licensed physician on a 24/7 basis to provide comprehensive on-call health care services via ship's communications equipment. Provide to the ACO a cost comparison of this service for twelve (12) months vs. the cost of an individual activation. Follow ACO direction with regard to purchase. This is a reimbursable service.

5.5.6 Medical Person In Charge: In accordance with best commercial practice, provide a qualified Medical Person In Charge (MPIC), responsible directly to the Master, to provide routine and emergency health care to the crew and all embarked personnel. The MPIC shall conduct and comply with all occupational and health inspections and maintain control of controlled substances.

5.5.7 Notification to USCG. Advise the USCG, as part of its activation plan, that it is the designated operator for a specific RRF vessel(s) and that during the RRF operation USCG medical emergency services may be required.

5.5.8 Screening. Screen all crewmembers to ensure that they are fit for duty per Attachment J-3, and do not have a history of alleged shipboard injuries or inability to perform duties. Complete "The Seafarer's Data Sheet (MA-1001A)" and "Seafarer's Statement of Physical Condition (MA-1001B)". (CDRL TE-3 J-0001 and J-3 appendix) (CDRL HR-0005)

5.5.9 Compliance with Statute Regarding Substance Abuse: THE MARITIME ADMINISTRATION, DOT, as vessel owner, enforces a zero-tolerance of substance abuse in the work place. THE SHIP MANAGER AND ITS PERSONNEL, INCLUDING ALL CREW MEMBERS, SHALL ABIDE BY ALL STATUTES OF THE UNITED STATES CODE GOVERNING ALCOHOL, CONTROLLED SUBSTANCES, SMUGGLING, DANGEROUS WEAPONS, AND GAMBLING ONBOARD U.S. FLAG GOVERNMENT OWNED VESSELS.

5.5.10 CBR-D medicinals. The Ship Manager shall provide the following controlled substance onboard at all times not just during mission activations:

* 60 Diazepam Injectors (Federal Supply System NSN 6505-01-274-0951) If the Diazepam Injector identified by NSN 6505-01-274-0951 is not available, the Ship Manager is authorized to substitute "Carpuject" type injectors, with a vial of diazepam and a needle.

And the Ship Manager is no longer responsible for supplying the following non-controlled substances:

* 1) M291 Skin Decon. Kit (QTY 4 BX) - NSN 6850-01-276-1905
* 2) Atropine Injector (QTY 165 EA) - NSN 6505-00-926-9083
* 3) Oxime (2 pam) Inj. (QTY 165 EA) - NSN 6505-01-125-3248
* 4) Ciprofloxacin Tablets (QTY 11 BT) - NSN 6505-01-333-4154
* 5) Pyridostig. Bromide (QTY 6 PG) - NSN 6505-01-178-7903

5.6 Training

5.6.1 General. Training for all crewmembers shall be non-discriminatory, job related, skill building, effective, and innovative, yielding effective results oriented employees who are high performers.

5.6.1.1 Approve and coordinate attendance with on-going maintenance and operations.

5.6.1.2 Maintain list of Government-provided training courses per employee. (CDRL HR-0014)

5.6.2 Military Training. When directed by COTR, provide qualified ROS or FOS crew members to support the training of military personnel on a reimbursable basis.

5.6.2.1 For weekend cargo handling training: Duties usually include checking the ship's power source, checking the equipment before and after training to ensure its condition, and being on site two (2) days per weekend.

If additional personnel are required, they shall be added at current wage rate. The Ship Manager's employee(s) may be required to be on-site a day before training commences in order to check out equipment. The COTR will advise the Ship Manager in advance when these personnel are required and issue a task order to cover overtime or reimburse new crewmembers brought on specifically for this service.

5.6.2.1.1 Document damage caused by the cargo handling trainees, so that the Maritime Administration may advise the DOD sponsor; and record and correct deficiencies in accordance with standard maintenance procedures. Deficiency correction is a reimbursable item.

5.6.2.2 For a Sealift Emergency Deployment Readiness Exercise (SEDRE): An FOS crew may be required. Cargo is loaded under normal deployment conditions and may be transported to another port for discharge.

5.6.2.2.1 Receive Activation and Operation reimbursables as appropriate.

5.6.3 Cadet Training. The Maritime Administration fosters cadet training. Coordinate with USMMA and State Academies to offer available training billets for cadets in both ROS and FOS. This is a reimbursable. Billet priority will be given to all cadets from USMMA, followed by cadets in the SIP program in the State Maritime Academies, follow by other cadets. Personnel in a DOL-approved apprentice program for unlicensed may be used in place of a cadet if cadets are not carried. Cadet wages, benefits, subsistence, M&C (see Attachment J-3), and transportation costs when reporting aboard & upon discharge are reimbursable (J-9#12.a) Personnel from other schools, offering marine engineering, may be carried with the prior written permission of MAR-610.

5.6.3.1 Provide Cadet subsistence, quarters, and training as required by the cognizant school.

5.6.3.2 Provide Cadet wages not exceed 46 CFR 310.

5.6.3.3 Cadet transportation is reimbursable in accordance with Joint Travel Regulations (JTR).

5.6.3.4 Advise MAR-612 any time a cadet is scheduled to be onboard an RRF vessel. Advance notification to MAR-612 is required.

5.6.4 Merchant Marine Preparedness/Specialized Training

5.6.4.1 Vessel Orientation. In accordance with ISM, ensure that all crewmembers are provided ship orientation BEFORE commencing work, as applicable to their departments. Orientation shall include:

· Review of standing orders

· Night orders
· Emergency procedures for fire, flooding, CO2, and the loss of major equipment
· Tag-out procedures
· Navigation, mooring, cargo and ship operations (Deck only)
· Security
· Emergency isolation valves and shutdowns.

5.6.4.1.1 Utilize procedures and practices in your Safety Management System, particularly non-conformities. Focus on:
a. Problem trends relating to material condition and maintenance procedures for shipboard operating equipment.
b. Personnel training for individual ship's equipment operators, including:
1. Muster stations for specific emergencies
2. Crew assignments regarding Oil Spill Locker location, its required content and use of the equipment contained therein.
3. Crew awareness regarding the location of Force Protection and CBRD equipment.
4. Engine Room Fire procedures, including use and operation of SCBAs and fire-fighting equipment, including fixed and semi-portable.
c. Engineering casualty control drills
d. Crew capable inspections and checks of installed fire detection/fire-fighting equipment and systems.
e. Crew execution of individual ship safety practices, procedures and requirements for the gamut of emergency response scenarios such as fire, collision, grounding, DIW, piracy, elevated MARSEC, or HSAC levels, CBRD, and Force Protection.

5.6.4.2 Required Training. Provide for and coordinate the rotation of ROS crewmembers to permit currency in STCW-95 or successor requirements, as listed at Attachment J-13. The Chief Engineer and 1st AE may not both be absent at the same time for training or for any other reason unless specifically directed or approved by the COTR.

5.6.4.2.1 Optional Training: COTRs may approve additional training for ROS crewmembers, which in the Government's opinion is beneficial to the program. Travel, subsistence and lodging, cost of course and materials, when Government directed, are reimbursable. New STCW training requirements and STCW refresher courses and upgrades are reimbursable. (see Attachments J-9 and J-13)

5.6.4.2.1.1 RESERVED

5.6.4.3 For the courses listed in Attachment J-13, plus any other course directed by the Government and approved by the COTR see Attachment J-9 "Govt directed training". For non-Government directed training which includes training for STCW-95 and its successor agreements as well as license up-grades, see Attachment J-9 "Non-Govt directed training."

5.7 Reduced Operational Status (ROS)

5.7.1 General: In accordance with TE-4, each vessel designated as ROS will be crewed with an ROS maintenance crew. At a minimum, each ROS crew must consist of ten (10) ROS maintenance personnel including:

· One (1) Chief Mate
· One (1) Boatswain
· One (1) Chief Engineer
· One (1) First Assistant Engineer (1st AE)

Each of who meets the general crewing qualifications cited in Section C.5.4.1.

5.7.2 Provide as necessary and within its fixed price, any ROS crewing, over and above that required by the Maritime Administration, for the:
· Performance of the routine schedule preventative maintenance as identified in the Ship Manager's vessel specific ship maintenance management plan including quarterly light-offs, equipment cycling/rotation, etc.
· A quantifiable amount of time for the accomplishment of emergent repairs that may be accomplished during normal working hours.
· Maintaining vessel security, fire and flooding protection
· Performance of all required regulatory body drills
· Maintaining inventory and custody of GFE including spare parts
· Documents, charts, etc.
· All other PWS and TE requirements.

5.7.3 The maximum number of the ROS crew per vessel will be determined by the Ship Manager based upon its assessment of the PWS as provided in its proposal. If selected for the contract, the Ship Manager will have fifteen (15) days from NTP to employ all ROS maintenance crewmembers at the fixed price rate. For co-located vessels (ROS-outported/RRF), the ROS maintenance crewmembers may be interchanged for work between vessels.

5.7.3.1 The ROS crew complement identified and offered by the Ship Manager in its final proposal will be incorporated into the Ship Manager Contract and will become the required ROS crew compliment for the performance period of the contract.

5.7.4 The Ship Manager will not be reimbursed by the Maritime Administration for any additional personnel "temporarily hired/subcontracted-for" for the performance of any of the items of the PWS/specification that are considered routine ROS duties and responsibilities. However, the Ship Manager will be reimbursed for additional temporary or sub-contracted personnel for requirements which exceed those defined in this PWS/specification, for example, OPDS exercise preparations frequently require a Master to be brought onboard the ROS ships before the ship is activated.

5.8 General ROS Duties and Responsibilities. ROS Crew Duties and Responsibilities.
This section addresses ROS crew duties and responsibilities. Additional ROS outport requirements are in Sections 35 of TE-1.

5.8.1 The ROS crew's primary duties and responsibilities are to:

- Become completely familiar with shipboard equipment and systems.
- Perform Maintenance Actions.
- Perform general shipboard duties.
- Operate and maintain shipboard equipment and systems during idle status.
- Perform minor repairs and assist in supervising vendor and industrial repairs.
- Maintain the ship's inventory; and
- Activate (transition) and operate the ship, when directed, and train new crew members. An ROS crew may be assigned temporarily to an inactive RRF ship in Phase M or during Phase O to maintain the ship in standby but not fully manned status.
- Become thoroughly familiar with the Activation Plan.
- Maintain unique equipment maintenance requirements and procedures.
- Maintain equipment repair history and status of regulatory inspections and surveys.
- All ROS crewmembers as appropriate to their rating shall:
- Assist in ship activations and sail as a member of the full crew.
- Assist new crew members to become familiar with the proper and safe operation and maintenance of shipboard equipment and systems including all compartments, major systems, as well as fire fighting and damage control equipment and systems.
- Assist the Port Engineer in establishing a good working relationship with local regulatory body representatives and overseeing performance of regulatory inspections and surveys.
- Maintain inventory in accordance with the Maritime Administration supply directive/manuals, which are referenced in TE-5, including an inventory of any hazardous materials on board.
- Classified material, if retained onboard, must be in the custody of personnel with security clearance.
- Accommodate visits by the Maritime Administration and other government or government-invited personnel during visits.

5.8.2 Work Rules: Uniqueness of ROS Positions:
Ship Managers shall advise ROS crewmembers that many of their duties and responsibilities do not fall under standard seafaring conditions. No officer, such as the Chief Engineer, has a totally administrative function. Officers have an abundance of administrative duties, but they are expected to accomplish other tasks that are primarily "hands on."

5.8.2.1 Due to the size and composition of ROS maintenance personnel, it is understood that ROS maintenance crews shall be expected to work as a team with no regard to departmental boundaries when work is related to maintaining the safety, security and habitability of the vessel. The type of work that all ROS maintenance crewmembers would be expected to do as a team includes, but is not limited to the following:
- Secure Ship for Prevailing Weather Conditions
- Adjust/Double up/stow mooring lines
- Adjust Gangway
- Take on and stow ship's stores/spare parts
- Operate cargo equipment for storing/testing
- Assist with vessel habitability requirements
- Housekeeping.

5.8.3 Provisions of ROS Employment: ROS crewmembers are subject to the following terms and conditions:

a) They must agree to participate as part of the sailing crew (i.e., during Phase O).

b) They may be required to assist in the transitioning of a vessel whether it is their specifically assigned vessel or not. The Maritime Administration considers this training. It is the Maritime Administration's option to temporarily assign other ROS crewmembers during maintenance activation. Either the Chief Engineer OR the First Assistant Engineer (not both) from a co-located vessel may sail with the transiting vessel as an observer or as a crewmember.

c) If performance was satisfactory, transfer from maintenance (ROS) crewmember to sailing (FOS) crewmember shall not break any continuous employment, and the crewmember shall revert to his/her original maintenance status at lay-up.

d) In the event of extended operations all crewmembers assigned to the vessel shall be provided reliefs as per the appropriate employee agreement. The Government retains the right to phase reliefs in order to provide continuity.

5.8.4 ROS Work Week: The standard ROS workweek shall consist of eight (8) continuous hours per day (excluding lunch break and hours to fulfill off-hour security duties), five (5) days per week, Monday-Friday. The majority of ROS crewmembers are expected to work during the core hours of 0900-1500. Ship Managers may authorize exceptions.

5.8.5 ROS Overtime:

5.8.5.1 Phase M with ROS crew is a fixed-price CLIN and all work required under that CLIN shall be performed at no additional cost to the Government. Therefore, except for emergencies, (see below) overtime for ROS crew will not be reimbursed unless it is scheduled and approved in advance in writing by the COTR. The Ship Manager shall provide a memorandum to the COTR outlining:
· The cause for the overtime/compensatory time
· Demonstrated cost savings
· The estimated amount of overtime/compensatory time to be earned
· The ROS crew rating which shall be assigned.

The COTR will consider overtime and advise whether or not it is approved. Copy of this authorization will be provided to the ACO. A follow up email report shall be provided to the COTR with copy to the ACO the following day stating what was actually incurred. Overtime shall not be included in the normal performance of M&R in the ship's Preventive Maintenance Plan.

5.8.5.1.1 Overtime is based upon exceeding the standard forty (40) hour workweek as defined above. The Ship Manager is obligated to pay employees at the required overtime rate for any overtime actually worked regardless of whether ROS crew overtime is approved or reimbursed by the Government.

5.8.5.2 Overtime required because of an emergency, i.e. the preservation of life, limb or property, will be reimbursed. The Ship Manager shall report all emergencies requiring ROS crew overtime to the Maritime Administration via electronic mail within 48 hours after its occurrence. The notification must include an explanation why the overtime was incurred. Copy ACO on these actions.

5.8.6 Period of Performance: Advise ROS crewmembers that they do not have a commitment of guaranteed employment during the performance period of the contract. For purposes of "expectation of employment" a maintenance crewmember shall consider a six (6) month renewable cycle to be the norm assuming no failure of performance upon the part of the employee.

5.8.7 ROS Roster: Maintain and keep current, the ROS crew employment lists. Include: Name (Last, First, Middle Initial), rating and phone for recall. (CDRL HR-007)

5.8.8 Billets: ROS billets shall be crewed each day of the year (e.g. 365) days and billets may not be gapped. Since "gapped" is defined as permanently leaving the vessel, the Ship Manager shall replace the employee. The Ship Manager shall deduct the period of the gapped billet (from the time of departure of the crewmember until the replacement crewmember is onboard, from the appropriate monthly invoice(s)). The Ship Manager shall retain payroll records to substantiate the invoice and provide them to the ACO upon request. See definitions in TE-1 Section 2 for "gapped" and "crewed."

Leave: Temporary absences (sick leave or vacation) are between the Ship Manager and its ROS personnel. The billet remains crewed. Ship Managers are responsible for the continuation of duties and responsibilities with no drop in performance during temporary absences of personnel.

Unpaid Leave for ROS: Unpaid leave changes to a Gapped Billet after 15 consecutive days of absence unless the Ship Manager specifically requests the Maritime Administration extend the "crewing" of the position. The Maritime Administration approving official for the Ship Manager request is the PCO. If the Maritime Administration requires a replacement, the cost is to the SM. Time before the crewmember is replaced will be deducted from the Ship Manager's monthly invoice. Whether the SM allows the original member to return or keeps the replacement is the Ship Manager's choice, but the cost of transportation is also the Ship Manager's. Replacements during temporary absence of ROS crewmember: This is a Government option. Upon the direction of the COTR, the Ship Manager will obtain a temporary replacement. Upon request of the COTR, the Ship Manager shall provide an estimate of replacement costs including transportation and fully burdened wages.

5.8.8.1 With respect to reserve or jury duty, an ROS crewmember may resume a former billet upon return. Payment of ROS wages during reserve or jury duty are between the Ship Manager and its employee.

5.8.8.2 Utilization of leave is between the mariner and his/her employer the Ship Manager.

5.8.8.3 Assumption of ROS Sick Leave or ROS Vacation Leave from previous Ship Manager Contracts. No ROS sick leave or ROS vacation leave will be permitted to transfer to the 2005 Ship Manager contracts.

5.8.8.4 Leave Accrual: Sick leave shall be accrued at the rate of one day for every thirty (30) calendar days worked as an ROS maintenance crewmember (maximum of 12 sick days per year), to be payable when the crewmember is unable to perform his/her normal maintenance duties due to illness. Termination of employment shall result in the loss of any accrued sick leave.

5.8.8.4.1 ROS vacation shall be accrued at the rate of 1.5 days for every thirty (30) calendar days worked as an ROS maintenance crewmember (maximum of 18 vacation days per year).

5.8.8.4.2 Unless the Government declares its intention to exercise an option under this contract, the Ship Manager shall advise ROS crews to use or lose sick and vacation leave during the fourth year of the contract. The Maritime Administration does not intend to "buy out" any ROS leave remaining on the books and will not carry it over into the next SMC.

5.8.9 Paid Federal Holidays: The following are ten (10) Federally-observed holidays:

New Year's Day	Labor Day
Martin Luther King Day	Columbus Day
Presidents Day	Veteran's Day
Memorial Day	Thanksgiving Day
Independence Day	Christmas Day

ROS crews shall follow the U.S. Government calendar for exact day of leave if holiday falls on a Saturday or Sunday.

5.8.10 Reserved.

5.8.11 ROS Per Diem. The Ship Manager provides an ROS crew including any and all relief personnel to the Maritime Administration under a fixed price CLIN.

5.8.12 Transportation: Transportation shall not be reimbursed if an ROS crewmember elects to terminate his/her employment.

5.8.13 Subsistence and Lodging: The Ship Manager has a choice on whether to provide subsistence and lodging to ROS crewmembers. The Government will not provide reimbursement for subsistence of ROS crewmembers.

5.8.13.1 If the Ship Manager elects to provide this subsistence, provisioning for the subsistence and preparation of food, will be part of the Ship Manager's fixed price per diem.

5.8.13.2 The Maritime Administration permits, but does not require, ROS crewmembers to live onboard ship. All costs associated with lodging onboard the vessel in ROS, such as laundry, exchange of linen, etc., are to be included in the Ship Manager's fixed price per diem. If the Ship Manager elects to provide lodging onboard and the vessel becomes uninhabitable, the Government will reimburse the Ship Manager for lodging and subsistence.

5.9 Voluntary Program Support

The Maritime Administration, as the Governmental advocate for the maritime industry, occasionally tests program concepts under actual field conditions. This may include the voluntary involvement of ROS crewmembers. For example, the new Ship Owner's Cooperative Program (SOCP) mariner identification card may be one of the tests conducted using ROS crewmembers. No additional compensation is provided for this type of voluntary program support.

5.10 FOS Crew Composition: Provide when ship are activated to Phase O, an FOS crew each of whom meets the general crewing qualifications cited in Section C.5.4.1. The cost of FOS crewing is a reimbursable.

5.10.1 General: Provide within the "Operations Phase Project" of Attachment J-21 the aggregate FOS fully burdened wages. Modify, as necessary, to suit changes to FOS manning levels to reflect any unique mission requirements per the direction of the COTR. Update throughout the performance period as necessary.

5.10.2 Provide to MAR-610.5 and the COTR by email any recommended changes to the FOS manning level (position and quantity) which deviate from the original contract proposal. Indicate if changes were driven by specific mission operational requirements, unavailability of mariners with specific ratings, etc.

5.10.3 Fleeting of ROS personnel during FOS: Notify COTR during activation of any intention to "fleet up" the ROS Chief Mate to Master during operations.

5.10.4 In addition to those requirements which apply to ALL crewmembers, the following sections specifically apply to FOS crewmembers.

5.10.4.1 All personnel hired for the FOS crew shall meet the minimum requirements of Section 5.2.1 above.

5.10.4.2 GMDSS Operation: Ensure that a minimum of two (2) licensed deck officers possess a current "STCW GMDSS endorsement". Provide a dedicated communications officer as part of Section 5.10.2. The volume of communications generated by the military, including responses expected from the ship, far exceeds the volume of communications generated by normal commercial vessel operations. The dedicated communications officer may be a licensed deck officer, radio officer or radio electronics officer. See Attachment J-13 for training requirements.

5.10.4.3 Crew Shortages: Report crew shortages in accordance with 46 U.S.C. 8103 and USCG Navigation Circulars (USCG NVIC#1-86 Part G.) Provide COTR, MAR-612 and MAR-620 with copies of USCG Form CG729 (report on Crew Shortage). (CDRL HR-0009)

5.10.4.4 Articles. Implement of foreign articles for Phase O crew in accordance with 46 CFR Part 14, and USCG NVIC No 1-86. Foreign articles are not required for most Turbo activation, maintenance activations, and coastwise voyages. (CDRL HR-0010)

5.10.4.5 ROS Telephone Service: is part of the Ship Manager's fixed price. The Government provides three (3) phones as part of berth service and will reimburse for connections/disconnections during activation/deactivation. ROS telephones are to be used for official business only.

5.10.5 Orientation: In addition to Section C5.6.4.1, provide orientation to the joining members of the FOS crew with respect to safety videos and equipment, shipboard physical security, equal opportunity, and the prevention of sexual harassment and prevention of HIV/Acquired Immune Deficiency Syndrome (HIV-AIDS.) This orientation should be performed during duty hours.

5.10.5.1 Advise the crew of any RRF vessel, that since these are public vessels of the U.S. Government, any attempt to use them for commercial or private profit by the Ship Manager or its employees, shall result in disciplinary action by the USCG and the Maritime Administration. This includes transportation of personal items such as cars, etc., with the intent to resell.

Note: Section C 5.6.4.1 must be performed before any work is performed. The remainder of the orientation may be performed within the first fourteen (14) days of employment and is not required prior to RFS.

5.10.5.2 Code of Conduct for Central Command Area of Responsibility. Ship Managers shall provide a copy of United States Central Command General Order Number 1B (GO-1B) dated Mar 13, 2006 to personnel on vessels scheduled for USCENTCOM's area of responsibility. This definitely includes OIF missions, but may apply to any vessel movement through the mid-east. See J-22.

5.10.6 Plans and Procedures for FOS Crewing

In accordance with Section C 5.10.5, develop policy, plans and procedures for FOS crewmembers that contain the following, as applicable:

It is the Government intention that mariners complete foreign articles during a Phase O voyage, however, Ship Managers are required to phase FOS crews on an extended voyage (180 days or more of unbroken service). The Maritime Administration requires crew rotation to be phased when it occurs. Crew rotation may start as early as the 120th day or earlier if conditions warrant, if the Ship Manager's projections require this with the following restrictions in order to provide maximum continuity and safety of RRF vessel operations:

- There shall be at least 30 days between the rotation of the Master and Chief Mate;
- There shall be at least 30 days between the rotation of the Chief Engineer and 1st Assistant Engineer; and
- Not more than half of the officers or crew shall rotate at one time within the deck, engine or stewards departments

However, for mission operations, if a crewmember requests to remain in service, and both the Ship Manager and the union have no objection, this is permissible to the Maritime Administration. Additionally, on a case by case basis, the Ship Manager shall advise the Maritime Administration (MAR-612) whether it recommends an overlap of any crewmember prior to relief. It is the Government's option to approve/disapprove overlaps.

· Communications: In FOS, all personal calls must be at the Master's discretion. Payment may be made in accordance with the Ship Manager procedures that may include, but not be limited to, credit card, calling card, and prepaid phone cards. Private communications are not subject to reimbursement. Crewmembers operating ship to satellite personal communications devices (cell phones) must check with Master to determine if communications are restricted due to vessel's location or mission.

· When docked at a military facility: crewmembers are subject to base regulations including detainment/arrest for violations.

· Contrary to some commercial operations, FOS crewmembers may not have unauthorized personnel visit/sail onboard without MAR-610's consent. This includes family members, relatives, and friends.

· All personnel must have evidence of having had a physical examination within six (6) months preceding the date of assignment.

· Unlicensed personnel must also have a medical envelope or clinic card when reporting onboard. The medical envelope or clinic card will be retained by the Master and should be easily accessible. It shall be returned to the unlicensed crewmember upon discharge, if requested by the employee.

· Crewmembers shall bring an adequate supply of personal prescription medicines for intended voyage
plus reserve with copy of medical prescription.

· Crewmembers shall bring customized personal safety devices such as glasses/shoes.

· When a vessel is in port, crew liberty shall be granted when allowed by local civilian/military authorities and in accordance with the vessel's in-port operating requirements. The local MSC on-site representative can provide the Master with information regarding upcoming vessel operating requirements in order that the sailing board can be posted.

· If the crew is to be restricted to the ship, the Master shall post notice of this in a public location. This notice shall state the reason for restriction and the authority of government agency, which required it. Masters shall make an entry in the vessel's log. If a vessel is not restricted, but no launch service is available, the Master shall post this notice and obtain from local authorities (or at the minimum the local agent) a letter stating that the ship was not restricted but that launch service was not available. Ship's lifeboats or rescue boat shall not be used for liberty or recreation.

· For any Voluntary Resignation of a Crewmember, pertinent statements from the Master/Department Heads shall be obtained and retained. The Master shall execute a Mutual Consent Release Form (CG-713A) with letter from crewmember attached.

5.10.7 Second Seaman's/War Risk Insurance: Ship Managers shall provide Second Seaman's War Risk Insurance for all members of the crew 365 days a year whether the vessel is in Phase M or Phase O. Second Seaman's War Risk Insurance covers loss of life, disability (including dismemberment and loss of function) and loss of or damage to personal effects of the insured, when directly and proximately caused by risks of war and warlike operations. The terms and benefits shall be as set forth in the Second Seaman's War Risk Policy (1952) except that coverage shall be provided 365 days a year not only for the length of the voyage. Second Seaman's War

Risk coverage providing a loss of life benefit of $200,000 is a fixed price item. Premiums for coverage in excess of the death benefit authorized will not be reimbursed by the Government and are the Ship Manager's responsibility. Additional premiums for entering an exclusion zone are reimbursable. (CDRL HR-0011)

5.10.7.1 Exclusion zone premiums - If additional premiums (a.p.) are required for coverage in an exclusion zone, the costs will be reimbursed, provided the Ship Manager notified the ACO (with copies to the PCO, the Maritime Administration Ship Ops Ctr, MAR-611, and MAR-782) of the amount of the additional premiums, along with any additional terms and conditions, not more than seven (7) days before they become effective and receives written authorization from the ACO to pay the additional premium. Such notice is required because the Maritime Administration reserves the right to provide such additional insurance via a Second Seaman's War Risk Insurance policy issued under 46 U.S.C. §1205. (CDRL HR-0012)

5.10.8 Imminent Danger Pay and War Risk Bonuses: the Maritime Administration will reimburse Imminent Danger Pay and War Risk Bonuses once the DOD has issued the applicable geographic region, authorized and provided such payments to the Maritime Administration.

When this occurs:

a) Advise FOS crews that such determinations usually take considerable time, however if authorized, payment will be forthcoming.

b) Maintain records of all personnel eligible for payment. War Risk Bonuses and Imminent Danger Pay are not paid concurrently.

5.11 Requirement Unique to Designated Shipboard Positions

5.11.1 Master's Authority

Although the Ship Manager is responsible for all phases, the ship's Master executes special responsibilities on behalf of the Ship Manager when a vessel is operating.
Maintain signed copies of instructions to the Master which shall include the following:

· The Master shall have and exercise full control, responsibility, and authority with respect to the crew, embarked personnel including the ship's force protection teams, navigation, and management of the vessel during Operations. Nothing shall relieve Masters from their responsibility for safe navigation and ship handling, except Panama Canal Pilotage.

· The Master shall determine if there is evidence of alcohol or controlled substance involvement by persons directly involved in reportable marine casualties. Ultimate responsibility to determine whether an individual used alcohol or drugs most appropriately rests with the agency authorized to impose sanctions or penalties for such conduct (i.e., a Coast Guard administrative law judge, Coast Guard civil penalty hearing officer, or judge or Federal district court official). However, documentation of such "evidence" is the responsibility of the ship's Master and shall be provided by FORM CG-2692 and through entries in an official log book. Methods of obtaining such evidence are at the Master's option but may include personal observation and/or chemical testing.

· The Master may conduct or order conducted searches for contraband. The completion of a search and results of it shall be entered into the official log. U.S. crews abide by Custom's duty regulations. Masters shall take every reasonable precaution onboard ship including, but not limited to, the following:

o Prohibiting merchants from conducting sales of any nature onboard ship.

o Inspecting packages brought onboard in foreign ports.

o Posting appropriate regulations in conspicuous locations.

o Conducting periodic surprise searches throughout the ship, especially after leaving a foreign port. Upon discovery or suspicion of narcotics abuse or marijuana use onboard ship, a message shall be sent to the COTR. All unauthorized narcotics, controlled substances, marijuana, and drug paraphernalia discovered onboard shall be confiscated, marked for proper identification by witnesses, and secured until turn over to proper authorities.

5.11.1.1 Overtime. As the Ship Manager's representative, the Master will personally manage and authorize overtime during operations. The Maritime Administration will provide to the Ship Manager guidance and funding on discretionary and non-discretionary overtime

via a TO prior to the vessel's sailing. The Ship Manager shall forward instructions on the implementation of this overtime to the Master. The Ship Manager is responsible for providing accounting of Phase O overtime via invoices. (CDRL HR-0013)

5.11.1.2 Safety for Non-ship's crew. Vessel Masters shall enforce protective equipment on all stevedores including military personnel. Additionally, any personnel on the ship or lighters made fast to the ship are subject to the ship's safety requirements. If objections arise from military personnel, contact the senior military officer and COTR.

5.12 Force Protection/Security Teams in Phase O. Masters will record the names, rank, and unit of force protection personnel per voyage and Ship Managers will retain this information for potential litigation support.

5.13 Security Clearances for ROS crew: Ship Managers shall ensure a minimum of two, (preferably three because of rotations) ROS crewmembers have classified security up through SECRET to be able to practice and download message traffic on a quarterly basis.

C.6 BUSINESS MANAGEMENT

Performance Goal: Comply with government and company business policies, procedures and practices.

The Ship Manager shall:

6.1 Availability Requirements. Establish procedures to maximize retention and continuity of experienced and high performing shoreside staff and ROS crew.

6.2 Establish procedures to ensure reliable and timely communications between Ship Manager points-of-contact and the Maritime Administration program office on a 24/7 basis. The Ship Manager points-of-contact shall have the inherent authority to commit the company if circumstances deem it necessary.

6.3 Compliance Documents. Comply with applicable performance standards of the documents reflected below (in Sections C.6.3.1.1 through C.6.3.1.3) in successfully performing ship manager services. Standards include:

- Voluntary Consensus Standards (Definition TE-1, Section 2)
- Non-consensus Standards (Definition TE-1, Section 2)
- U.S. Government Standards (Definition TE-1, Section 2)

6.3.1 Standards include:

6.3.1.1 Voluntary consensus standards include:

· ISM standards

· Generally Accepted Accounting Principles (GAAP) U.S., as established by the Finance Accounting Standards Board

· IMO and other conventions which the U.S. is a signator to SOLAS

· ABS Rules for Steel Vessels

· ACP

· PMCM

· Code of International Ship Management

· STCW-95 or current agreement

· Current ITU Radio Regulations

· Bridge to Bridge Radio Telephone Act

· International Maritime Satellite (INMARSAT) and MF/HF, UHF, and VHF

· Procedures for communication

· The International Regulations for Preventing Collisions at Sea

· U.S. Inland Rules of the Road

· ISO 9002

· ISO 9000 (series) - refers to all those features of a product (or service) which are required by the customer. "Quality management" means what the organization does to ensure that its products conform to the customer's requirements

· ISO 14000 (series) to minimize harmful effects on the environment caused by its activities

· ISO 18000 Occupational Health and Safety Management Systems (series)

· Trim and Stability Booklet

· Manufacturer's Directions for Safety Handling of Equipment

· Cargo Loading Plan

6.3.1.2 Non-consensus standards include:

· Ship Manager Quality Assurance Plan

· Manufacturer's Equipment Operating Manuals (per ship)

· Ship Manager developed Commercial Procurement Procedures

· Ship Manager developed Preventive Maintenance Plan Phase M

· Ship Manager developed Preventive Maintenance Plan Phase O

· Ship Manager developed Activation Plan

· Ship Manager developed Operational Plan

· Ship Manager developed Deactivation Plan

6.3.1.3 Government specific Standards include:

· U.S. CFRs (mandated by law)

· FAR Part 44, Subcontracting Policies and Procedures

· The Maritime Administration Operational Management Manual (TE-1)

· The Maritime Administration Logistics Management Manual (TE-5) and the following:

· Logistics Management Standards

· General Performance Standards for All GFP. Preserve, manage and control all spare parts, accountable property, ship's drawings and technical manuals in a manner that prevents waste, theft and unnecessary procurement.

· Special Performance Standards for the Management of accountable property

· Maintain a complete and 100% accurate inventory of all accountable property in RMS

· Engineering Operating Manuals (per ship)

· Deck Operating Manuals (per ship)

· The contract itself

· NDRF Severe Weather Plan

· Mooring Plan for Outported vessels

· MSC SOP (electronic version - provided at activation)

· Navy, MSC, and Area Command SOPs (electronic versions provided as needed)

· Rules and regulations of the Federal Communications Commission (FCC)

· COMSC Communications Policies and Procedures Manual

· U.S. Public Health Service Regulations - to maximum extent possible

· Carriage of HAZARDOUS or Explosive CARGOES: USCG regulations, Occupational Safety and Health Act of 1970 (29 USC 655, et. seq.); regulations prescribed by the Department of Labor (DOL) for longshoremen; and COMSC instruction 9023.1 Subj: Safety regulations Governing Handling and Transportation of Ammunition and Other Hazardous Cargoes.

· U.S. Department of State (Passports)

· Admiralty Law

· USCG (Licensing, Documentation, Safety)

· U.S. DOL (Wage Determination)

· Occupational Safety and Health Act

· Internal Revenue Service (Taxation)

· State Policies and Regulations (Taxation, Unemployment, Workers Compensation, Safety)

· Industrial Security Manual

· Other (public health, FCC, etc.)

· Exceptions (waivers, public vessel exemptions)

· Claims Package (Attachment J-3)

6.4 The Business Plans shall encompass all known facets of the maintenance, repair, regulatory compliance, and any planned operations of the vessel. The Business Plans shall identify all estimated resources and scheduling for successful execution. Demonstrate adequate risk management of M&R performance/cost/schedule/readiness etc. in the development of the BP. Each vessel shall have an Initial Business Plan and a Final Business Plan.

6.4.1 Initial Business Plan: Ship Managers shall submit an initial business plan consisting of the Notional Business Plan spreadsheet (excluding the Master Schedule, Prior Year (PY) BP Execution, and Current Year (CY) BP Execution tabs). The initial business plan shall be supported by NS5 budget project entries in accordance with the latest NS5 business protocol. This initial business plan shall serve as the basis for discussions with the Ship Manager prior to the submission of the final business plan. Submit to the Maritime Administration no later than April 10 of each year.

6.4.2 Final Business Plan: Ship Managers shall submit a final business plan consisting of the Notional Business Plan spreadsheet (including all tabs), Narrative, Configuration change proposal(s) (if applicable), and special survey and dry-dock planning (if applicable). The final business plan shall be supported by NS5 budget project entries in accordance with the latest NS5 business protocol. Submit to the Maritime Administration no later than July 1 of each year.

6.5 Business Plan Development and Update

6.5.1 Current Year Business Plan (CY BP) is the COTR approved work plan the ship manager (SM) is executing during the current fiscal year (FY).

6.5.1.1 Establish from the prior fiscal year's Budget Year Business Plan, as approved by the Maritime Administration.

6.5.1.2 Effective on October 1 of each contract year.

6.5.1.3 Identify the required work; estimate the cost and schedule for projected actions, i.e., preventative maintenance, corrective maintenance, and regulatory surveys and inspections; define the necessary resources; and schedule the execution of these actions to sustain the vessel in its required readiness.

6.5.1.4 Update to reflect actual work performed, costs and dates as work is accomplished and invoices are received.

6.5.1.5 Adjust to include changes as required for unknown work changes to schedules, and the Maritime Administration mandated adjustments.

6.5.1.6 A review of the current year business plan execution will be conducted quarterly at a minimum. The Notional Business Plan worksheet associated with the current year shall be updated to reflect progress and changes (i.e., deferred items, emergent items). A narrative is not required for business plan updates.

6.5.1.7 Upon completion of the fiscal year, the Current Year Business will become historical data.

6.5.2 Budget Year Business Plan (BY BP) estimates, schedules, and projects work the ship manager will execute in the following fiscal year (FY). The Budget year Business Plan becomes the Current Year Business Plan in the following fiscal year.

6.5.2.1 Establish from the prior fiscal year Budget Year plus One (BY+1).

6.5.2.2 Identify all known and required work; estimate the cost and schedule for projected actions, i.e., preventative maintenance, corrective maintenance, and regulatory surveys and inspections; define the necessary resources; and schedule the execution of these actions to sustain the vessel in its required readiness.

6.5.2.3 Provide cost estimates by equipment, system or space for possible unknown repairs and corrective maintenance actions based on historical data.

6.5.2.4 Continuously update as requirements are identified and refined utilizing RMS.

6.5.2.5 Report requirements identified after July 1 and required in the following fiscal year to the COTR for inclusion in the plan.

6.6 Business Plan Execution

6.6.1 Through a Maritime Administration issued TO, accomplish all facets of the Current Year Business Plan as approved by the Maritime Administration.

6.6.2 Accomplish corrective actions and repairs not specifically identified in the Current Year Business Plan but projected as an estimate for a system or space (see Section 6.4.2.3).

6.6.3 Provide updates to RMS to reflect actual start and completion dates, actual costs, and changes to scope of work.

6.6.4 Notify the COTR of any events or required actions which will warrant a change to the business plan.

6.6.4.1 Accomplish changes to the business plan as directed by the COTR. Changes will be administered through a Contract Modification, new TO, or TO Modification.

6.6.5 The Maritime Administration ADP Interface: Provide ISP for vessels while in ROS. DSL is not required for RMS. Ensure Ship Manager ADP is compliance with the Maritime Administration ADP system. The Maritime Administration ADP system is provided in the Tech Library under MISC. The Maritime Administration will provide the following software programs and appropriate training:

CARGOMAX
RMS

6.6.6 ABS Nautical Systems v. 5 (NS5) will be provided as the Ready Reserve Management System (RMS). The Maritime Administration will transfer at its expense all legacy systems and provide training in the use of NS5. Enter accurate and timely data into RMS as required. The Maritime Administration 's license comes with the following mandatory modules which the SM will use:

- Maintenance
- Inventory*
- Reports
- Replication

*The inventory module is accompanied by a purchasing module. Ship Manager must use the purchasing module to enter cost data and vendor data. Further use of the purchasing module, is at the optional discretion of the Ship Manager.

The Maritime Administration 's license comes with the follow module which it is optional for the SM to use:

Purchasing module except for the items noted above.

Although NS5 may have other modules, the Maritime Administration 's license does not include these.

6.6.6.1 Ship Manager Responsibilities towards RMS:

6.6.6.1.1 The vessels' existing Preventative Maintenance Plans will be entered into RMS as individual work items. The current frequency will also be entered into RMS with an associated equipment and system. The ship manager shall review and modify the procedure and frequency, as necessary. The ship manager should also assign any sub-equipments (this is managed via pull-down menus where sub-components are already linked to the parent equipment). Ship Managers will have to activate the work item within the system (mouse click on the screen). Based on the frequency of the work item, a schedule will be auto-generated. The ship manager shall record accomplishment of all preventative maintenance actions within RMS as well as any additional maintenance or repairs required.

6.6.6.1.2 The ship manager is required to review all outstanding repair and procurement Work Orders). These items should have associated scheduled completion dates and cost estimates as well as associated equipments and systems. Ship Manager shall validate each within the system.

6.6.6.1.3 The ship manager shall use the system to identify new work and procurements required through the utilization of the system's "Work Order". Each item shall include: Title; Priority (4 level); Category (General, Hull, Mechanical, or Electrical) Associated equipment(s), System, or Space(s) (entered via a drop-down menu); clear and concise Statement of Work; Estimated Materials and Labor; Estimated, Committed, and Actual Costs; Vendor; Parts Required if procured or used from onboard or warehouse spares (from existing spare parts database).

6.6.6.1.4 Where applicable, the ship manager shall develop "Events". Events are a group of "Work Orders" that occur during a common time period or shipyard availability (i.e. a drydocking).

6.6.6.1.5 The ship manager shall attach electronic files, as appropriate, within the system. This can occur at various points for work orders or for specific parts. The files may be drawings or contractor reports. Any file format is accepted.

6.6.6.1.6 All spare parts data will be entered into RMS. The ship manager shall record usage and management in accordance with the Logistics Management Manual.

6.6.6.1.7 Establish, apply and maintain appropriate resources to input, maintain and integrate data, information and processes for all contract requirements.

6.6.6.2 Attend the Maritime Administration RMS-related user training as directed.

6.6.6.3 Computer requirement. Ship Managers will provide computers for shorebased use, and for use of their port engineering team(s) as follows:

Hard drive:	40 GB
Processor:	1 GHz
RAM:	512mb or higher
Display:	Super VGA (1024 x 768)
Peripherals:	CD-ROM and DVD, Keyboard, MS Mouse
OS	Windows 2000 Pro or Windows XP Pro

Ship Managers shall provide Microsoft Office 2003 Professional Edition, and capability to attach, transmit, and receive email.

The Maritime Administration will provide computers for RRF vessels which meet these minimum requirements.

6.6.7 Reporting and Analysis Support

Provide ADP support to ensure successful generation of all reports required under Reporting Requirements.

6.7 Subcontractor Management

6.7.1 Subcontracting Policies and Procedures - See Attachment J-2.

6.7.1.1 Provide acquisition services compliant with FAR Part 44.

6.7.1.2 Provide timely and accurate data concerning subcontract awards as required by FAR 19.7. (CDRL BUS-0001)

6.7.1.3 Submit subcontract specifications/solicitations for review, obtain consent to subcontract, and provide advance notification in accordance with FAR 44.2 and the subcontracts clause of this contract. In addition, the CO may require review/consent of any individual action or invoke lower thresholds as deemed necessary irrespective of the above review requirements.

6.7.1.4 Submit written commercial purchasing procedures for commercial purchasing system review (CPSR) and notify the CO (PCO and ACO) of any changes thereafter.

6.7.2 Quality Assurance

6.7.2.1 Develop and execute a Ship Manager Quality Assurance Plan (QA). Notify the Maritime Administration of any changes to the Ship Manager developed QA which was submitted as part of the proposal. (CDRL BUS-0002)

6.7.2.2 Ensure the Maritime Administration receives copies of all third party audits of any Ship Manager policies, procedures, processes or system, in particular those relating to ISM certification and quality assurance. (CDRL BUS-0003)

6.7.2.3 Permit the Maritime Administration employees (ACO or COTR) to accompany third party auditors during their inspections.

6.8 Phone Lines on ROS Vessels: Three (3) phone lines are available for ROS vessels. These are part of the utilities provided under layberth contracts. Additional phone lines are to be included in the Ship Manager's fixed price or may be installed at the Ship Manager's cost during the performance period. Ship Managers are responsible for all costs associated with the use of phone lines. Telephone jacks may be disconnected during activations. Disconnection/re-connection of three (3) telephone lines are reimbursable.

6.9 Provide those items normally associated with Ship Manager staff performance, including, but not limited to: laptop computers, cell phones, personnel assistant devices, dedicated phone, fax and ISP, and required technological up-dates as such items become common to administrative performance.

C.7 FINANCIAL MANAGEMENT

Performance Goal: Effectively manage and control costs.

7.1 Cost Management, Control and Efficiency

7.1.1 Monitor the approved business plan, authorized funding, contract obligations, and actual expenditures to ensure the overall business plan is executed effectively and efficiently.

7.1.2 Provide notification to the Maritime Administration on changes in funding requirements and ensure the government receives the best value of contracted goods and services.

7.1.3 Support government reprogramming actions and timely closeout of TOs.

7.2 Expenditure/Obligation Management

7.2.1 Establish procedures, processes and systems to ensure accurate and timely management of expenditures and obligations.

7.2.2 Ensure submission of invoices in government provided electronic invoicing system and encourage prompt submission of all invoices from subcontractors and vendors.

7.3 Government Audit Support
Cooperate with and provide adequate ship manager support to on-site government auditors as reasonably required for them to accomplish their duties.

7.4 Insurance/Claims Support
Provide adequate staff support to process all claims and settlements. Develop and execute policies to effectively mitigate the Government's liability.

7.5 Records Retention Support
Maintain and make available specific documentation for designated time periods in accordance with FAR 52.215-2 "Audit and Records -- Negotiation" and FAR Subpart 4.7 to satisfy contract negotiation, administration, and audit requirements of the contracting agencies and Comptroller General.

C.8 GOVERNMENT FURNISHED ITEMS

Directions for public access to the Maritime Administration's Virtual office of Acquisition which contains copies of Ship Manager contracts and contract modifications are available at http://www.voa.marad.dot.gov. See Ship Manager Award page.

The Government will provide:

· Ships and all appurtenances and ancillary equipment

· Shipboard computer hardware/software for CARGOMAX and RMS

· Shipboard computers

· Licensing for ABS NS5

· Outfitting Lists by Department (Deck, Engine, Steward)

· Berth - either a Non-NDRF layberth also known as the Outport Berth. This is a berth at a location which is not part of the NDRF

Or NDRF berth. This is a berth within one of the three (3) NDRFs. No phone lines are connected. DH and cathodic protection are provided.

8.1 Maintenance Documentation

· Existing VMAs/P4Ps per ship

· Water Chemistry Program (services)

· Manuals and training to utilize the Maritime Administration's Water Chemistry Program

· Lube Oil Analysis Program (services)

· Manuals and training to utilize the Maritime Administration's Oil Analysis Program

· VMAs/P4Ps of each ship as they currently exist

· List of Outstanding Deficiencies per ship - at turnover meeting

· Current status of regulatory body documentation (certifications/inspections) at turnover meeting

. RSTARS (web access password)

· SAFENET Access (at turnover meeting)

8.2 Logistics, Activation, Operations, and Deactivation

· RMS software

· Accountable property, spare parts, technical manual and ship's drawing databases

· MLSS CD-ROM (every 3 to 6 months)

8.2.1 Standard Yellow Administrative Filing Cabinet (onboard ships)

This list may be modified by the Maritime Administration at any time during the performance period of the contract. MAR-612 maintains the official list with number and content and will periodically update and re-issue the list.

1. Index of Administrative Documents

2. Blue Book of Ship Regulatory Certificates

3. Shipboard Oil Pollution Emergency Plan (SOPEP)Non-Tank Vessel Response Plan in one CD format

4. Ship's Trim and Stability Booklet

5. Military Sealift Command's Communications Policies and Procedures Manual (See MSC Disc 1/5, COMSC Instruction 2000.2 CH-1)

6. Military Sealift Command's Standard Operating Manual (See MSC Disc 1/5, COMSC Instruction 3121.9A CH-2)

7. Reserved.

8. RRF Ship Manager Contracts and Technical Exhibits - See Ship Manager for details, or if internet access available, access http://voa.marad.dot.gov (specific instructions follow under Volume 8 tab)

9. RRF Logistics Management Manual (aka TE-5)

10. RESERVED.

11. Ship Manager Activation Plan

12. Ship Manager Operations Plan

13. Ship Manager Deactivation/Lay-up Plan

14. RMS NS-5 Instructions - See user's guide on provided CD-ROM.

15. CBRD Reference Materials

RRF Videos and CD's

(A) SOPEP/NTVRP, CD see Volume 3

(B) MARAD Safety Awareness (one CD)
(1) Shipboard Drug and Alcohol Testing Program
(2) Back Care for Maritime Industry (presently on FSS only)

(C) Medical Emergency CD (one CD)
(1) An Elephant on the Chest - Treatment of Angina
(2) Green with Envy - Treatment of Seasickness
(3) Don't Get Choked Up - Treatment of Choking
(4) The Eyes Have It - Treatment of Contaminated Eyes
(5) Use Your Head - Treatment of Head Injury
(6) Don't Be a Fall Guy - Treatment of Severe Trauma
(7) Be Prepared - Treatment of Seizure
(8) One Hand for the Ship - Treatment of Amputation
(9) A Shock to the Heart - Treatment of Heart Attack
(10) Cooking Up Trouble - Treatment of Burns

(D) Bunkering Video (1) and Bunkering Checklist Sheet

(E) MSC CD's - New Editions Released Quarterly:

(1) Disc 1/5 - Shipboard Directives/COMSC Instructions, Notices & Forms - List #2 & #5

(2) Disc 2/5 - ALMSCS/ALMSCFOXTROTS, Inmarsat & Outfitting Allowance of Other Naval Publications - List #1 (A-N)

(3) Disc 3/5 - Outfitting Allowance of Other Naval Pubs & Zips for Ships - List #1 (N-Z)

(4) Disc 4/5 - Other Naval Instructions & Antiterrorism Commander's Guide - List #4

(5) Disc 5/5 - Miscellaneous Publications - Lists #3 & #4

(F) NS-5 System User's Guide CD

Marine Fire Prevention, Fire-fighting, and Fire Safety (book)

The Ship's Medicine Chest and Medical Aid at Sea (book)

ISM Safety Management Plan (placed onboard by Ship Manager company)

8.3 Safety, Environmental, and Security

· Personal protective equipment listed in TE-1 Section 18

· Safety posters (at various times throughout contract performance period)

· SOPEP/VRP as required per ship

· USCG approved ISPS Security Plan (one per ship)

8.4 Business Management

NTP Business Plan: The Current year's (currently being executed) Business Plan (BP), the budget year BP and any known material for the five year BP per vessel.

· Software for computer (for RMS)

8.5 Financial Management

· Not applicable

[END OF SECTION C]

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 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, Ship Manager will utilize the CPI Inflation calculator at http://www.bls.gov/cpi/#tables.

The CPI inflation calculator uses the average CPI for a given calendar year. This data represents changes in prices of all goods and services purchased for consumption by urban households.

Ship Managers shall use the fixed price per diem rate from the previous contract year, minus crew wages, and utilizing the CPI Inflation Calculator, shall compute the adjustment for the next contract year. The contractor shall submit its CPI adjustment request in writing to the contracting officer within thirty (30) days of the start of the new option year.

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:

Mr. Milton G. Spears (Acting PCO)
Office of Acquisition (MAR-380.2)
7737 Hampton Boulevard
BLDG.4D, Rm. 211
Phone: 757-441-6393
FAX: 757-441-6080
CELL: (757)-593-3540
e-mail: glen.spears@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. Richard Williams (Acting)
MAR-610.1
Phone: 202-366-1885

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

Mr. Eugene Magee
MAR-612
Phone: 202-366-5073
Cell phone: 202-309-0392

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

DIVISION OF ATLANTIC OPERATIONS
Mr. Jeffrey McMahon
Phone: 757-441-6393
FAX: 757-441-0812

Mr. William Ingram
MAR-615.31
Phone: 757-441-6393/3715

Cell: 757-848-8400

Mr. Vince Canepa
MAR-615.32
Phone: 757-441-6393/3258
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 anticipated 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 reimburable.

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 bankk 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 issurance 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]

SECTION J -- LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS

J.1 LIST OF ATTACHMENTS

SECTION J - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS

J.1 List of Attachments

The following document(s), exhibit(s), and other attachment(s) form a part of this contract:

J-1 DOL Wage Determination (Reserved)

J-2 Ship Manger Subcontracting Purchasing Policies

J-3 Processing Seafarer's Personal Injury/Illness Claims (Supplement A)

J-3 Incidents Involving Third Party Personal Injury/Illness and Third-Party Property Damage/Loss (Supplement B)

J-4 Deliverables

J-5 Ship Manager Performance Evaluation Appraisal Systems (SM-PEAS) (Reserved)

J-6 Subcontracting Plans (Reserved)

J-7 Past Performance Information Data

J-8 Subcontractor/Teaming Partner Consent Form for the Release of Past and Present Performance Information to the Prime Contractor

J-9 Contract Reimbursables

J-10 2006-2010 M&R Costs

J-11 SF-3881 - ACH Vendor/Miscellaneous Payment Enrollment Form

J-12 Award Term Incentive Option Plan (ATIOP) (Reserved)

J-13 Required Training

J-14 Historical Funding FY00-FY03 M&R

J-15 Alternate Site for Certificate of Inspection (COI)

J-16 RRF Management System (RMS) Brief Overview

J-17 U.S. Custom Form 226

J-18 SF-1012

J-19 Collective Bargaining Agreements (Reserved)

J-20 Notice of Prohibition on Liens

J-21 Manning Matrix

J-22 Business Propriety Information Check List

J-23 EPA Vessel General Permits for RRF Ships

J-24 Capitalized Value Report to Ship Manager

J.2 J-2

ATTACHMENT J-2

SHIP MANAGER (SM) SUBCONTRACT PURCHASING POLICIES
The purpose of this instruction is to establish policies and procedures for

1.0 review and approval of the commercial purchasing system (CPS);
2.0 consent to subcontract and review/advance notification of subcontracts; and
3.0 MARAD specific subcontract requirements,

in conjunction with Federal Acquisition Regulation (FAR) Part 44, Subcontracting Policies and Procedures.

1.0 COMMERCIAL PURCHASING SYSTEM (CPS)

1.1 SM DELIVERABLE

The SM is required to provide its CPS procedures to the Procuring Contracting Officer (PCO) within 90 days of NTP. However, the SM is encouraged to provide the deliverable early to enable the review process to be completed in a timely manner.
1.1.1 The CPS will be reviewed in accordance with FAR 44.303. In addition, special attention shall be given to:

1.1.1.1 "Best value" practices. In a "best value" practice, all aspects of ship's requirements and subcontractor's capabilities must be considered. In so doing, such enhanced performance factors as increased readiness, shortened repair period or prompt response may outweigh low price alone. The SM procedures shall be well defined and consistently applied and shall follow purchasing practices appropriate for the requirement and the dollar value of the purchase.

1.1.1.2 Methodology for the acquisition of quality products and services at fair and reasonable prices.

1.1.1.3 Minimization of acquisition lead-time and administrative costs of purchasing.

1.1.1.4 Use of self-assessment to support continuous improvements in purchasing.

1.1.1.5 Ability to segregate and track costs (Section 3.2).

1.1.1.6 Maintenance of complete subcontract documentation (Section 3.4).

1.1.1.7 Use of electronic commerce to the maximum extent practicable, for transmission, processing, invoicing and storing data associated with the SM contract.

1.1.1.8 Procedures to identify capable and reliable contractors who have successful past performance records and who can demonstrate a current ability to perform.

1.1.1.9 Procedures for inclusion of appropriate, current flow-down clauses, terms and conditions (Section 3.7).

SMs with CPSs previously approved by other Government agencies shall submit a copy of the documentation of the approval to the PCO in addition to a copy of its procedures for review.

1.2 MARAD REVIEW OF CPS

Review of the CPS may take upwards of 90 days. To ensure consistency in the CPS review and approval process, MARAD has retained the services of the Defense Contract Audit Agency (DCAA) to perform a review of the CPS deliverable. DCAA's review will consist of a combined audit of procurement and accounting procedures and may include an on-site audit at the SM's facility.

If deficiencies are found, the PCO will advise the SM of the deficiencies and recommend the necessary steps the SM must take to gain approval. In accordance with FAR 44.305-2, the SM shall be expected to reply within 15 days with a position regarding the recommendations.

Upon receipt of a favorable review, the PCO will issue notification of approval. Until such time as SM's CPS has been approved by MARAD under the current SM contract, subcontracts are subject to the approvals outlined in Section 2.2.1.2. MARAD CPS approval issued under a prior contract does not apply to the current SM contract.

1.3 MAINTENANCE OF CPS

The SM shall advise the PCO and Administrative Contracting Officer (ACO) of any change to its commercial procedures 14 calendar days prior to implementation throughout the performance period of the SMC.

The ACO will monitor the SM purchasing program in accordance with FAR 44.304. ACO review(s) may require on-site attendance at the SM's facility. The SM shall assist the ACO by providing space, administrative support, and access to records/reference documents during these inspections.

In accordance with FAR 44.302, once initial approval has been given, at least every 3 years, the ACO will determine whether a purchasing system review is necessary. The ACO will provide CPS re-certifications. MARAD will conduct annual cost incurred financial audits on SM records utilizing the services of DCAA. If warranted, interim cost-incurred audits will be ordered.

1.4 WITHDRAWAL OF CPS APPROVAL

During the performance period of the SMC, the ACO may lower the advance notification/consent thresholds, if there has been deterioration of the SM CPS or to protect the Government's interests. The ACO will issue a deficiency report to the SM, with a copy to the COCO and PCO. The SM shall immediately conform to the ACO's lower thresholds, and respond to the deficiency report within 15 days. Upon review of the response, the ACO may determine that the lower thresholds should continue or make a decision to withdraw approval of the CPS if it is determined that the SMC is deviating substantially from the approved CPS.

2.0 SUBCONTRACT REVIEWS

The SM shall provide subcontracts and documentation for review as follows:

2.1 ADVANCE NOTIFICATION

2.1.1 Notification to ACO prior to award, with copy of intended subcontract

Dollar Level	Type of Contract
Any	Other than Fixed Price

2.1.2 The PCO waives the requirement for advance notification of fixed price contracts.

2.2 CONSENT

2.2.1 Request for consent to subcontract to ACO

2.2.1.1 With Approved CPS

Dollar Level	Type of Contract
>$125K	Other than Fixed Price
>$1M	Fixed Price (sole source)
>$2.5	Fixed Price (competitive)

2.2.1.2 Without Approved CPS

Dollar Level	Type of Contract
>$25K	Other than Fixed Price (except T&M)
>$50K	Time-and-Materials
> $100K	Fixed Price

2.3 CONSENT TO SUBCONTRACT GUIDELINES

The request for consent to subcontract and supporting documentation shall be submitted to the ACO electronically at least 10 working days prior to intended subcontract award date. The ACO review will include the considerations listed in FAR 44.202-2 as well as consent limitations in 44.203. The SM request shall include all applicable informational elements listed in FAR 52.244-2, Subcontracts, subparagraph (f)(1). Additionally, the consent request shall include:

- A clear analysis of the award decision, including all factors considered
- Copy of proposals received and an abstract of proposals
- Copy of proposed subcontract, including any changes to terms and conditions
- Summary of negotiations, including explanation of variance between proposed and negotiated prices
- Separately priced bonds and insurance, if coverage exceed 3.7.4 requirements
- Specific funding required for the basic subcontract, supplemental growth, options, and projected SM administrative costs
- Milestone schedule

2.4 ADDITIONAL REVIEW REQUIREMENTS

2.4.1 COTR/ACOTR specification reviews are always required regardless of the level of subcontract review.

2.4.2 For any subcontract requiring formal consent, the associated solicitation shall be submitted to the ACO for pre-issuance review electronically at least 10 working days prior to intended issuance date. The solicitation package submitted shall include:

- Solicitation
- Documentation of specification review and approval by the COTR/ACOTR
- Source List
- Detailed estimate
- Basis for determination of liquidated damages, diversion/inter-port differentials, bonding, and insurance, if coverage exceeds 3.7.4 requirements

Thereafter, a copy of all changes or amendments to the solicitation will be provided to the ACO and COTR/ACOTR concurrent with issuance.

2.4.3 Notwithstanding the established review thresholds, the ACO or PCO may request a pre-award review of any complete subcontract, or part thereof (e.g., sole source, non-commercial items).

2.5 SPECIAL PROCEDURES FOR MISSION ESSENTIAL AND EMERGENCY REPAIRS

The SM shall only purchase supplies or services authorized by a Task Order (TO) or TO modification except for mission essential and emergency repairs described below:

2.5.1 Mission Essential and Emergency Repairs: Foreign and domestic

Mission essential repairs are defined as repairs necessary to support a No-Notice Activation, or repairs necessary to prevent or correct unanticipated change in a ship's readiness status to C-3 or C-4.

An emergency is any action that is needed to protect or prevent the loss of life, limb, or property.
2.5.2 Mission Essential Repair: General Policy

The SM shall notify the ACO and COTR/ACOTR as soon as possible, and at a minimum:

o Define the intended work in as much detail as possible.
o Develop an estimate of cost, and an initial not to exceed value.
o Make all attempts possible to obtain competition, given the circumstances.
o Obtain fixed price rates for subcontracted labor (to include straight time and overtime) fully burdened material, mutually acceptable terms and conditions.
o Recommend project start and completion dates.
o Obtain verbal authorization for no-notice activation from personnel designated in Section G.6. Obtain verbal authorization for other mission essential and emergency repairs from the ACO as soon as practical. The ACO will issue a written TO confirming verbal authorizations as soon as possible.

2.5.3 Mission Essential Repairs Inside the United States

2.5.3.1 The SM shall comply with the policies of Section 2.5.2 and all appropriate aspects of its approved CPS.

2.5.3.2 All appropriate flow-down clauses shall be used, inclusive of Service Contract Act FAR-52.222-41.

2.5.4 Mission Essential Repairs Outside the United States

MARAD has been granted authority to waive the flow-down clauses required by FAR Part 44 for all non-commercial subcontract repairs accomplished in foreign ports. There are no mandatory flow-down clauses for foreign commercial item repairs. The SM shall comply with the policies of Section 2.5.2 and all appropriate aspects of its approved CPS as closely as possible, given the circumstances.

2.5.5 Planned Repairs Outside the United States

Aside from the waived flow-down clauses of FAR Part 44 noted above, the SM shall conduct planned foreign repairs (e.g. pre-positioned vessels) in accordance with all other aspects of Section 2.5.2 and its approved CPS.

2.5.6 Emergency

The SM is authorized to take whatever action is deemed necessary to protect or prevent the loss of life, limb, or property.

3.0 MARAD SPECIFIC SUBCONTRACT REQUIREMENTS

3.1 SUBCONTRACT FUNDING

MARAD may obligate funding for subcontracts on the initial TO, or may elect to obligate funding at a later date via TO modification. The SM is expected to timely execute the approved business plan by soliciting services or supplies "subject to the availability of funds;" however, the SM shall not sign a contract with a subcontractor and shall not incur a legal obligation without a funded TO.

3.2 SEGREGATION AND MONITORING OF FUNDS

The SM is responsible for performing the ordered work, by the required delivery date, and within the authorized funding levels for each CLIN of the TO. The SM shall segregate and monitor costs accordingly.

The SM must notify the ACO in writing when 75% of the funds provided on the TO have been expended. SM are cautioned that this notification requirement applies to individual TOs even when multiple TOs are used on a project. Further, the SM shall notify the COTR/ACOTR and ACO at any point that it is determined that the ordered work cannot be accomplished within the required delivery and/or within the authorized funding.

The SM shall provide a tracking report in Excel spreadsheet format upon request. The spreadsheet shall include the following data elements, at a minimum:

o Vessel Name
o SM Contract number
o TO number
o CLIN number
o DSN number

- o DSN funded amount
- o DSN actual cost
- o Short description of services/supplies
- o Dollar Amount invoiced
- o Subcontractor name
- o Subcontractor invoice number
- o Subcontract number

3.3 SUBCONTRACT SOCIOECONOMIC STATISTICAL REPORTING

All SM regardless of business size, shall report to each ACO by the 5th of each month, the total number and total dollar value of subcontracts awarded by the SM for that MARAD region as follows:

Type of Firm (U.S.)	Total # of subcontracts	Total Dollars
SDB Awards	_____	_____
Women Owned SB	_____	_____
SBA 8(a) SB Awards	_____	_____
HUBZone SB Awards	_____	_____
Veteran Owned SB Awards	_____	_____
Service Disabled Veteran Owned SB	_____	_____
Total Small Business Awards	_____	_____
Other U.S. Large Business Awards	_____	_____
Total U.S. Subcontract Awards	_____	_____
Total Foreign Subcontract Awards	_____	_____
Total Subcontract Awards	_____	_____

NOTE: Awards to small businesses must be counted in all appropriate categories. For example, an award to a Woman-owned, HUBZone certified firm would be included in both Woman-owned and HUBZone firm figures, but included only one time in Total Small Business Awards. In other words, the Total Small Business Awards will not necessarily equal the sum of all small business awards for the several types of small business firms.

SM certified as a large business shall monitor small and minority business awards in relation to the SM's subcontracting plan goals, accumulate data on all subcontract awards, including those less than $50,000 and submit a SF-294 (Exhibit I), Subcontracting Report for Individual Contracts and SF-295 (Exhibit II), Summary Subcontract Report to the ACO as required by FAR.

3.4 SUBCONTRACT DOCUMENTATION

For purposes of Government auditing, the SM shall establish and maintain an individual file for each subcontract, which may be in electronic format. The file shall be identified with a sequential number for tracking. The file shall be adequately documented to establish the propriety of the transaction and the price paid, and that the SM complied with its commercial purchasing procedures. The subcontract file shall contain the following, as a minimum:

- o Copy of TO(s), with adequate funding authorized for this purpose
- o Subcontract, including clearly defined requirements (see Section 3.7)
- o Copy of all modifications to the subcontract
- o Documentation of competition obtained for purchases >$2,500 or its absence properly justified
- o Documentation of purchase decision, evidencing that the price paid was fair and reasonable and the subcontractor selected represented the best value to the government
- o Documentation of negotiations (if conducted), including explanation of variance between proposed and negotiated subcontract prices
- o Proper approvals, including SM internal approvals in accordance with commercial procedures and MARAD specification, solicitation, and award approvals
- o Documentation of inspection and acceptance
- o Documentation of payment in accordance with subcontract terms
- o Copy of ACO direction to use Government source of supply (i.e., GSA) or approval of unique terms and conditions (i.e., insurance, bonds, demurrage, progress payment)
- o Documentation of rationale for not using directed sources (i.e., fuel)
- o Closeout documentation, including final invoice payment marked as such.

Documentation may be maintained in separate files/systems where logical (e.g., documentation of payment in electronic accounting system), provided that the individual subcontract file indicates where the documentation is located and it is available for Government review at the SMGR corporate facility.

3.5 SUBCONTRACTOR PAYMENTS

The SM shall encourage vendors to submit invoices promptly. Ideally, the SM should encourage the use of electronic invoicing from the subcontractor to achieve accurate, timely invoices for review and payment. Prompt submission of invoices can be a consideration for best value as it permits obligated funds to be liquidated and excess funds deobligated.

The SM is responsible to verify the validity and accuracy of all subcontractor invoices prior to forwarding them to MARAD for reimbursement. Repeated invoice inconsistencies and errors are a reflection of poor quality control processes and will impact the SM's performance assessment. MARAD will reclaim overpayments directly from SM. The SM shall submit invoices after receipt of supplies/services in accordance with Section G.14.

In the rare situation where commercial practice is for buyer financing of goods or services in excess of the SM stipulated minimum working capital requirements (Section G.10), the SM may request advance payment on a case-by-case basis. For purchases of commercial items, financing of the contract is normally the contractor's responsibility. However, in some markets the provision of financing by the buyer is a commercial practice. The amount of advance payment requested shall not exceed the amount to be actually paid in advance based on the best terms the SM is able to negotiate with the agent or service provider. SM shall submit their request for advance payment (i.e., payment in advance of receipt of supplies/services) to the ACO via e-mail with a copy to the COTR/ACOTR and FCO, in the following format. The e-mail should be marked as URGENT.

"Request advance payment in the amount of $_____ (insert amount) under Contract _____ (insert SM Contract #) / Task Order _____ (insert TO #, if applicable), for _____ (insert description of services/supplies). Documents to support the amount requested are attached (i.e., detailed estimate, pro forma invoice from the subcontractor). The scheduled pay date is _____ (insert date)."

The SM is to include a clear statement or rationale stating why advance payment is necessary and that the value exceeds their contract stipulated minimum workiing capital.

The ACO will evaluate and approve/disapprove the request via e-mail. If approved, the TO will also indicate that advance payment is authorized. The SM shall submit an invoice, indicating the date when payment is required in the certification statement block on the EIS invoice form and indicating in the description field on the supporting spreadsheet that this is an advance payment. MARAD will endeavor to meet the specified payment date, however, be advised that commercial advance payments are not subject to the interest penalty provisions of the Prompt Payment Act in accordance with FAR 32.9.

3.6 SUBCONTRACTOR CLAIMS AND DISPUTES

Subcontracts are between the SM and the subcontractor, and the SM is responsible for resolving subcontract disputes. The SM shall advise the ACO and COTR/ACOTR of disputes, changes in status of disputes, and potential costs or delays in delivery or possible litigation. MARAD will not directly participate in disputes and/or settlement.

MARAD endorses and recommends the use of alternative disputes resolution (ADR) procedures. The SM is responsible for all administrative and legal costs associated with resolving such disputes, except when the government has authorized reimbursement by issuance of a TO. When private counsel has been authorized, the government will reimburse reasonable costs associated with such representation subject to the funding limitations of TO.

Payments of judgments or settlements resulting from this disputes resolution process are the responsibility of the SM, although the SM may request reimbursement provided that indemnification under Section G.7.4.1 does not apply. SM are cautioned to seek prior approval from the ACO of settlements, which the SM intends to submit for reimbursement, in order that a reserve of appropriated funds can be made for the claim. The liability of the United States under this clause is subject to the availability of appropriated funds.

If a dispute is not settled between the SM and the subcontractor and the matter advances to a formal claim in the Courts, Section G.7 Claims and Litigation will apply.

3.7 GENERAL SUBCONTRACT POLICIES

3.7.1 Subcontract Basic Content - SM subcontracts shall contain the following information, at a minimum:

- Identification number
- Date of Subcontract Award
- Description of supply/service
- Delivery/performance date
- Place of delivery/performance
- Packing or shipping instructions, if any
- Address to submit invoices
- Terms and Conditions

3.7.2 Flow Down Clauses - The SM shall incorporate appropriate flow-down clauses in subcontracts inclusive of the Service Contract Act (SCA). U.S. Department of Labor Wage Determinations can be found at http://www.wdol.gov/sca.aspx#0 . The Wage Determinations can be found under the following numbers:
Texas, Houston 2005-2515
Texas, Beaumont 2005-2505
Texas, Orange 2005-2505
Texas, Channelview (Harris County) 2005-2515
Texas, Port Arthur (Jefferson County) 2005-2505
Texas, Corpus Christi (Nueces County) 2005-2507
Virginia, Norfolk and Newport News 2005-2543
Massachusetts, Buzzards Bay (Barnstable County) 2005-2259
Massachusetts, Boston (Suffolk County) 2005-2255
Maine, Castine 2005-2247
Maryland, Baltimore 2005-2247
South Carolina, Charleston 2005-2473
Florida, Jacksonville 2005-2115
New York, New York 2005-2375
Florida, Tampa (Hillsborough County) 2005-2125
Alabama, Mobile 2005-2009
California, Alameda, Contra County 2005-2051
Washington, Pierce County 2005-2567

The Ship Manager is authorized to utilize the clause set forth in H.22, Physical Loss or Damage to the Vessel or Other Government Property during Dry Docking or Shipyard Availability (Oct 2007), to limit the shipyard's liability during the dry docking of RRF vessels. Under H.22, the Maritime Administration assumes the risk of physical loss or damage to any part of the vessel, its machinery, equipment, stores, and other property, including cargo, if owned by the Government, which occurs during a dry docking or shipyard availability, except to the extent the Ship Manager's Subcontractor (the shipyard) is liable under the following clause. The Ship Manager shall report all loss or damage to the vessel or other government property including, but not limited to, loss or damage for which the Subcontractor is liable under H.22. If such loss or damage exceeds the limit of liability set forth in H.22, the Ship Manager shall promptly notify the ACO, both verbally and in writing, of the loss or damage and await direction from ACO. By authorizing the Ship Manager to include H.22 in a subcontract with a shipyard the Maritime Administration agrees to release the Ship Manager from, and not to seek indemnification from the Ship Manager for, the risks assumed by the Maritime Administration under H.22, except when the indemnification provision of Clause G.7.4 of the Ship Manager Contract applies.

Flow-down clauses vary with the type of item, price, and place of purchase. The SM is responsible to select and apply the correct clauses to avoid unnecessary cost to the Government.

3.7.2.1 Commercial Items - In accordance with FAR 44.402, all commercial item purchases shall include the flow-down clauses listed in FAR 52.244-6, Subcontracts for Commercial Items, and SCA, except for subcontracts obtained outside the United States. Supplies/services ordered by MARAD are considered commercial items unless otherwise stated on the TO.

3.7.2.2 Non Commercial Items - Purchases for supplies and services that do not qualify as commercial items (as determined by the MARAD ACO) shall include all appropriate clauses that flow-down from the SM Contract, including SCA.

3.7.3 Subcontract terms - The subcontract shall not include any language implying or stating that it is an agent of the Federal Government, and the SM shall not sign as "agent" or 'SM for MARAD." The subcontract shall not include terms that bind the

Government to the results of arbitration, judicial determination, or voluntary settlement between the prime contractor and subcontractor.

3.7.4 Insurance - The SM shall require insurance from subcontractors to protect Government property in an amount appropriate to the subcontract, which shall be determined on a case-by-case basis. Typically, when a vessel is transported to a shipyard facility for a repair availability, MARAD requires the following types of insurance and minimum coverage during the entire performance of the subcontract:

(a) Workmen's Compensation, including Longshoremen & Harbor Worker's Act coverage - no minimum.

(b) Employers Liability - $5 million bodily injury by accident, each accident - $5 million bodily injury by disease each accident - $5 million bodily injury by disease in the aggregate.

(c) Maritime Employers Liability (Jones Act) - $5 million for each person per occurrence and $5 million in the aggregate.

(d) Comprehensive General Liability - $5 million combined single per occurrence limit for bodily injury and property damage and $5 million in the aggregate.

(e) Ship Repairers Legal Liability - $5 million per vessel, per occurrence.

(f) Pollution Liability - $5 Million per occurrence.

The SM shall ensure that indemnification extends to MARAD, and the insurance certificate shall name the United States of America as a secondary source certificate holder as owner, along with the SM as vessel operator. Such policies shall contain a statement that there is no recourse against the USA for payment of premium. The SM shall stipulate that upon request the subcontractor shall provide a copy of all original insurance policies within 5 calendar days. The SM shall ensure that the coverage does not contain exclusions that would effectively negate coverage for all but third party liabilities. All such insurance will contain 30 calendar days advance notice of cancellation or of any non-renewal which is the option of the insurer be provided in writing to the U.S. Department of Transportation, Division of Marine Insurance, MAR-780, W23-453, 1200 New Jersey Ave., SE, Washington, DC 20590.

The SM shall obtain and review proof of insurance coverage (i.e., certificate of insurance, policy). The ACO may request that the SM send the subcontractor insurance to the MARAD Division of Marine Insurance for review.

3.7.5 Supplemental Material/Lower Tier Subcontract Markup - The SM shall not include a percentage markup (i.e., material handling charge, burden rate) in its subcontracts for supplemental material or lower tier subcontracts. This type of arrangement is considered a Cost-Plus-A-Percentage-Of-Cost type contract, which is prohibited by FAR.

3.7.6 Subcontractor Screening

3.7.6.1 The SM shall verify that no apparent conflict of interest/improper affiliations exist between the SM and subcontractors.

3.7.6.2 The SM shall verify that proposed subcontractors are not suspended and/or debarred by consulting the General Services Administration (GSA) List of Parties Excluded from Federal Procurement and Non-procurement Programs, website at http://epls.arnet.gov. If the SM intends to subcontract with a party that is debarred, suspended, or proposed for debarment, notification to the ACO is required in accordance with FAR 9.405-2.

3.7.6.3 SM shall evaluate subcontractor performance to establish qualified sources, and to be used as part of the evaluation of best value. The SM is expected to factor subcontractor past performance into its decision on award. The SM must support decisions not to award based on past performance.

3.7.6.4 When procuring services for major overhauls, upgrades or regulatory dry dockings where the services of a full-service shipyard are involved and the subcontract will be awarded using the SM's best value procedures, SM's shall request and evaluate information from offerors regarding their environmental stewardship. This may be done by establishing a source selection factor to specifically evaluate the shipyards environmental efforts. The SM shall identify their weighting of this factor in the subcontract solicitation and document its evaluation in its subcontract consent request where consent to subcontarct is required.

There are countless practices any given shipyard may be using to be a more responsible Environmental Steward that go beyond compliance and provide a "greener more sustainable" ship repair facility. Practices may include but are not limited to the following:

corporate, regional or local environmental policy; greenhouse gas reduction strategies; improved water quality efforts; water conservation policies and programs; solid waste reduction strategies including reuse and recycling efforts; improved air quality objectives and goals; environmental management system commitment either through ISO 14001, ISO 14001 Certification, the National Performance Track Program, State, local or other approved methodologies; green procurement practices; vendor and supply chain environmental control policies and programs; employee environmental recognition programs; hazardous material minimization programs; voluntary compliance reporting programs; community response and awareness strategies; pollution prevention programs; renewable energy efforts; bio-based products; alternative fuel vehicles and alternative fuels; habitat restoration/wetland mitigation programs; litter prevention programs/policies; sustainable building/energy efficient building policies.

Offerors may be evaluated based on the level of detail or the degree of innovation of one or more programs, policies, strategies, or practices that they have implemented. No one specific "green" practice is preferred over another and all efforts will be evaluated in the context of the environmental compliance history of the facility.

CATEGORY 1

	Office/ Ship	Contract Section Cross Reference	Category	Title/Name/Item	Submittal Period	Submittal Date/Frequency	Submittal Medium Entry into RMS-Default	Deliver To
1	S	C1.5; C3.2.5.1-C3.2.5.2	Activation	Activation Plan	Within 60 days of NTP	As Required	File attachment to NS5 work order & NS5 message	COTR
2	S	C3.2.7.1.7.1	Activation	Lessons Learned	30-45 Days Post Activation/Operation	As Required	File attachment to NS5 work order & NS5 message	COTR
3	S	C6.4.2	Business Management	Final business plan	Annual	July 1 annually	File attachment to NS5 work order & NS5 message	COTR
4	O	C6.7.1.4	Business Management	Commercial Purchasing Procedures	NTP	Continuous	Entry into company record	ACO
5	O	C6.7.2.2	Business Management	Provide copies of third party audits	As Necessary	As Required	Entry into company record	ACO
6	O	J-2	Business Management	Third Party Certification of SM Acquisition/ Procurement Procedures	One-Time		Entry into company record	ACO
7	S	*E.6*	Business Management	Receipt of audit summaries	Within 30 days of SM receipt of them	Continuous	File attachment to NS5 work order & NS5 message	*ACO/COTR*
8	S	C1.5	Business Management	Updating/Currency of SM Quality Assurance Plan	Annual	Upon Change	File attachment to NS5 work order & NS5 message	COTR
9	S	C6.7.2.1	Business Management	Quality Assurance Plan	Within 90 days of NTP	Upon Change	File attachment to NS5 work order & NS5 message	COTR
10	S	C1.5	Deactivation	Deactivation Plan review and update	NLT Annually	Upon Change	File attachment to NS5 work order & NS5 message	COTR
11	S	C1.5; C3.4.3 - C3.4.4	Deactivation	Deactivation Plan	Within 90 days of NTP	One Time	File attachment to NS5 work order & NS5 message	COTR
12	S	C1.5; C4.2.11	Environmental	Develop, maintain and use a Waste Mgt Plan	Within 90 days of NTP	Upon Change	File attachment to NS5 work order & NS5 message	COTR
13	S	C4.2.11	Environmental	Develop/MaintainShipboard Recycling Plan	Within 90 days of NTP	Upon Change	File attachment to NS5 work order & NS5 message	COTR
14	S	C4.2.12	Environmental	Copies of all documentation of work performed (during repair) as it relates to environmental regulations	As Necessary	As Required	File attachment to NS5 work order & NS5 message	COTR
15	O	C1.5; C5.3	Human Resources	A contingency plan	At NTP	Upon Change	Entry into company record	COTR

CATEGORY 1

43	S	C4.1.13.1	Safety, Environmental, Security	Review of Vessel Outport Mooring Plan	Within 60 days of Award Within 60 Days of Transfer to Outport	One-Time	File attachment to NS5 work order & NS5 message	COTR
44	S	C1.5	Safety, Environmental, Security	Update/Currency of SM Vessel Outport Mooring Plan	Annual -on muturally agreed to date prior to Hurricane Season	Upon Change	File attachment to NS5 work order & NS5 message	COTR
45	O	C4.3.4.1	Security	Identification of Company Security Officer	Within 15 days of NTP	Upon Change	Entry into company record	*NS5 Company record*
46	S	C1.5; C4.3.4.3	Security	Ship ISPS Security Plan	Within 90 days of NTP	Upon Change	File attachment to NS5 work order & NS5 message	RMS
47	S	C4.3.4.1	Security	Identification of Ship Security Officer	Within 15 days of NTP	Upon Change	File attachment to NS5 work order & NS5 message	RMS
48	S	C4.3.4.2	Security	Security Risk Assessment	Within 30 days of NTP	Upon Change	File attachment to NS5 work order & NS5 message	RMS
49	S	C4.3.5	Security	Reports required by ISPS	As Necessary	as directed by ISPS Part A paragraph 12.2.8	File attachment to NS5 work order & NS5 message	COTR
50				RESERVED				
51	O	J2.3.3	Business Management	Subcontract Socioeconomic Statistical Reporting (P.O. logs)	Monthly	5th of every month	E-mail	ACO
52	O	J2.3.3	Business Management	Submission of SF 294	Semi-annually	1 Oct/1 Apr	E-mail	ACO
53	O	J2.3.3	Business Management	Submission of SF 295	Annually	October 1st	E-mail	ACO
54	O	G8.3 & J3A#5	Human Resources	Report of illness/injuries	Quarterly	Oct Jan, Apr, Jun	E-mail	ACO, COTR, MAR-610.5, MAR-782
55	O	I8	Business Management	Government Property Report	Annually	15-Sep	DOT F4220.43 submit by Email	ACO with copy to 612/614
56		TE-1 Sec 18.7	Safety, Environmental, Security	Annual Safety Inspection	Annually		Email	613

CATEGORY 1

57	O	TE-1 Sec 16.10	Safety, Environmental, Security	Pre-Fire Plans (Firefighting Doctrine)	Within 90 days of NTP	Update up change	Hard copy via mail and email electronically	COTR
58		C2.3.1.1.1	Maintenance, Logistics	Spreadsheet for frequency of maintenance	one time	1-Apr-06	email	COTR
59		C4.1	Business Mgt	Initial Business Plan	Annual	April 10 annually	File attachment to NS5 work	COTR
		Category 1 Definition: 1. Entered into NS5 as an attachment plus an email notification				within NS5.	order & NS5 message	
		2. RMS (NS5) tracked Deliverables: S: SHIP; O: CORPORATE OFFICE						
		S: SHIP: Standard jobs/Work Orders/attachments						
		O: CORPORATE OFFICE: Entry into Company record						

CATEGORY 2

	Contract Section Cross Reference	Category	Title/Name/Item	Submittal Period	Submittal Date/Frequency	Submittal Medium Entry into RMS-Default	Deliver To
1	C3.2.6	Activation	Provide cost estimate for activation, operations, and deactivation	Annual	July 1 annually	Enter into NS5	NS 5 message to COTR
2	C3.2.7.1.3.2	Activation	Scan Vessel Delivery certificates	As Necessary	As Required	Enter into NS5	
3	C3.2.7.1.5	Activation	Task Order Accounting for Activation	As Necessary	As Required	Enter into NS5	
4	C6.4 through 6.5.3.6	Business Management	5 Year Business Plan of current FY plus 4 more FY	Annual	October 1st of CY	Enter into NS5	NS 5 message to COTR
5			RESERVED				
6	C6.6.3	Business Management	Enter data into RMS	NTP	Continuous	Enter into NS5	
7	C6.4.4	Business Management	A NTP Business Plan	one time	within 60 days of NTP or 1 July 2005 whichever ocmes first	Enter into NS5	NS 5 message to COTR
8	C7.1.2	Business Management	Provide timely information to MARAD on changes of funding requirements	Once Approved	Continuous	Enter into NS5	NS 5 message to COTR
9	C2.5.1.1	Deactivation	Provide deactivation cost estimate for Business Plan	Annual	July 1 annually	Enter into NS5	NS 5 message to COTR
10	C3.4.2	Deactivation	document malfunctions and material deficiencies	As Necessary	As Required	Enter into NS5	
11	C5.1.3	Human Resources	Personnel Data verification	Within 15 days of NTP	As Required	Enter into NS5	
12	C5.1.5	Human Resources	Emergency Contact Information	At NTP to COTR Within 15 days of NTP into RMS	Upon Change	Enter into NS5	
13	C5.5.3	Human Resources	medical claims	IAW J-3	Continuous	Enter into NS5	NS 5 message to COTR
14	C2.8.15	Activations, Operations, Deactivation	Spare Parts Procurement Plan	Aug 1 of each year?	Annual	Enter into NS5	
15	C2.8.16	Activations, Operations, Deactivation	Allowance Change Requests	Within 5 days of event	As Required	Enter into NS5	NS 5 message to COTR

CATEGORY 2

16	C2.8.3	Activations, Operations, Deactivation	Auditable Records	Continuous	As Required	Enter into NS5		
17	C1.5; C2.1.10	Maintenance, Logistics	Integrate into the Annual Business Plan and Given Year Plan and Scheduling of Open/Inspect Requirements to support ACP and Continuous Machinery Survey/Class	As Necessary	As Required	Enter into NS5		
18	C1.5; C2.1.7	Maintenance, Logistics	Submittal of Changes to Annual Business Plan for corrective actions to deficiencies uncovered during regulatory inspections	As Necessary	As Required	Enter into NS5	NS 5 message to COTR	
19	C1.5; C2.2.5.2	Maintenance, Logistics	Take action to correct C-3 or C-4 status; change Business plan	IAW Task Order	As Required	Enter into NS5	NS 5 message to COTR	
20	C1.5; C2.2.6.1	Maintenance, Logistics	Identify C-5 period for regulatory inspections, upgrades, and major maintenance periods within the business plan	see C2.1.4 and C2.1.5	As Required	Enter into NS5		
21	C1.5; C2.3.1.4	Maintenance, Logistics	Revisions to either Ship specific preventative maintenance plan	As Necessary	As Required	Enter into NS5	NS 5 message to COTR	
22	C2.1.10	Maintenance, Logistics	Maintain currency of regulatory body certificate dates	As Necessary	As Required	Enter into NS5		
23	C2.1.4	Maintenance, Logistics	Review existing regulatory schedules and develop plan and schedule any requirements due within the year of for the Business Plan NTP.	Within 45 days of NTP	One Time	Enter into NS5		
24	C2.1.8	Maintenance, Logistics	Identify changes to Regulatory requirements	Within one month of publication	As Required	Enter into NS5	NS 5 message to COTR	
25	C2.3.2; C2.3.4	Maintenance, Logistics	Utilize MARAD's Water Chemistry Program	As Necessary	As Required	Enter into NS5		
26	C2.3.2; C2.3.4	Maintenance, Logistics	Utilize MARAD's Lube Oil Analysis Program	As Necessary	As Required	Enter into NS5		
27	C2.4.1	Maintenance, Logistics	Accomplish all corrective maintenance and repairs	As Identified in the Business Plan	Continuous	Enter into NS5		
28	C2.4.2	Maintenance, Logistics	Accomplish all modifications and upgrades via Task Order	As Identified in the Business Plan	As Required	Enter into NS5		
29	C2.4.3; C2.4.4	Maintenance, Logistics	Deficiencies	Place into RMS	As Required	Enter into NS5		
30	C2.5 through C2.5.3 and C6.4	Maintenance, Logistics	Final Business Plan	Annually	October 1st of CY	Enter into NS5		

U.S. Department of Transportation
Maritime Administration

Memorandum

Subj: ACTION: EPA Vessel General Permits for RRF Ships

Date: February 4, 2009

From: William H. Cahill, Director
Office of Ship Operations

Reply: 202.366.2628
Michael Franklin

To: Ship Managers of RRF Ships

The US Environmental Protection Agency (EPA) recently published its final National Pollutant Discharge Elimination System (NPDES) Vessel General Permit (VGP) regulations. Compliance within US waters is mandatory for all operating vessels, including the Maritime Administration's vessels in the Ready Reserve Force as well as the PACIFIC COLLECTOR and PACIFIC TRACKER (ex-BEAVER STATE).

The notice of availability can be found in the Federal Register Vol. 73, No. 249, page 79473 and downloaded from the EPA website at:
http://www.epa.gov/npdes/pubs/vessel_vgp_permit.pdf

All vessels must be in compliance with the effluent and technical requirements in the VGP commencing February 6, 2009. All the VGP's inspection, training, record keeping and reporting requirements must be complied with by February 19, 2009. The one exception to the February 19, 2009 compliance date is for the comprehensive annual inspection (*VGP section 4.1.3*) which must be completed within the first 11 months of the VGP's coverage. (See also V*GP Fact Sheet section 6.1*, available at http://www.epa.gov/npdes/pubs/vessel_vgp_factsheet.pdf).

As the vessel operators, you are required to comply with this regulation. The vessel operators will be responsible for, with the exception of the preparation of the Notice of Intent (NOI) and Notice of Termination (NOT), all of the record keeping and reporting requirements of the VGP. The Maritime Administration will submit the NOIs and NOTs. (see *VGP, sections 10 & 11*).

The following aspects of this regulation should be noted:

- All instances of non-compliance with this Permit must be reported at least once/year.
- All records (once turned over to the EPA) become public records.
- Accurate record keeping is paramount for the weekly visual inspections, the quarterly sample tests *(VGP section 4.1.1)* and all other inspection and testing requirements.

Please be aware that additional requirements may be imposed by individual states. (*VGP, Section 6*). Operators of the Maritime Administration's vessels sailing in California's waters must proceed with complying with California's additional state certification permit requirements including the sampling and reporting requirements, despite California's current certification which states that all Maritime Administration vessels must be excluded from coverage under the VGP. See, **http://www.epa.gov/npdes/pubs/401_california.pdf.** The Maritime Administration is working with the EPA, California Water Board and California State Lands to address this issue.

Below is information on what to do when a vessel is not in compliance with the VGP. The information also provides instructions regarding the operators' reporting requirements.

The following information must be recorded anytime there is a violation of the VGP: *(VGP sections 3.2 & 4.2(3))*

- Date and description of the release
- Name, title and signature of person who identified the violation
- Name title and signature of the person recording the violation (if different from person who identified the violation)
- The circumstances leading to the release
- Responses to be employed for such releases
- Date and time corrective action was taken
- Description of response and corrective action taken
- Name, title and signature of person recording the corrective action information (if different from person who noted and/or record the violation)
- Measures taken to prevent reoccurrence of such releases.

Annual Noncompliance Report: *(VGP section 4.4.1)*

All spills or unauthorized discharges must be reported to the appropriate regional EPA office once a year for each vessel under your management. For the initial year of coverage, the operator must send the annual noncompliance report to MARAD HQ (MAR-612) for review and approval prior to its submission to the regional EPA office. Every year thereafter MARAD need only be copied in the submission to the regional EPA office. If there are no noncompliance incidents, this report would not be sent.

One Time Report: *(VGP sections 4.4.4 & 13)*

A one time report that contains basic information about the vessel must be completed between 30 and 36 months after obtaining permit coverage. This one time report, sent to the EPA HQ, will take the place of an annual report. The form for the one time report is included in the VGP instructions under section 13, Appendix H. Operators must complete and submit the one time report for each vessel to MARAD HQ (MAR-612) for review and approval prior to its submission to the EPA HQ.

Discharges endangering health or the environment or of hazardous substances or oil: *(VGP section, 4.4; VGP Fact Sheet section, 6.4)*

In cases where the discharge may endanger health or the environment, the appropriate EPA regional office should be contacted within 24 hours of the discharge to give an oral report from the vessel's operator. The operator must also provide a written report (electronic acceptable) within 5 days of that discharge. Examples of when a discharge may endanger health or the environment include when it may effect drinking water supplies, recreational waters, or elicit fish kills. If the spill is the release of a hazardous substance or oil, it must be reported to the National Response Center at 800-424-8802. It is also recommended that the appropriate State, local or regional authorities affected by the hazardous release be notified. Operators must contact MARAD HQ (MAR-612) as soon as possible in the event of any discharge, and copy MARAD HQ in any correspondence with the EPA and /or National Response Center.

The regional EPA office information is provided below:

Region 1 – CT, ME, MA, NH, RI, VT
1 Congress St, Suite 1100
Boston, MA 02114-2023
New England States: (888) 372-7341
Outside New England: (617) 918-1111

Region 2 – NJ, NY, PR, VI
290 Broadway, 24th Floor
New York, NY 10007-1866
Phone: (212) 637-3660

Region 3 – DE, DC, MD, PA, VA, WV
1650 Arch St
Philadelphia, PA 19103
Phone: 215-814-5000
Toll Free w/in Region 3: (800) 438-2474

Region 4 – AL, FL, GA, KY, MS, NC, SC, TN
Atlanta Federal Center
61 Forsyth St SW
Atlanta, GA 30303-3104
Phone: (404) 562-9390
Phone: (404) 562-9900
Toll Free: 1-800-241-1754

Region 5 – IL, IN, MI, MN, OH, WI
Ralph Metcalfe Federal Building
77 W Jackson Blvd
Chicago, IL 60604-3507
Phone: (312) 353-2000

Region 6 – LA, AR, OK, NM, TX
1445 Ross Ave
Dallas, TX 75202-2733
Phone: (214) 665-6444

Region 7 – IA, KS, MO, NE
901 N 5th St
Kansas City, KS 66101
Phone: (913) 551-7003
Toll-Free: 1-800-223-0425

Region 8 - CO, MT, ND, SD, UT, WY
1595 Wynkoop St
Denver, CO 80202-1129
Phone: (303) 312-6312
Toll Free w/in Region 8: (800) 227-8917

Region 9 – AZ, CA, HI, NV, and Pacific Islands
75 Hawthorne St
San Francisco, CA 94105-3901
Phone: (415) 947-8000
Toll Free: (866) EPA-WEST

Region 10 – AK, ID, OR, WA
1200 6th Ave, Suite 900
Seattle, WA 98101-1128
Phone: (206) 553-1200
Toll Free: (800) 424-4EPA

The information you should have on hand when making an oral report to either the Regional EPA office (in case of endangerment to health or the environment) or the National Response Center (in cases involving hazardous substances or oil) is:

- Person's name:
- Organization's name;

- Location, and location of spill
- Telephone number
- Name and address of party responsible for the incident
- Date and time of the incident
- Source and cause of the release or spill
- Types of materials released or spilled
- Medium (land, water, air) affected by the release or spill
- Danger or threat posed by the release or spill
- Number and types of injuries or fatalities, if any
- Weather conditions at the location of the incident, both at the time of the incident, and currently (if different)
- Name of the carrier vessel, and any other identifying information
- Whether an evacuation has occurred
- Other agencies notified or about to be notified
- Any other information which will help emergency personnel respond

Within 14 days of knowledge of a release of a hazardous substance or oil the incident information must be documented in the ship's VGP records. The type of information to be recorded for the release of a hazardous substance or oil is the same as that recorded for any other violation.

Any follow-up monitoring results must be reported to the appropriate regional EPA office within 30 days of receiving them. Reports should include the permit ID number, vessel name, address & location, receiving water, monitoring data, explanation of the situation, what has been done and shall be done to further reduce pollutants in the discharge, appropriate contact name and phone number. Operators are responsible for all notification and reports to the National Response Center and/or regional EPA office in cases of discharges of a hazardous substance or oil, or discharges which pose a danger to health or the environment.

Corrective Actions: *(VGP Section 3)*

In addition to deadlines for recording violations, there are also deadlines for returning to permit compliance. When compliance can be accomplished immediately it must be done so. When simple adjustments to control measures are necessary to bring the vessel into compliance, which do not require dry docking the vessel, the corrective action must be taken within 2 weeks of discovery of the violation, or if leaving U.S. waters in that two week period, before re-entering U.S. waters (which ever is later.)

When new parts or the installation of new equipment is required, which does not required the vessel to enter dry dock, the corrective action must be taken within 3 months after discovery of the problem, or if leaving U.S. waters in that three month period, before re-entering U.S. waters (which ever is later.)

When large or comprehensive renovations, alterations or repairs requiring dry dock are necessary to bring the vessel into compliance, the necessary work must be done before the vessel is re-launched from the next dry docking of the vessel.

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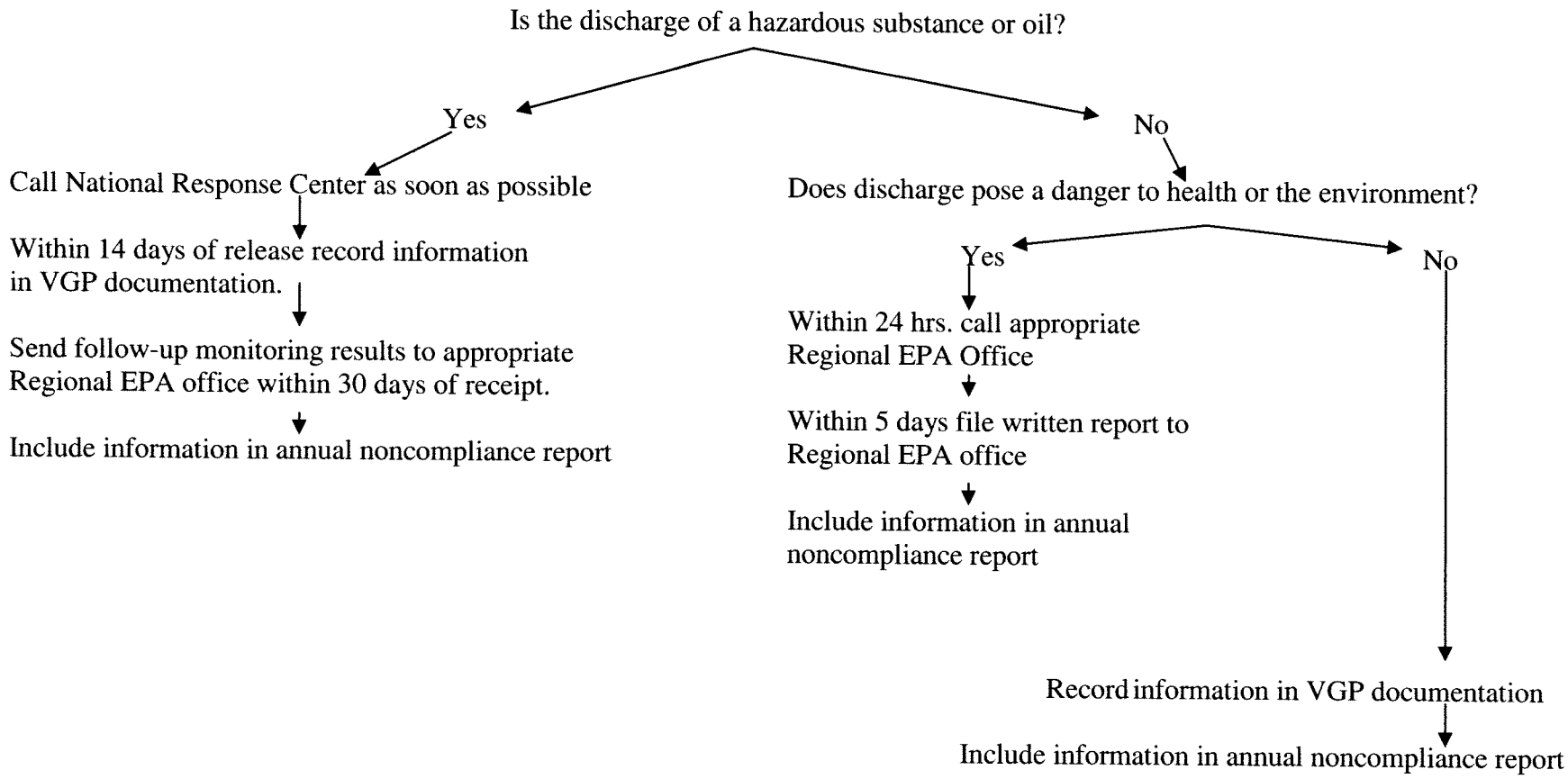
Flow chart for discharges not permitted under the VGP:



Ship_Name	MARAD_NO	Part_Name	Part_number	QTY	Ext_Cost	remarks
ADM. WM.M. CALLAGHAN	MAR61400052	FORKLIFT, CATERPILLER MITSUBISHI, P4000	MODEL P4000	1	$ 25,500.00	FORKLIFT, CATERPILLER MITUSBISHI, S/N AT 18C00207, DIESEL, CAPACITY 3700LB MAX FORK HEIGHT 188 INCHES
ADM. WM.M. CALLAGHAN	MAR61400009	FORKLIFT, HYSTER, 250E	H250E	1	$ 31,918.00	FORKLIFT, HYSTER, 250E, S/N B007PO7937V, DIESEL, MAX CAPACITY 23,000LBS MAX HEIGHT 825 INCHES
ADM. WM.M. CALLAGHAN	MAR61400018	FORKLIFT, HYSTER, H80E	H80E	1	$ 31,918.00	FORKLIFT, HYSTER, H80E, DIESEL S/N D005D02129E, CAPACITY: 8100 LBS AT 18 INCHES CAPACITY: 7100 LBS AT OR ABOVE 24 INCHES MAX HEIGHT 167 INCHES
ALGOL	MAR61400066	CRANE, HYDRAULIC, SHUTTLELIFT	MOD 2005700000	1	$ 32,000.00	CRANE, HYDRAULIC, SHUTTLELIFT, MODEL 3330E SN: 17940799
ALGOL	MAR61400068	TRUCK, LIFT DSL, CATERPILLAR	MOD DP40K1	1	$ 28,415.00	TRUCK, LIFT DSL, MFG: CATERPILLAR, SN: AT19C01957
ALGOL	MAR61400067	TRUCK, LIFT, CONTAINER (BERTHA)	MOD H520B	1	$ 350,000.00	TRUCK, LIFT, CONTAINER (BERTHA), MFG: HYSTER, SN: B8P-2127D
ALTAIR	MAR61400069	CRANE, HYDRAULIC, SHUTTLELIFT	3330E	1	$ 32,000.00	CRANE, HYDRAULIC, SHUTTLELIFT, MODEL 3330E SN: 14010896
ALTAIR	MAR61400070	FORKLIFT TRUCK, INDUSTRIAL, S/N: C008D0	MDL #H550C	1	$ 350,000.00	FORKLIFT TRUCK, INDUSTRIAL, HYSTER, MODEL H550C S/N: C008D01516F
ALTAIR	MAR61400071	FORKLIFT, TRUCK, S/N: AK0521695	3930-01-104-7507	1	$ 31,000.00	FORKLIFT, TRUCK, CATERPILLAR S/N: AK0521695
ANTARES	MAR61400072	CRANE HYDRAULIC, SHUTTLE LIFT 3330E	3330E	1	$ 32,000.00	CRANE HYDRAULIC, SHUTTLE LIFT 3330E SN: 14171095
ANTARES	MAR61400073	TRUCK, LIFT 51K, HYSTER H520B	H520B	1	$ 350,000.00	TRUCK, LIFT 51K, HYSTER H520B SN: B8P-2123D
ANTARES	MAR61400074	TRUCK, LIFT, DIESEL 8K, DP40K1	DP40K1	1	$ 28,415.00	TRUCK, LIFT, DIESEL 8K, CATERPILLER, DP40K1 SN: AT19C01929
BELLATRIX	MAR61400075	CRANE, HYDRAULIC, SHUTTLELIFT	3330E	1	$ 32,000.00	CRANE, HYDRAULIC, SHUTTLELIFT, MODEL 3330E SN: 14181095
BELLATRIX	MAR61400077	TRUCK, FORKLIFT, CATERPILLAR	DP40K-D2	1	$ 28,415.00	TRUCK, FORKLIFT, CATERPILLAR, MODEL DP40K-D2 SERIAL NO:AT19C01958
BELLATRIX	MAR61400076	TRUCK, LIFT HYSTER	MDL #H550C	1	$ 350,000.00	TRUCK, LIFT, HYSTER, MODEL H520B, SERIAL NO: B8P-2125D
CAPE DECISION	MAR61400008	FORKLIFT	V50DSA	1	$ 30,000.00	FORKLIFT S/N: 5AC02270
CAPE DIAMOND	MAR61400032	AERIAL LIFT	MODEL Z-30/20	1	$ 27,099.00	AERIAL LIFT S/N 4447 ESTIMATED COST FIELD REVISED FROM $12,000 TO $27,099 DUE TO FINDINGS FROM CAPITALIZED ASSET AUDIT, MATCHING THE MAKE, MODEL AND SERIAL NUMBER TO AN ITEM (WORKPLATFORM) ERRONEOUSLY RETIRED IN 2004. SEE NOTE 7 FROM MAR-614 SEP 2008 FINANCIAL RETURNS. GREG NOONAN - MAR-614-2
CAPE DIAMOND	MAR61400034	FORKLIFT	MODEL DP-40-P	1	$ 28,379.00	FORKLIFT S/N: 3CM12171 ESTIMATED COST FIELD REVISED FROM $26,000 TO $28,379 DUE TO FINDINGS FROM CAPITALIZED ASSET AUDIT. SEE NOTE 7 FROM MAR-614 SEP 2008 FINANCIAL RETURNS. GREG NOONAN - MAR-614-2
CAPE DOMINGO	MAR61400037	TRUCK, FORKLIFT	DP40	1	$ 40,000.00	TRUCK, FORKLIFT, MODEL DP40 ,FRONT LIFT, 8000LB CAPACITY S/N: 3CM13042
CAPE DOUGLAS	MAR61400007	FORKLIFT	V80E	1	$ 31,918.00	FORKLIFT S/N: 58A00486
CAPE DOUGLAS	MAR61400064	SCRUBBER	M20	1	$ 50,804.47	SCRUBBER, STREET, DIESEL, S/N M20-1219 WHILE THIS SCRUBBER IS ASSIGNED TO CAPE DOUGLAS, THIS SCRUBBER IS USED BY ALL SIX VESSELS AT THE CHARLESTON LAYBERTH This was entered in Lawson and not NS5, under PO 3340283, 843M-182 on 11/22/06 in the amount of $50,804.47. The cost was split out to all vessels
CAPE DUCATO	MAR61400090	GENIE MAN LIFT Z34	Z34/22 s/n Z3409-7650	1	$ 48,140.00	GENIE MAN LIFT Z34, DIESEL DRIVEN Z34/22 s/n Z3409-7650 PURCHASED 1/27/2009 PO 1502054 is in file attachments
CAPE EDMONT	MAR61400010	FORKLIFT-LARGE	Fork Lift-LG-1AE109L001	1	$ 50,000.00	FORKLIFT, DATE OF AQUISITION 1987 CHALLENGER H-250; S/N: 1AE109L001
CAPE EDMONT	MAR61400065	HY-REACH	Z-34/22	1	$ 29,848.14	HY-REACH, HYREACH/GENIE MODEL: Z-34/22 ,DC Serial # Z34001514PO# 931-031-82
CAPE EDMONT	MAR61400049	POWER SWEEPER	SN M20-1219	1	$ 25,000.00	POWER SWEEPER, STREET SWEEPER; S/N M20-1219; MODEL: 6500
CAPE HENRY	MAR61400006	FORKLIFT, S/N 41X01723	MODEL V80D	1	$ 31,918.00	FORKLIFT, S/N 41X01723
CAPE HENRY	MAR61400053	FORKLIFT, S/N AT28B50781	MODEL DPS0K1	1	$ 35,000.00	FORKLIFT, S/N AT28B50781
CAPE HENRY	MAR61400031	FORKLIFT, S/N B7P-7935V	H250E	1	$ 50,000.00	FORKLIFT, S/N B7P-7935V TRUCK MODEL: H250 E
CAPE HORN	MAR61400022	FORKLIFT	2FD35	1	$ 31,918.00	FORKLIFT, S/N: 2FD35-10874
CAPE HORN	MAR61400050	FORKLIFT	D35S	1	$ 30,000.00	FORKLIFT S/N: 21-00395
CAPE HORN	MAR61400021	FORKLIFT, S/N B8P-1810V, 30 TON	MODEL H520B	1	$ 31,918.00	FORKLIFT, S/N B8P-1810V 30 TON CHALLENGER H520B
CAPE HUDSON	MAR61400051	FORKLIFT	MODEL DP50K1/711197	1	$ 27,000.00	FORKLIFT S/N: AT28B50918
CAPE HUDSON	MAR61400015	FORKLIFT, 30TON	MODEL H250E	1	$ 25,000.00	FORKLIFT, 30TON S/N B7P-7950V (FORKLIFT IS STORED ON THE CAPE HORN)
CAPE INSCRIPTION	MAR61400058	FORKLIFT, MODEL H250E, S/N B7P-7932V	H250E	1	$ 75,000.00	FORKLIFT, MODEL H250E, S/N B7P-7932V, SIZE: GR WT 32,155 LBS. OPERATION: DIESEL ENGINE, TYPE DS INDUSTRIAL, CAPACITY: 22,000LBS. (ITEM IS ALSO LISTED IN THE EQUIPMENT DATABASE Serial Number: B7P-7933V)
CAPE INSCRIPTION	MAR61400038	FORKLIFT, MODEL H250E, S/N B7P-7933V	H250E	1	$ 75,000.00	FORKLIFT, MODEL H250E, S/N B7P-7933V, SIZE: GR WT 32,155 LBS. OPERATION: DIESEL ENGINE, TYPE DS INDUSTRIAL, CAPACITY: 22,000LBS. (ITEM IS ALSO LISTED IN THE EQUIPMENT DATA BASE MS) ACQUISITION DATE: 1986 Serial Number: B7P7933V
CAPE INSCRIPTION	MAR61400001	FORKLIFT, MODEL H520B, S/N B8P-2084B	H520B	1	$ 75,000.00	FORKLIFT, MODEL H520B, S/N B8P-2084B, TRUCK, SIZE: GR WT 79,400LBS OPERATION: DISEL ENGINE, TYPE: DS INDUSTRIAL, CAPACITY: 52,000LBS ACQUISITION DATE: 1986 COST: $125,00 (ITEM IS ALSO LISTED IN THE EQUIPMENT DATA BASE MS)
CAPE INTREPID	MAR61400054	FORKLIFT, DIESEL	H250E	1	$ 75,000.00	FORKLIFT, DIESEL, S/N: 87P-7949V, TYPE DS INDUSTRIAL, CAPACITY:22000LBS, ACQUISITION DATE 1992 THIS IS ALSO LISTED IN THE EQUIPMENT DATA BASE; EST. COST PER 2/13/07 WR LMO E-MAIL IS $75,000 AND ACQ. DATE IS 10/01/1992.
CAPE INTREPID	MAR61400014	FORKLIFT, DIESEL	H520B	1	$ 122,351.00	FORKLIFT, DIESEL, S/N: B8P-1812V, TYPE: DS INDUSTRIAL, CAPACITY:52, ACQUISITION DATE 1992, THIS IS ALSO LISTED IN THE EQUIPMENT DATA BASE. MS ACQUISITION COST $120000.00
CAPE ISABEL	MAR61400016	FORKLIFT	MODEL H520B	1	$ 30,000.00	FORKLIFT, DIESEL ENGINE; S/N: B8P-1809V; DS INDUSTRIAL TYPE, 45,000LBS CAPACITY, 20' CONTAINER SIDE HANDLER, ACQUISITION DATE: 1986, ACQUISTION COST: 125,000LBS
CAPE ISABEL	MAR61400012	FORKLIFT	MODEL H250E	1	$ 75,000.00	FORKLIFT, DIESEL ENGINE; S/N: B7P-7936V; DS INDUSTRIAL TYPE, 22,000LBS CAPACITY, INTEGRAL SIDESHIFT, ACQUISITION DATE: 1986
CAPE ISABEL	MAR61400012	FORKLIFT	MODEL H250E	1	$ 75,000.00	FORKLIFT, DIESEL ENGINE; S/N: B7P-7934V; DS INDUSTRIAL TYPE, 22,000LBS CAPACITY, INTEGRAL SIDESHIFT, ACQUISITION DATE: 1986
CAPE ISLAND	MAR61400013	FORKLIFT, HYSTER	H250E	1	$ 75,000.00	FORKLIFT, HYSTER, S/N: B7P-7940V, CAPACITY 11 TONS ACQUISITION DATE 1992 THIS IS ALSO LOCATED IN THE EQUIPMENT DATA BASE
CAPE ISLAND	MAR61400042	FORKLIFT, HYSTER	H520B	1	$ 122,351.00	FORKLIFT, HYSTER, S/N: B8P-1814V, CAPACITY 22.5 TONS ACQUISITION DATE 1992 THIS IS ALSO LOCATED IN THE EQUIPMENT DATA BASE.
CAPE JACOB	MAR61400041	BOROSCOPE, PLS500DA, S/N:0124B4127	PLS 500 D	2	$ 136,000.00	BOROSCOPE, PLS500DA, S/N:0124B4094 ADDITIONAL MODEL NO. PXLD845A, SYS, XLPRO VIDEO PROBE, TWO PIECE SET IN SELF CONTAINED BLACK ROLLING CA Located in 1 A/E Instrument LKR aft of 1 A/E Office Port Side
CAPE KENNEDY	MAR61400017	FORKLIFT	MOD DP40 TYPE:DS	1	$ 27,770.00	FORKLIFT, CAPACITY 8000LBS S/N: 3CM10326
CAPE KNOX	MAR61400026	FORKLIFT, DIESEL	DP 40 TYPE DS	1	$ 27,770.00	FORKLIFT, DIESEL, 8000 LBS CAP DIESEL POWERED FORKLIFT S/N: 3CM10327
CAPE LOBOS	MAR61400002	DECKSTOW TRUCK,DIESEL, 6T	DRAWING # TP 573-M	2	$ 120,000.00	DECKSTOW TRUCK,DIESEL, 6T, NOT YET BAR CODED
CAPE ORLANDO	MAR61400035	BOOM LIFT, JLG	MODEL 30E	1	$ 25,000.00	BOOM LIFT, JLG, S/N 122646-0300051147
CAPE ORLANDO	MAR61400027	FORKLIFT, CATERPILLAR	V80D	1	$ 31,918.00	FORKLIFT, CATERPILLAR , S/N 41X01072 DIESEL ENGINE
CAPE ORLANDO	MAR61400028	FORKLIFT, HYSTER	MODEL H250E	1	$ 25,000.00	FORKLIFT, HYSTER, CHALLENGER 250, S/N B007P079H2V 4 CYL, (DIESEL, ENG S/N 4D0121713)
CAPE ORLANDO	MAR61400043	FORKLIFT, HYSTER	MODEL H520B	1	$ 75,000.00	FORKLIFT, HYSTER ,CHALLENGER 520 S/N B8P-1808V 45,000LBS LIFT, 6V-53V, DET. (DIESEL ENG S/N 6D0095440) FORKLIFT IS LOCATED AT CROMER, 4701 OAKPORT ST., OAKLAND, CA 94601UNDERGOING REPAIRS
CAPE TAYLOR	MAR61400044	FORKLIFT, DIESEL	GDP080LJNPBE089	1	$ 40,102.00	FORKLIFT, DIESEL - YALE MODEL GDP080LJNUAE089DS SERIAL # C813V02033Z DIESEL POWERED FORKLIFT
CAPE TEXAS	MAR61400045	FORKLIFT, YALE, S/N; C813V02028Z	C813V02028Z	1	$ 40,102.00	FORKLIFT, YALE, S/N: C813V02028Z MODEL: GDP-080,
CAPE TRINITY	MAR61400046	FORKLIFT, YALE, CR13V02029Z	CR13V02029Z	1	$ 40,102.00	FORKLIFT, YALE, 8,000 LB, MODEL: GDP080LINPBE089 S/N CR13V02029Z,
CAPE TRINITY	MAR61400055	SWEEPER, DECK, TENNANT 800 SERRIES	800 SERRIES	1	$ 50,000.00	SWEEPER, DECK, TENNANT 800 SERRIES
CAPE VICTORY	MAR61400039	FORKLIFT	GDP110MGNUBE088DS	1	$ 41,500.00	FORKLIFT , DIESEL, GDP 100-110 MG, 10,000-11,000 LBS CAP, TYPE D WEIGHT 15960 LBS; S/N: B813D03887V
CAPE VICTORY	MAR61400005	FORKLIFT	35K	1	$ 250,000.00	FORKLIFT, DIESEL, CAPACITY: 35,000 KGS AT 1200, TYPE: KLMV35-1200R0R0;S/N: 22774
CAPE VICTORY	MAR61400025	SWEEPER	N/A	1	$ 45,000.00	SWEEPER , TYPE DS A110075, GVW 8940 LBS 4054 KG S/N: 800-4175
CAPE VINCENT	MAR61400062	FORKLIFT	GDP110MGNUBE088DS	1	$ 41,500.00	FORKLIFT, DIESEL, 11000 LB CAPACITY, 48 INCH FORKS, TYPE D S/N: B813D03888V ESTIMATED COST OF $41,500 ESTABLISHED FOR THIS FORKLIFT FROM CAPITALIZED ASSET AUDIT. SEE NOTE 7 FROM MAR-614 SEP 2008 FINANCIAL RETURNS. - GREG NOONAN - MAR-614-2
CAPE VINCENT	MAR61400029	KALMAR LMV FORKLIFT	KLMV 35-1200RR	1	$ 250,000.00	KALMAR LMV FORKLIFT MODEL: KLMV 35-1200RR 35000 LBS @ 1200 MM S/N: 22773 ESTIMATED COST ESTABLHISHED AT $250,000 DUE TO FINDINGS FROM CAPITALIZED ASSET AUDIT. SEE NOTE 7 FROM MAR-614 SEP 2008 FINANCIAL RETURNS. GREG NOONAN - MAR-614-2
CAPE VINCENT	MAR61400040	SWEEPER, DECK	N/A	1	$ 41,496.00	SWEEPER, DECK, MODEL 800D S/N: 800-4166
CAPELLA	MAR61400078	CRANE (CHERRY PICKER) SHUTTLE LIFT 3330(	3330D	1	$ 32,000.00	CRANE (CHERRY PICKER) SHUTTLE LIFT 3330D SN: 12690993
CAPELLA	MAR61400080	FORKLIFT 8,000 LBS DIESEL DP40K	DP40K1	1	$ 28,415.00	FORKLIFT 8,000 LBS, CATERPILLAR, DP40K SN: AT19C01931
CAPELLA	MAR61400079	FORKLIFT, 80,000 LBS (BIG BERTHA) H520B	520B	1	$ 350,000.00	FORKLIFT, 80,000 LBS (BIG BERTHA) H520B SN: B8P-2124D
CURTISS	MAR61400003	TRUCK, FORKLIFT, S/N: 010728	MOD 1012-700/MK111B-1	1	$ 60,000.00	TRUCK, FORKLIFT, S/N: 010728, CAP: 16,OOO LBS
CURTISS	MAR61400004	TRUCK, FORKLIFT, S/N: 11458	MOD C-100D/MKIVC-1	1	$ 50,000.00	TRUCK, FORKLIFT, S/N: 11458, CAP: 15,000 LBS
CURTISS	MAR61400033	TRUCK, FORKLIFT, S/N: E177B23903V	MOD. GDP060TGNVAE087	1	$ 25,000.00	TRUCK, FORKLIFT, S/N: E177B23903V DIESEL POWERED, CAP MAX 6000 LBS, WT 10,400 LBS
DENEBOLA	MAR61400081	CRANE, MOBILE WITH PERSONEL CAGE 3330E	3330E	1	$ 32,000.00	CRANE, MOBILE WITH PERSONEL CAGE 3330E SN: 14090995
DENEBOLA	MAR61400083	FORKLIFT, TRUCK, INDUSTRIAL DP40K	DP40K	1	$ 31,000.00	FORKLIFT, TRUCK, INDUSTRIAL, CATERPILLAR, DP40K SN: AT19C01280
DENEBOLA	MAR61400082	FORKLIFT, TRUCK, INDUSTRIAL, H550C	H550C	1	$ 350,000.00	FORKLIFT, TRUCK, INDUSTRIAL, HYSTER, H550C SN: C008D01513F
POLLUX	MAR61400084	CRANE, SHUTTLELIFT, 3330E	3330E	1	$ 32,000.00	CRANE, SHUTTLELIFT, 3330E SN: 14040995
POLLUX	MAR61400086	FORKLIFT, CATERPILLAR DP40K1	DP40K1	1	$ 28,415.00	FORKLIFT, CATERPILLAR DP40K1 SN: AT19C01954
POLLUX	MAR61400085	FORKLIFT, HYSTER H550C	H550C	1	$ 350,000.00	FORKLIFT, HYSTER H550C SN: C008D01515F
REGULUS	MAR61400087	CRANE, HYDRAULIC SHUTTLE LIFT 3330E	3330E	1	$ 32,000.00	CRANE, HYDRAULIC SHUTTLE LIFT 3330E SN: 14000895
REGULUS	MAR61400088	TRUCK, FORKLIFT HYSTER 35T H550C	H550C	1	$ 350,000.00	TRUCK, FORKLIFT HYSTER 35T H550CSN: C008D01514F
REGULUS	MAR61400089	TRUCK, FORKLIFT, CAT DP40K	DP40K	1	$ 31,000.00	TRUCK, FORKLIFT, CATERPILLAR, DP40K SN: AT19G01346
STATE OF MAINE	MAR61400061	THERMACAM	2180111803	1	$ 42,857.00	THERMACAM, THERMACAM P40 CAMERA ; MEASUREMENT FROM -40 C DEGREES TO 500 DEGREES C ; PURCHASED VIA : DTMA2P04245 , MODEL # P40, SERIAL # 21802817 ; INV: 21 JUL 08
WRIGHT	MAR61400019	FORKLIFT, CONTAINER	1012/70D/MK111B-1	1	$ 65,000.00	FORKLIFT, CONTAINER S/N: 010591
WRIGHT	MAR61400020	FORKLIFT, DIESEL	GT-230	1	$ 45,000.00	FORKLIFT, DIESEL S/N: S-Z6-21831

Ship Manager Contract DTMA8C05001 - 021
Technical Exhibit – 2 (TE-2)
Quality Assurance Surveillance Plan

Ready Reserve Force (RRF)
Ship Manager Services

Maritime Administration

Revision issued by Administrative Modification

NOTE: This revision becomes effective with commencement of Performance Appraisal Period 07 on April 28, 2009

Introduction:

One of the required sections of Performance Based Service Contracting is a Performance Assessment Plan (PAP) also called a Quality Assurance Surveillance Plan (QASP). Note: the terminology Quality Assurance Surveillance Plan (QASP) is interchangeable with Performance Assessment Plan (PAP). From FAR 37.602-2 Quality Assurance, Agencies shall develop QASP when acquiring services (see 46.103 and 46.401(a)). These plans shall recognize the responsibility of the contractor (see 46.105) to carry out its quality control obligations and shall contain measurable inspection and acceptance criteria corresponding to the performance standards contained in the statement of work. The QASPs shall focus on the level of performance required by the statement of work, rather than the methodology used by the contractor to achieve that level of performance.

The QASP Performance Element defines the performance measurements and methods that Maritime Administration Reviewing Officials will use to assess the Contractor's ability to meet the requirements and objectives of the RRF Ship Manager Services contract. The remainder of this document will define the performance elements in terms of goals and objectives, standards, acceptable quality levels and method/frequency of inspection that will be used by the Government to fairly and consistently judge the Contractor's performance of the RFP Ship Manager Services Statement of Work.

QASP PERFORMANCE ELEMENTS:

Each QASP Performance Element consists of the (A) Performance Worksheet and (B) Evaluation Check-off Sheet:

A. Performance Worksheet: Defines criteria of performance element:
   1. PERFORMANCE GOAL: goal is clearly stated at the top of the page.
   2. PERFORMANCE ELEMENT: each Performance Goal may have one or more "performance elements" which will be evaluated on an individual basis to determine performance. Performance Elements are usually limited to a single topic.
   3. OBJECTIVE: explanatory text involving or deriving from the Performance Element.
   4. STANDARD: measurable factors.

GENERAL STANDARDS

- Rates – such as, cost per lb
- Limits – not more than, not less than
- Criteria – such as Power, Weight, Volume, life cycle, accuracy
- Systematic – such as regulations issued by an organization
- Quantity – Was the service too much? Too little?
- Quality – Was the SM's quality plan adhered to? Should the SM QA Plan have addressed it?
- Timeliness – Was the service performed early? On time? Late? If early or late was there a cost impact to MARAD?

GOVERNMENT SPECIFIC STANDARDS

- U.S. Code of Federal Regulations (mandated by law)
- MARAD Operational Management Manual
- MARAD Logistics Management Manual
- Engineering Operating Manuals (per ship)
- Deck Operating Manuals (per ship)
- The contract itself
- National Defense Reserve Fleet (NDRF) Severe Weather Plan
- MOORING PLAN for Outported vessels
- MSC SOP (electronic version - provided at activation)
- Navy, MSC, and Area Command SOPs (electronic versions provided as needed)
- Rules and Regulations of the FCC

- COMSC Communications Policies and Procedures Manual
- U.S. Public Health Service Regulations - to maximum extent possible
- Carriage of HAZARDOUS or Explosive CARGOES: USCG regulations, Occupational Safety and Health Act of 1970 (29 USC 655, et. seq.,); regulations prescribed by the Dept of Labor for longshoremen; and COMSC instruction 9023.1 Subject: Safety Regulations Governing Handling and Transportation of Ammunition and Other Hazardous Cargoes.

NON-CONSENSUS STANDARDS*

- SM Quality Plan
- Manufacturer's Equipment Operating Manuals (per ship)
- SM developed Commercial Procurement Procedures
- SM developed Predictive Maintenance Plan
- SM developed Activation Plan
- SM developed Operational Plan
- SM developed Deactivation plan
- SM developed specifications and drawings for repairs or upgrades

*"Non-consensus standards," "Industry standards," "Company standards," or "de facto standards," are defined as standards which are developed in the private sector but not in the full consensus process.

VOLUNTARY CONSENSUS STANDARDS

- International Safety Management (ISM) Code
- Generally Accepted Accounting Principles (GAAP) U.S., as established by the Finance Accounting Standards Board
- International Convention for Safety of Life at Sea (SOLAS)
- ABS Rules for Steel Vessels
- Code of International Ship Management
- Standards of Training, Certification & Watch-keeping (STCW-95) or current agreement
- Current ITU Radio Regulations
- Bridge to Bridge Radio Telephone Act
- International Maritime Satellite (INMARSAT) and MF/HF, UHF, and VHF procedures for communication
- International Regulations for Preventing Collisions at Sea
- U.S. Inland Rules of the Road
- International Organization for Standardization (ISO) 9000 (series) - refers to all those features of a product (or service) which are required by the customer. "Quality management" means what the organization does to ensure that its products conform to the customer's requirements.
- ISO 14000 (series) to minimize harmful effects on the environment caused by its activities
- ISO/OHSAS 18000 (series) OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEMS

5. ACCEPTABLE QUALITY LEVEL (AQL): provides 3 or more levels of performance required to be met, or any acceptable deviation from the standard that may be allowed. The AQL is not a threshold at which official notification actions must be taken.

6. OBJECTIVE QUALITY EVIDENCE - (OQE): Any record, information, or statement of fact, quantitative or qualitative, pertaining to the quality of a product or service, including safety, based on observations, measurements, or tests which can be verified. OQE will be expressed in terms of specific quality requirements or characteristics. These characteristics are identified in drawings, specifications or other documents which describe the item, process, or procedure. The OQE is physical evidence that an auditor or reviewer, when

reviewing an audit report or check off sheet, can inspect and evaluate for themselves. It provides compelling evidence that the findings support the quality level given.

7. INITIATING OFFICIAL: Functional title of MARAD official or officials who initiate QASP evaluations. For several elements this may include more than one official.

8. METHOD OF INSPECTION: Acceptable methods of inspection include, but are not limited to:

- 100% INSPECTION/SURVEILLANCE: (FAR) is the most appropriate method for infrequent tasks or tasks with stringent performance requirements, such as safety or health concerns, or activations for national mobilizations. With this method, performance is inspected/evaluated at each occurrence.

- RANDOM SAMPLING: (FAR) is a statistically based method that assumes receipt of acceptable performance if a given percentage or number of scheduled assessments is found to be acceptable. Random sampling is the most suitable method for frequently reoccurring tasks such as maintenance or contract records administration. It works best when the number of instances is very large and a statistically valid sample can be obtained. There is no set percentage or minimum/maximum number of assessments conducted in Random Sampling. The quantity of assessments will be based on findings and performance.

- PERIODIC INSPECTION: is planned at specific intervals or dates that are directly applicable to tasks that occur infrequently such as activations, operations, major ship repair, the annual contract administrative review; or COTR ship visit. These inspections may be conducted by any MARAD personnel acting in accordance with his/her position.

- UNSCHEDULED INSPECTIONS: An unplanned inspection usually carried out in conjunction with inspections of other requirements or in an impromptu fashion on the way to or from another commitment. For example, a COTR may be monitoring preventative maintenance operations. Incident to that inspection, he/she may notice and document another service that fails to meet specific performance standards. This constitutes an unscheduled inspection. It is seldom used as a primary method of surveillance. Decisions on what to inspect are usually arbitrary; they are made simply “because you are there,” but may include obvious safety violations or unsafe practices. Consider Unscheduled Inspections as a supplement to other methods. A Quality Deficiency Report (QDR) may be issued for the non-conformance.

- TREND ANALYSIS: Uses a database of information, such as the MARAD Ready Reserve Force Management System (RMS) which consists of NS5, Readiness Reporting, PMARS, SM-PEAS, and/or electronic invoicing to show trends over a period of time. Trend analysis should be used regularly and continually to access the contractor’s ongoing performance over time. Contractor-managed metrics may provide additional information needed for analysis.

- CONTRACTOR METRICS: are Metrics defined and maintained per the Ship Manager Quality Plan.

- THIRD PARTY AUDITS: Defense Contract Audit Agency; authorized ISM organizations, or any 3rd party agency or organization requested by MARAD to perform inspections. A third party is an organization that is independent of the government and the contractor. All documentation supplied to, and produced by the third party should be made available to both the government and the contractor.

- NON-CONFORMITY: A Non Conformity occurs when the Ship Manager does not fulfill any specified requirement in the Ship Manager Contract(SMC) - including but

not limited to contract clauses, Performance Work Statement, SMC Technical Exhibits, Ship Manager Contract guidance issued by MARAD, Ship Manager's contract deliverables approved by MARAD, and any other Ship Manager Plans and Procedures approved or accepted by MARAD.

- Examples of non-conformities include, but are not limited to:

  - Any deviation from standard;
  - Lack of Ship Manager's full compliance with any Ship Manager Contract requirement;
  - Conditions jeopardizing the ability to fulfill contractual requirements or jeopardizing the readiness or reliability of the vessel or the delivery of quality ship management service IAW the SMC;
  - Vessel Causalities;
  - Injury or Death; Property, Environmental or Cargo Damage;
  - Hazardous Situations;
  - Customer Complaints;
  - Failure of equipment due to non performance of vessel procedures approved by Ship Manager;
  - Non-compliance with Specific Operating Procedure or instructions issued by MARAD;
  - Non-compliance with Specific Operating Procedure or instructions issued by Ship Manager; and/or
  - Unsafe Operations or incorrect processes.

- **Note:** Any internal observations, internal recommendations and near-misses identified by the ***Ship Manager*** during his routine internal quality audits, reviews, Safety management System reviews, process improvement efforts, etc., shall be considered part of his routine internal quality control procedures and shall **not** be considered a Ship Manager Contract Non-Conformity for the purposes of evaluating the Ship Manager's performance in this QASP.

9. FREQUENCY OF INSPECTIONS: The COTR will advise the Ship Manager in advance of his/her schedule. Not all QASP Performance Elements will be evaluated on each scheduled inspection period.

10. STATEMENT OF WORK REFERENCE: This is the location within the contract, usually Section C, which refers to the performance requirement. It may be the numerical clause and its follow-on depending clauses, such as Sections C.2, C.2.1, C.2.2, C.2.2.1, etc.

11. OTHER APPLICABLE REFERENCES: References through the contract and other MARAD documents which apply to the performance requirement.

12. RATING:

12.1. Each Performance Element receives an individual rating.

12.2. Each performance element may be rated more than one time per performance rating period. For example, if the Frequency of Inspections is monthly, and the rating period is six months long, then there should be six (6) performance elements included in the final.

12.3. "Exceeds Standard': Sustained improvements that exceed the Meets Standard level during the inspection period or provide value-added services and products that exceed contractual requirements of this section. BZs should be considered as one of the criteria for any individual item leading to an exceeds standard rating.

12.4. Continuous Improvement : For the purpose of clarity in conducting evaluations, the following guidance is provided relative to the purpose and intended results arising out of the Ship manager's Continual Improvement program:

[Following definition was extracted from ABS Guide For Marine Health, Safety, Quality and Environmental Management:]

Continual Improvement – recurring process of enhancing the management system in order to achieve improvements in overall performance consistent with the Company's stated policies for safety, quality and pollution prevention, as applicable.

[Following Definition extracted directly from ISO Definitions Translated into plain English "ISO 9001 Definitions" @ www.praxiom.com/iso-definition.htm]

Continual Improvement is a set of activities that an organization routinely carries out in order to enhance its ability to meet requirements. Continual improvement can be achieved by carrying out internal audits, performing management reviews, analyzing data, and implementing corrective and preventative actions

Based on the above, QASP evaluators shall recognize that successful implementation of a Ship Manager's continual improvement program may not always result in measurable and demonstrable improvements (of a quantitative nature) in each rating period as compared to the previous period. The Government's evaluation in this area should be a verification that the SM *effectively* continued to implement an on-going and proactive process to identify and improve their business and operating processes and practices during the current rating period. Further, that the SM takes prudent action to improve in those areas where considered reasonable and appropriate through the process of corrective and preventative actions.

13 RATIONALE/COMMENTS: Individual COTR comments are found in this section of the worksheet. These summary comments support the performance element rating discussed above.

NOTE CONCERNING VALIDATED CUSTOMER COMPLAINTS: Customer Feedback/User Complaints: (FAR). Customer feedback/user complaint is a means of documenting certain kinds of service problems and successes. Any MARAD personnel acting in accordance with his/her position; members of USCG, MSC, USTRANSCOM, or other DOD components may issue a customer feedback/user complaint. The feedback/complaint is issued to the COTR. Feedback comments should have a time/date; narrative description; name of individual. To be a valid method, all such alleged defects must be examined by the COTR within a reasonable time (depends on nature of service) and determined to be a true defect. The COTR will add the date that feedback is verified or accepted.

B. EVALUATION CHECK OFF SHEET: A check off list used solely as a memory jogger and job aid to help the COTR in the field during his/her evaluation of the Ship Manager's performance. **The Check-Off Sheet is not part of the Performance Element.** The QASP evaluation is not solely dependent on the check off sheet. The Check-off sheet is only a summary of the evaluator's field notes and is considered privileged Government's official backup material.

This Government evaluator's back-up check off sheet is appended after each Performance Element in this QASP, entered into the Performance Evaluation and Appraisal System (PEAS), and provided to the Ship Manager solely as courtesy information. .

The Check-off sheet questions have been developed and numbered to match each of the corresponding standards listed under the "Meets Standards" section of the applicable

Performance Element in this QASP. Sub–questions have been developed under each Check-off list question to list items which are recommended for COTR consideration during his/her evaluation of the Ship Manager's performance for the applicable Performance Element Standard. **COTRs should answer all lettered sub-questions listed below each numbered question before answering the applicable numbered question.**

All check-off list questions and sub-questions have been designed to enhance clarity, eliminate any double negatives, and always result in a "Yes" answer to indicate positive Ship Manager performance. Notes have been added to sub-questions as necessary to enable the COTR to readily identify and record any instances where Ship Manager's performance meets the "Exceeds Standards" AQLs.

A new column "N/A or N/O" has been added after "Yes" and the "No" columns in the check-off sheets. The COTR should mark this column if any question or sub-question is "Not Applicable" or was "Not Observed" during the rating period. *[Note: This N/A column will only be available in SM-PEAS when the next enhanced SM-PEAS version is released]*

It is recommended that COTRs complete the entire check-off sheet and answer all questions and sub-questions before completing his/her rating of the SM performance. COTR's are expected to use and complete check-off sheets and to save them as documentation supporting their ratings. However, this is not a contract requirement.

Conclusions

Upon the conclusion of a six month evaluation rating period (after first rating period which is 9 months after NTP), a formal copy of the evaluation will be sent by the ACO to the Ship Manager. In accordance with FAR 42.1503(b), the Ship Manager has the right to submit comments to the ACO within 30 days of receipt of the semi-annual past performance evaluation. Comments submitted will be reviewed one level above the ACO and remain part of the record to be presented to the Incentive Awards Committee. See Award Term Incentive Option Plan (ATIOP), Attachment J-12 to the RRF Ship Manager Contract. Ship Manager's comments will not change an evaluation, but may in the view of the Incentive Awards Committee mitigate it. The ultimate conclusion on the performance evaluation is a decision of the contracting agency. Copies of the evaluation, contractor response, and review comments, if any, shall be retained as part of the evaluation.

Performance Goal 1: Responsive and High-Quality Completion of Fleet Maintenance Requirements

Performance Element 1-1: Preventative Maintenance Plan (PMP) Execution and Update	
Performance Objective: Ship Manager is effectively and efficiently executing the PMP in both Phase M and Phase O to successfully achieve readiness, activation and operational requirements.	
Standards *(must meet **one** of the following in addition to achieving "Meets Standard")*	**Quality Levels**
Exceeds Standard	**Exceeds Acceptable Quality Levels**
1. All maintenance actions for non-critical equipment are accomplished	1. No more than two omissions per vessel per month
2. PM actions are updated to improve the effectiveness of the PMP	2. Objective Quality Evidence (OQE) – The SM clearly demonstrates a program of continuous improvement and/or they have previously achieved Exceeds Standards and continued to maintain that level during current inspection period.
3. NS5 is updated to reflect any anomalies or additional maintenance conducted in the process of executing PM actions	3. No more than two omissions on non-critical equipments per vessel per six month Performance Appraisal Period.
Meets Standard *(must meet **all** of the following)*	**Acceptable Quality Level**
1. All maintenance actions are completed on "critical equipments"	1. No omissions
2. All maintenance actions for non-critical equipment are accomplished	2. No more than five omissions per vessel per month **AND** The same incomplete action was properly completed in the previous maintenance cycle.
3. The PMP is updated to reflect equipment additions, change-outs and removals	3. Zero omissions
4. NS5 is updated to reflect any completed PM and anomalies or additional maintenance conducted in the process of executing PM actions	4. Zero omissions on Critical Equipment; **AND** No more than six omissions on non-critical equipments per vessel per six month Performance Appraisal Period
Unsatisfactory *(meets **any** of the following or does not meet any "Meet Standard" AQL)*	**Unsatisfactory Quality Level**
1. All maintenance actions are completed on "critical equipments"	1. One action is not completed
2. All maintenance actions for non-critical equipment are accomplished	2. Six omissions per vessel per month **OR** Any of the current incomplete actions was not completed in the previous maintenance cycle.

3. The PMP is updated to reflect equipment additions, change-outs and removals	3. One omission
4. NS5 is updated to reflect any anomalies or additional maintenance conducted in the process of executing PM actions	4. One omission on Critical Equipment; **OR** Seven omissions on non-critical equipments per vessel per six month Performance Appraisal Period
Critical Equipment to be defined as "Equipment included in the PM Plan that is essential to successful activation and/or successful sustained operation for 180 days." Non-critical Equipment to be defined as "Equipment included in the PM Plan not deemed critical as defined above."	
Initiating Official: COTR	
Method of Inspection: COTR review of NS5 and/or on-board maintenance records Visual inspection of equipment and systems during ship visits by COTR Light-offs, Dock and Sea Trials ABS Surveys USCG Inspections	
Frequency of Inspection: Continuous review of maintenance history database, minimum monthly. Periodic COTR vessel visits. (note: COTR shall inspect each vessel at least monthly for vessels in Phase M and annually for vessels in Phase O)	
Statement of Work Reference: C.2.3.1.1	Applicable References: NS5, other applicable vessel maintenance records, Ship Technical Manuals; Ship Operating Manuals; Applicable Regulatory Rules, Regulations and MOUs, SM Business Plan, Ship Manager's Quality Assurance Procedures
Rating: 0 Unsat — 2 Meets Standard — 3 Exceeds Standard	
Rationale/Comments required for all rating levels:	

Performance Element 1-1 PMP Execution				**Frequency: Monthly**
Inspection of Ship's Equipment and Material Condition - Check List (Job Aid only for COTR)	**Yes**	**No**	**N/A or N/O**	**Remarks**
1) All maintenance actions are completed on "critical equipments"?				
a) Did the Ship Manager implement his Phase M maintenance plan? (Check Monthly only in Phase M)				
b) Did the Ship Manager implement his Phase O maintenance plan if operational for greater than 30 days? (Check Monthly only in Phase O)				
c) Were all PM actions on critical equipment completed by SM in accordance with the applicable Phase M or Phase O maintenance plan?				
2) All maintenance actions for non-critical equipment are accomplished?				
a) Were all items that were *not* completed as required during the current inspection period properly completed by SM in the previous maintenance cycle?				
b) Are **five or less** maintenance actions on non-critical equipment per vessel per month incomplete? (Meets Standard) If **two or less** maintenance actions on non-critical equipment per vessel per month are incomplete, note under remarks here and explain under Evaluator's Summary Assessment on the PIR. (Exceeds Standard)				
c) Did the COTR's witnessing the execution of at least 2 PM actions disclose that all applicable written procedures were followed?				
d) Did the COTR's random inspection of a minimum 5% sampling of PMP actions, which were recorded as completed by SM during COTR's absence, disclose indications that the inspected PM actions were accomplished in accordance with the written procedures?				
Review of PMP				
3) The PMP is updated to reflect equipment additions, change-outs and removals?				
a) Did SM update the PMP to reflect equipment change outs, additions, and/or removals? *(Check only as necessary upon ship configuration changes)*				
b) Did the SM improve the effectiveness of the PMP as necessary to improve the quality of a specific maintenance action (enhanced procedure, adjusted frequency, etc.)? If the SM clearly demonstrates a program of continuous improvement and/or they have previously achieved Exceeds Standards and continued to maintain that level during current inspection period, note under remarks here and explain under Evaluator's Summary Assessment on the PIR. (Exceeds Standard)				

Review of NS5 Database - Compare data entries against scheduled and completed actions				
4) NS5 is updated to reflect any completed PM and anomalies or additional maintenance conducted in the process of executing PM actions?				
a) Did SM update NS5 to reflect completion of the scheduled maintenance actions?				
b) Has the SM identified and documented any additional unscheduled work accomplished during the execution of PM actions into NS5?				
c) If any PM action discloses need for future maintenance & repairs, did SM enter required repairs as a Service Request in NS5 including resources and cost estimate?				
d) Did SM make entries in accordance with NS5 PM Guidance?				
e) Did SM's update of NS5 have ***zero*** omissions regarding Critical Equipment PM actions?				
f) Did SM's update of NS5 have total of ***six or less*** omissions per vessel in current six month Performance Appraisal Period regarding Non-Critical Equipment PM actions? (Meets Standards) *Note: COTR to put running total for current six-month PAP under Remarks*. If SM's update of NS5 had a total of ***two or less*** omissions per vessel in current six month Performance Appraisal Period regarding Non-Critical Equipment PM actions, note under remarks here and explain under Evaluator's Summary Assessment on the PIR. (Exceeds Standard)				
COTR Feedback to SM				
Did the COTR advise the Ship Manager QA POC, Port Engineer, and/or ROS Chief Engineer of any non-conformities, inconsistencies or unsatisfactory conditions upon identification?				

Performance Element 1-2: Regulatory Body Classification/Certification	
Performance Objective: Regulatory body surveys and inspections are compliant and current. Outstanding non-conformities levied by regulatory bodies are being resolved in a timely manner.	
Standards	**Quality Levels**
Exceeds Standards *(must meet 5 of the following in addition to achieving "Meets Standard")*	**Exceeds Acceptable Quality Levels**
1. All onboard documents are current and maintained in the appropriate locations	1. No unaccounted non-conformities
2. Complete all ABS and USCG Annual Regulatory inspections within the annual survey window.	2. No ABS survey or USCG inspection remains unscheduled past the first 30 days of ABS Survey 90 day window And ABS Surveys and USCG inspections are completed on or before the due date.
3. No ABS outstanding issued per inspection cycle	3. No ABS outstanding recommendations except for MARAD (610) Allowed items which can only be cleared during activation.
4. No USCG 835s issued during an inspection period	4. No USCG 835s except for any MARAD (610) Allowed 835s (e.g., fire and boat drill) items which can only be cleared during activation
5. Vessel is fully prepared and pre-checks conducted prior to regulatory body inspection or survey	5. No noted discrepancies or required revisits (re-perform scheduled test) by ABS and USCG
6. Ship Managers monitor changes to regulatory body requirements and implement changes to achieve compliance.	6. Objective Quality Evidence (OQE) – Proactive notification to MARAD, crew training, and identify necessary changes to business plan
Meets Standards *(must meet **all** of the following)*	**Acceptable Quality Level**
1. All onboard documents are current and maintained in the appropriate locations	1. No more than one non-conformity noted
2. Complete all ABS and USCG Annual Regulatory inspections within the annual survey window.	2. No non-conformities .
3. No ABS outstanding issued per inspection cycle	3. No more than five ABS outstandings that do not impact readiness, except for MARAD (610) Allowed items which can only be cleared during activation
4. All ABS outstanding items are cleared before due date	4. No non-conformities
5. No USCG 835s issued during an inspection period. (*THIS ITEM EXCLUDES SECURITY RELATED NON-CONFORMITIES)*	5. No more than five USCG 835s that do not impact readiness except for any MARAD (610) Allowed 835s (e.g., fire and boat drill) items which can only be cleared during activation
6. All 835s and work lists are cleared by due date	6. No non-conformities

7. Vessel is fully prepared and pre-checks conducted prior to regulatory body inspection or survey	7. No more than two discrepancies identified by regulators that were cleared in a single revisit
8. The NS5 database is updated to reflect current regulatory body requirements	8. No non-conformities
9. Ship Managers monitor changes to regulatory body requirements and implement changes to achieve compliance	9. Vessels remain in compliance
Unsatisfactory *(meets **any** of the following or does not meet any "Meet Standard" AQL)*	**Unsatisfactory Quality Level**
1. All onboard documents are current and maintained in the appropriate locations	1. More than one non-conformity noted
2. Complete all ABS and USCG Annual Regulatory inspections within the annual survey window.	2. Non-conformities observed.
3. No ABS outstanding issued per inspection cycle	3. More than five ABS outstandings that do not impact readiness, except for MARAD (610) Allowed items which can only be cleared during activation
4. All ABS outstanding items are cleared before due date	4. Non-conformities noted
5. No USCG 835s issued during an inspection period	5. More than five USCG 835s that do not impact readiness except for any MARAD (610) Allowed 835s (e.g., fire and boat drill) items which can only be cleared during activation
6. All USCG 835s and work lists are cleared by due date	6. Non-conformities noted
7. Vessel is fully prepared and pre-checks conducted prior to regulatory body inspection or survey	7. More than two noted non-conformities that were cleared in a single revisit **OR** Clearing of non-conformities required more than one revisit
8. The NS5 database is updated to reflect current regulatory body requirements	8. Non-conformities noted
9. Ship Manager monitors changes to regulatory body requirements and implements changes to achieve compliance.	9. Vessel is cited for noncompliance .
	***Note:** It is recognized that some USCG 835s or ABS Outstanding non-conformities will be issued due to the vessel's limited availability. These non-conformities will not impact the SM's performance assessment unless the SM is unable to clear the non-conformity when the opportunity is available*
Initiating Official: • COTR	
Method of Inspection: • NS5 Review • ABS Safenet Review • Vessel inspection and attendance during surveys	
Frequency of Inspection:	

- COTR discretion but at least monthly.
- COTR attendance during regulatory body inspections.

Statement of Work Reference:

- C.2.1

Other Applicable References:

- Vessel's "Blue Book" with associated vessel regulatory documents
- ABS SAFENET
- NS5
- USCG Bridge Record Card
- Ship Manager's Quality Assurance Plan

Rating:

0	2	3
Unsat	Meets Standard	Exceeds Standard

Rationale/Comments required for all rating levels:

Performance Element 1-2: Regulatory Body Classification/Certification – Check List (Job Aid only for COTR)				**Frequency: Monthly**
Regulatory Inspection and Survey Documentation	**Yes**	**No**	**N/A or N/O**	**Remarks**
1) All onboard documents are current and maintained in the appropriate locations?				
a) Is the Ship Manager in receipt of documents and certificates that have been accomplished? (spot check Blue Book) Note any identified non-conformities or superior performance under Remarks. Also note if SM has followed up with applicable regulatory body.				
b) Does SM have a valid acceptable reason for any missing regulatory document?				
c) Did the Ship Manager review ABS Safenet to confirm proper credit of surveys? (Spot check Safenet). Note any identified non-conformities or superior performance under Remarks. Also note if SM has followed up with ABS.				
d) Is the number of regulatory documentation non-conformities **one or less**? (Meets Standard) If **zero**, note so under Remarks here and explain under Evaluator's Summary Assessment in PIR. (Exceeds Standard).				
Regulatory Inspection and Survey Execution				
2) Complete all ABS and USCG Annual Regulatory inspections within the annual survey window?				
a) Did the SM complete all ABS and USCG survey and inspection items within the annual inspection window? (Meets Standard) If No ABS or USCG survey or inspection remains unscheduled past the first 30 days of ABS Survey 90 day window, and ABS Surveys and USCG inspections are completed on or before the due date, summarize specifics under Remarks and explain under Evaluator's Summary Assessment in PIR. (Exceeds Standard)				
b) Did the Ship Manager carry out all regulatory inspections and surveys as identified in the Ship's Business Plan? (explain circumstances for a no response)				
c) Did the SM conduct all regulatory inspections and surveys in an efficient manner?				
d) Did SM request **zero** extensions during the inspection period?				
e) If SM requested any extensions, were they reasonable and pre-approved by MARAD?				
3) No ABS outstandings issued during the inspection period (except for MARAD allowed items that can only be cleared during activation)?				

If ABS identified any non-conformities during the inspection period (except for MARAD 610 allowed items that can only be cleared during activation), summarize specifics under Remarks and explain under Evaluator's Summary Assessment.				
a) Did COTR confirm that **none** of the ABS identified non-conformities (except for MARAD 610 allowed items required during activation) resulted in an impact on readiness? (if no, explain in Remarks)				
b) Were **five or less** ABS outstandings (that do not impact readiness), except for MARAD 610 Allowed Items which can only be cleared during activation, issued during inspection period? (Meets Standard) If **zero** ABS outstanding recommendations were issued (except for MARAD 610 Allowed Items required during activation), note so under Remarks here and explain under Evaluator's Summary Assessment in PIR. (Exceeds Standard)				
4) All ABS outstanding items are cleared before due date?				
a) Has SM scheduled corrective action for all ABS non-conformities in a reasonable and acceptable timeframe?				
5) No USCG 835s issued during the inspection period (except for MARAD 610 Allowed Items required during activation)? (*THIS ITEM EXCLUDES SECURITY RELATED NON-CONFORMITIES)*				
a) Were zero "No Sail" non-conformities (except for MARAD 610 Allowed Items which can only be cleared during activation) issued since last performance report? If any No Sail non-conformities were issued, answer No and summarize under Remarks and explain under Evaluator's Summary Assessment in PIR.				
b) Did SM promptly notify COTR regarding any identified "No Sail" non-conformities?				
c) Were **five or less** USCG 835s (that do not impact readiness) issued during inspection period - excluding any MARAD 610 Allowed Items (e.g., fire and boat drill) which can only be cleared during activation? (Meets Standard) If **zero** USCG 835s were issued (except for MARAD 610 Allowed Items which can only be cleared during activation), note so under Remarks here and explain under Evaluator's Summary Assessment in PIR. (Exceeds Standard).				
6) All 835s and work lists are cleared by due date (except for MARAD 610 Allowed Items which can only be cleared during activation)? **(***THIS ITEM EXCLUDES SECURITY RELATED NON-CONFORMITIES)*				
a) Can all "No Sail" non-conformities be corrected by SM during the assigned readiness period?				
b) Has SM scheduled corrective action for all USCG identified non-conformities (except for MARAD 610 Allowed Items that can only be cleared during				

activation) in a reasonable and acceptable timeframe?				
7) Vessel is fully prepared and pre-checks conducted prior to regulatory body inspection or survey?				
a) Was each vessel fully prepared for the accomplishment of the survey and/or inspection i.e., did SM pretest equipment and has adequate resources available to support the survey/inspection?				
b) Were additional resources identified and scheduled by SM for the proper conduct of the survey and/or inspection valid and reasonable?				
c) Did ***each*** scheduled inspection or survey visit result in no more than **two** non-conformities that were cleared in a single revisit? (*Meets Standard*) If USCG/ABS noted **zero** non-conformities on all visits and required zero **revisits** (to re-perform previously conducted inspection /survey), note so under Remarks here and explain under Evaluator's Summary Assessment in PIR. (*Exceeds Standard*)				
Review of NS5 Database				
8) The NS5 database is updated to reflect current regulatory body requirements?				
a) Did SM update all the key Regulatory Body inspections, surveys, and due dates in the NS5 database upon completion?				
b) Did SM accurately document and maintain all PM/CM actions completed within inspection period within NS5 for presentation to Regulatory Body surveyors?				
Monitoring & Implementing Regulatory Changes				
9) Ship Manager monitors changes to regulatory body requirements and implements changes to achieve compliance? If there were no regulatory changes since the last Performance Inspection Report, mark #9, #9a, #9b & #9c as N/A.				
a) Did SM ensure that vessels remain in compliance with the new regulatory changes? (Meets Standard)				
b) Did the ship manager proactively notify MARAD of any new regulations issued during the inspection period and make recommendations for changes in the BP to satisfy compliance? (Exceeds Standard)				
c) Did the Ship Manager proactively train vessel crews in the new requirements? (Exceeds Standard)				
COTR Feedback to SM				
Did the COTR advise the Ship Manager QA POC, Port Engineer, and/or ROS Chief Engineer of any non-conformities, inconsistencies or unsatisfactory conditions upon identification?				

Performance Element 1-3: Vessel Readiness & Reliability	
Performance Objective: The vessel is capable of being activated within its assigned readiness period and can reliably sustain 180-days Fully Mission Capable (FMC) operations.	
Standards	**Quality Levels**
Exceeds Standards *(must meet **one** of the following in addition to achieving "Meets Standard")*	**Exceeds Acceptable Quality Levels**
1. During Phase M, Ship Manager maintains vessel in C1/C2 readiness status unless a C3 or C5 period is scheduled in the approved Business Plan and/or pre-approved by MARAD	1. Zero unscheduled C3 or C4 periods per vessel during inspection period
2. If operational, Ship Manager operates vessel in Phase O in a reliable FMC condition for up to 180 days	2. Minimum 98% FMC sustained per vessel for each month of operation **And** Minimum 98% FMC for the overall operation period greater than 30 days (up to 6 months vessel operating period). *(Note: All planned, scheduled and pre-approved C5 repair periods are considered FMC)*
Meets Standards *(must meet **all** of the following)*	**Acceptable Quality Level**
1. During Phase M, Ship Manager maintains vessel in C1/C2 readiness status unless a C3 or C5 period is scheduled in the approved Business Plan and/or pre-approved by MARAD	1. Nine days of unscheduled C3 or C4 periods per vessel during each 180 day Phase M Period. *Note: The number of allowable unscheduled Out-of-Readiness days will be prorated to = 9 x Actual Days in Phase M / 180.*
2. If operational, Ship Manager operates vessel in Phase O in an FMC condition for up to 180 days	2. Minimum 95% FMC sustained per vessel for each month of operation And Minimum 95% FMC for the overall operation period greater than 30 days (up to 6 months vessel operating period). *(Note: All planned, scheduled and pre-approved C5 repair periods are considered FMC*)
3. The Ship Manager accurately reports vessel readiness	3. Zero instances of the SM failing to accurately report vessel readiness condition
4. The Ship Manager promptly reports unscheduled readiness changes within 24 hours of identification	4. Zero non-conformities.
Unsatisfactory *(meets **any** of the following or does not meet any "Meets Standard" AQL)*	**Unsatisfactory Quality Level**
1. Ship Manager maintains vessel in C1/C2 readiness status unless a C3 or C5 period is scheduled in the approved	1. More than Nine days of unscheduled C3 or C4 periods per vessel during each 180 day Phase M Period.

Business Plan	*Note: The number of allowable unscheduled Out-of-Readiness days will be prorated to = 9 x Actual Days in Phase M / 180.*
2. If operational, Ship Manager operates vessel in Phase O in an FMC condition for up to 180 days	2. Less than 95% FMC sustained per vessel for each month of operation **OR** Less than 95% FMC for the overall operation period greater than 30 days (up to 6 months vessel operating period). *(Note: All planned, scheduled and pre-approved C5 repair periods are considered FMC)*
3. The Ship Manager accurately reports vessel readiness	3. One instance of the SM failing to accurately report vessel readiness condition.
4. The Ship Manager promptly reports unscheduled readiness changes within 24 hours of identification	4. One non-conformity

Initiating Official:
COTR

Method of Inspection:
Review of Ship Manager's After-Action and Incident Reports
Review of Casualty Reports
Visual inspection of ship by MARAD
Operational Message Traffic and SITREPs

Frequency of Inspection:
Monthly or more frequent if inconsistencies or non-conformities are found.

Statement of Work Reference:
C.2.2.4, 2.2.5.1, C3.3.1

Other Applicable References:
- Weekly NS5 reports and weekly Status Reports on readiness and RSTARS
- ABS Rules for Building and Classing Steel Vessels
- Ship Manager Quality Plan
- SM Operations Plan

Rating:

0	2	3
Unsat	Meets Standard	Exceeds Standard

Rationale/Comments required for all rating levels:

Performance Element 1-3: Vessel Readiness & Reliability ***- Check List (Job Aid only for COTR)***				**Frequency:** Monthly
Phase M Readiness	**Yes**	**No**	**N/A or N/O**	**Remarks**
1) Ship Manager maintains vessel in C1/C2 unless a C3 or C5 period is scheduled in the approved Business Plan and/or pre-approved by MARAD?				
a) Did SM satisfactorily project all out-of-readiness periods (during this inspection period) in the Annual Business Plan and/or periodic updates?				
b) Did SM notify and obtain pre-approval from COTR before commencing all scheduled out-of-readiness periods during this inspection period?				
c) Did each vessel have ***nine days or less*** of unscheduled C3 or C4 periods during the current six-month Performance Appraisal Period.? (Meets Standard) *Note: The number of allowable unscheduled Out-of-Readiness days will be prorated to = 9 x Actual Days in Phase M / 180.* Enter actual days in Phase M and calculated allowable Out-of-Readiness days under Remarks.				
d) Did each vessel have ***zero*** unscheduled C3 or C4 periods per vessel during this inspection period? Summarize under Remarks and Explain under Evaluator's Summary Assessment in PIR. (Exceeds Standard)				
Phase O Reliability				
2) If operational, Ship Manager operates vessel in Phase O in an FMC condition for up to 180 days? If there was no Phase O period during this inspection period, mark #2, #2a, #2b, #2c, #2d, #2d, #2e and #2f as N/A				
a) Did each operating vessel sustain operational reliability of 95% FMC or higher for each month of operation?				
b) Did each operating vessel sustain operational reliability of 95% FMC or higher for the overall operation period greater than 30 days (up to 6 months vessel operating period)? *Note: All planned, scheduled and pre-approved C5 repair periods are considered FMC.* (Meets Standard) Calculate and Enter in remarks: Operational Reliability = *x* days FMC / *y* days operational* 100 % If each operating vessel sustained operational reliability				

of 98% or higher for the entire applicable operational period during the current six-month Performance Appraisal Period, note so under Remarks here and explain under Evaluator's Summary Assessment in PIR. (Exceeds Standard)				
c) Did the ship manager notify the COTR within 24 hours of any unscheduled non-FMC events or any C-3 or C-4 CASREPs?				
d) Were all non-FMC periods beyond the control of the Ship Manager, including crew? Explain under Remarks.				
e) Was the ship manager proactive in minimizing non-FMC periods?				
f) Non-FMC periods did NOT result in a late arrival and/or mission impact?				
*Readiness Reporting **Accuracy***				
3) The Ship Manager accurately reports vessel readiness?				
a) Did the ship manager accurately report readiness (including considering the collective total of all non-conformities that could impact activation or 180-day FMC operations) during this inspection period?				
b) Were there ***Zero*** instances of the SM failing to **accurately** report vessel readiness condition?				
*Readiness Reporting **Timeliness***				
4) The Ship Manager promptly reports unscheduled readiness changes within 24 hours of identification?				
a) Did the ship manager notify the COTR within 24 hours of ***all*** unscheduled readiness status changes? (if No, summarize under Remarks here and explain under Evaluator's Summary Assessment in PIR)				
COTR Feedback to SM				
Did the COTR advise the Ship Manager QA POC, Port Engineer, and/or ROS Chief Engineer of any non-conformities, inconsistencies or unsatisfactory conditions upon identification?				

Performance Element 1-4: Quality and Completeness of Vessel Business Plan (M&R Work Plan).	
Performance Objective: The Business Plan encompasses the accurate and responsive actions including but not limited to performing preventative maintenance, maintaining regulatory compliance, correction of known and emergent deficiencies, as required to maintain the vessel in C1 or C2 status.	
Standards	**Quality Levels**
Exceeds Standards *(must meet **three** of the following in addition to achieving "Meets Standard")*	**Exceeds Acceptable Quality Levels**
1. The Ship Manager demonstrates application of adequate Risk Management of M&R performance/cost/schedule/readiness etc. in the development of their Business Plan	1. Zero major activities and 3% of minor activities demonstrate inadequate risk management by SM.
2. Initial Business Plan's comprehensiveness, accuracy and quality are adequate.	2. No more than one minor error or omission
3. The final Business Plan's comprehensiveness, accuracy and quality are adequate.	3. No changes required
4. The initial and final business plans are submitted timely in accordance with the MARAD directed schedule	4. Received at least 3 business days before scheduled due dates
5. The initial and final business plans as submitted comply with the MARAD BP preparation guidance	5. Zero major non-conformity and 2 or less minor non-conformities in Initial Business Plan AND Zero major non-conformity and zero minor non-conformity in Final Business Plan
6. SM demonstrates innovation in identifying new and modern components, systems, and processes which can enhance vessel capabilities.	6. OQE.
Meets Standards *(must meet **all** of the following)*	**Acceptable Quality Level**
1. The Ship Manager demonstrates application of adequate Risk Management of M&R performance/cost/schedule/readiness etc. in the development of their Business Plan	1. Zero major activities and 10% or less of minor activities demonstrate inadequate risk management by SM.
2. Initial Business Plan's comprehensiveness, accuracy and quality are adequate.	2. No more than one major error or omission
3. The final Business Plan's comprehensiveness, accuracy and quality are adequate.	3. No more than one minor error or omission
4. The initial and final business plans are submitted timely in accordance with the MARAD directed schedule	4. No more than 3 business days after scheduled due date
5. The initial and final business plans as submitted comply with the MARAD BP	5. No more than one major non-conformity and five minor non-

preparation guidance	conformities in Initial Business Plan AND Zero major non-conformities and two or less minor non-conformities in Final Business Plan
Unsatisfactory *(meets **any** of the following or does not meet any of the "Meets Standards" AQLs.)*	**Unsatisfactory Quality Level**
1. The Ship Manager demonstrates application of adequate Risk Management of M&R performance/cost/schedule/readiness etc. in the development of their Business Plan	1. One or more major activities and greater than 10% or more of minor activities demonstrate inadequate risk management by SM.
2. Initial Business Plan comprehensiveness, accuracy and quality are adequate.	2. Two or more major error or omission
3. The final Business Plan's comprehensiveness, accuracy and quality are adequate.	3. Two or more minor error or omission OR One major error or omission.
4. The initial and final business plans are submitted timely in accordance with the MARAD directed schedule	4. Business Plan submissions are received 4 or more days after due date
5. The initial and final business plans as submitted comply with the MARAD BP preparation guidance	5. Two major non-conformities or six minor non-conformities in Initial Business Plan OR One major non-conformity or two minor non-conformities in Final Business Plan
NOTES: a. *If the Business Plan requires modifications due to MARAD imposed requirements after the initial submission, SMs performance should be reflected in PE 1-5, Responsiveness to changes in the BP.* *b. A **major activity** is defined as a project or individual work item that has a dollar value of $500,000 or more, or applies to a piece of critical equipment, or is an activity which impacts vessel readiness.* *c. A **minor activity** is defined as a project or individual work item that has a dollar value of less than $500,000, applies to non- critical equipment, or is an activity which does not impact vessel readiness.*	*d. A **minor** error or omission is defined as the SM having to modify the BP because he omitted 5 or less known repair items or 10 or less known repair items were incomplete in respect to statement of work, applicable equipment, or reasonableness of cost estimate.* *e. A **major** error or omission is defined as a significant change to the overall business plan schedule or cost due to the omission of a key element(s) such as a key regulatory requirement or known activation. The SM will be held accountable for a complete business plan if he is informed of all known activations. A major re-write may also be defined as the SM omitting more than five (5) known repair items or more than 10 known repair items were incomplete in respect to statement of work, applicable equipment, or reasonableness of cost estimate.*
Initiating Officials:	

• COTR • SMS • SOMO • SSR	
Method of Inspection: • Review and assessment of the Business Plan as submitted under contract • Review of NS5	
Frequency of Inspection: • Annual • Initial and Final submissions • When updates are submitted by the Ship Manager • When MARAD guidance dictates	
Statement of Work Reference: C.2.1, C.2.2, C.2.3, C.2.4, C.2.5 C.6.4, C.6.5 Attachment J-4	Applicable References: • MAR-611 Maintenance and Repair Planning Guidance (issued annually) • MAR-611 Fiscal Guidance (issued annually per USTC/Navy Planning Guidance) • SM Quality Assurance Plan
Rating: 0 Unsat 2 Meets Standard 3 Exceeds Standard	
Rationale/Comments required for all rating levels:	

1-4 Quality and Completeness of Business Plan ***- Check List (Job Aid only for COTR)***				**Frequency:** **Annual and as required upon receipt of updates**
Cost/Performance/Schedule Risk Management in Business Plan	**Yes**	**No**	**N/A or N/O**	**Remarks**
1) The Ship Manager demonstrates application of adequate Risk Management of M&R performance/cost/schedule/readiness etc. in the development of their Business Plan?				
a) Has the Ship Manager applied Risk Management in the identification of cost and performance risks and implemented mitigation solutions for both?				
b) Did SM adequately identify replacements in lieu of repair of equipment when economically justifiable?				
c) Are cost estimates developed that include SM attendance, reimbursable costs, travel, admin costs, tech reps, GFE?				
d) Did SM conduct or plan to conduct preliminary surveys of spaces and equipment to accurately develop specifications?				
e) Did SM establish reasonable estimates including growth estimates based on historical data and good marine practice?				
f) Did the SM **correctly** prioritize all known requirements to allow for MARAD initiated adjustments due to funding constraints?				
g) Did the SM demonstrate that M&R activities on the Master Schedule Tab were planned to minimize out of readiness?				
h) Did the SM demonstrate that M&R activities on the Master Schedule Tab were planned to minimize the impact of geographical, meteorological or other regional impact?				
i) Do Zero major activities demonstrate inadequate risk management by SM? (Meets Standard) Explain under Remarks. *Note: A major activity is defined as a project or individual work item that has a dollar value of $500,000 or more, or applies to a piece of critical equipment, or is an activity which impacts vessel readiness.*				
j) Do 10% or less of minor activities demonstrate inadequate risk management by SM? (Meets Standard) Explain under Remarks. *Note: A minor activity is defined as a project or individual work item that has a dollar value of less than $500,000, applies to non- critical equipment, or is an*				

activity which does not impact vessel readiness. If only 3% or less of minor activities demonstrate inadequate risk management by SM, note so under Remarks here and explain under Evaluator's Summary Assessment in PIR (Exceeds Standard)				
Review of Business Plan and NS5				
2) Initial Business Plan's comprehensiveness, accuracy and quality are adequate?				
a) Initial submission has all known M & R deficiencies requiring correction during the budget year?				
b) Are statements of work accurate, clear and concise?				
c) Are cost estimates reasonable and justifiable?				
d) Are M & R deficiencies and work items properly associated to the applicable equipment, system, and/or space within NS5?				
e) Regulatory dates are included and surveys scheduled include any required industrial assistance?				
f) Are planned repairs harmonized with regulatory surveys and inspections, as appropriate and were regulatory inspections and surveys scheduled in an efficient manner within the Business Plan? (i.e. in conjunction with PMP actions, shipyard availabilities)				
g) Preventative Maintenance is incorporated?				
h) Identifies security requirements?				
i) Includes Logistics procurements?				
j) Includes known Phase O requirements?				
k) Includes known Phase M training exercises?				
l) Includes known maintenance activations?				
m) Sea trial / Dock trial requirements included?				
n) Diesel Engine Analysis, as applicable?				
o) Vibration Testing?				
p) Thermography Analysis?				
q) Incorporate all MARAD mandated Safety Items?				
r) Environmental compliances?				
s) Include all known or planned equipment upgrades/vessel enhancements/ESL items?				
t) Does NS5 accurately reflect schedule for all events including all C5 availabilities for current year?				
u) Does scheduling include industrial/vendor's tech rep assistance?				
v) Did MARAD's review of the Initial Business Plan submitted by SM identify NO MORE THAN ***one major error or omission***, AND NO MORE THAN ***one minor error or omission***? (Meets Standard) If only ***one minor error or omission*** was identified, AND NO ***major error or omission*** was identified, note so under Remarks here and explain under Evaluator's Summary Assessment in PIR. (Exceeds Standard) *See Notes (d) & (e) under PE for definition of major and minor error or omission.*				
3) The Final Business Plan's comprehensiveness, accuracy and quality are adequate?				

a) Did the Final BP correct non-conformities identified by MARAD in the Initial Business Plan?				
b) Did the final BP incorporate all MARAD feedback provided after MARAD's review of the initial BP?				
c) Did SM accurately complete the PY BP Execution Tab of the BP Spreadsheet?				
d) Did SM accurately complete the CY BP Execution Tab of the BP Spreadsheet?				
e) Did SM accurately complete the Master Schedule Tab of the BP Spreadsheet?				
f) Did the SM accurately complete the BP Narrative?				
g) Did MARAD's review of the Final Business Plan submitted by SM identify ***one*** error or omission? (Meets Standard). Did MARAD's review of the Final Business Plan submitted by the SM identify no error or omission? (Exceeds Standard) *See Notes (d) & (e) under PE for definition of major and minor error or omission.*				
4) The initial and final business plans are submitted timely in accordance with the MARAD directed schedule?				
a) Did the SM submit the **Initial** Business Plan no later than ***3 days after*** the scheduled date? (Meets Standards)				
b) Did the SM submit the **Final** Business Plan no later than ***3 days after*** the scheduled date? (Meets Standards)				
c) Did the SM submit **both** the **Initial** Business Plan AND the **Final** Business Plan at least 3 ***days before*** the scheduled date? (Exceeds Standards). Explain under Evaluator's Summary Assessment in PIR				
5) The initial and final business plans as submitted comply with the MARAD BP preparation guidance?				
a) Was BP submission in accordance with Attachment J-4?				
b) Did the SM comply fully with the MARAD BP Guidance?				
c) Did SM's **Initial** Business Plan have ***one or less major*** non-conformity and ***five or less minor*** non-conformities from MARAD BP Guidance? **AND** Did SM's **Final** Business Plan have ***Zero major*** **non-conformity** and ***two or less minor*** **non-conformities** from MARAD BP Guidance? (Meets Standards)				
d) Did SM's Initial Business Plan have ***zero major*** **non-conformity** and ***two or less minor*** **non-conformities** from MARAD BP Guidance? **AND** Did SM's Final Business Plan have ***Zero major*** **non-conformity** and ***zero minor*** **non-conformities** from MARAD BP Guidance? Explain under Remarks and note under Evaluator's				

Summary Assessment in PIR (Exceeds Standards)				
Innovation				
6) Did the SM demonstrate innovation in identifying new and modern components, systems, and processes which can enhance vessel capabilities? (Exceeds Standards)				
COTR Feedback to SM				
Did the COTR advise the Ship Manager QA POC, Port Engineer, and/or ROS Chief Engineer of any non-conformities, inconsistencies or unsatisfactory conditions upon identification?				

Performance Element 1-5: Quality of Ship Manager's Execution of the Business Plan (M&R Work Plan)	
<u>Performance Objective</u>: Ship Manager is effectively and efficiently executing the Business Plan.	
Standards	**Quality Levels**
Exceeds Standards *<u>(must meet **3** of the following in addition to achieving "Meets Standard")</u>*	**Exceeds Acceptable Quality Levels**
1. Quality of completed M&R actions is excellent	1. No non-conformities noted by COTR – no rework is required
2. Actual Cost of Completed planned M&R actions is within business plan cost estimates	2. Actual costs of each of the following MARAD approved projects – Regulatory, Ship Support, M&R, Upgrades, ESL are within **+5%/-15%** of the approved BP estimate. Only projects completed within the inspection period will be evaluated.
3. Ship Manager is executing the BP in a manner consistent with successful completion of all work items within the approved BP schedule	3. Actual completion date of all Work planned to be completed during the inspection period is no more than ***15*** days later than scheduled completion date on the BP (which is updated Qtly) or Actions are started on or before schedule date
4. Ship Manager demonstrates innovative approaches in execution of Business plan	4. Objective Quality Evidence (OQE) regarding innovations related to BP planned work quality, cost and schedule
5. The SM effectively adjusted his business plan due to MARAD imposed changes or events beyond the SM control	5. Objective Quality Evidence (OQE)
Meets Standards *<u>(must meet **all** of the following)</u>*	**Acceptable Quality Level**
1. Quality of completed M&R actions is acceptable.	1. No non-conformities noted by COTR on any major item and no more than **5 minor** non-conformities noted by COTR during the inspection period.
2. Actual Cost of Completed planned M&R actions is within business plan cost estimates	2. Actual costs of each of the following MARAD approved projects – Regulatory, Ship Support, M&R, Upgrades, ESL are within **+10%/-20%** of the approved BP estimate. Only projects completed within the inspection period will be evaluated
3. Ship Manager is executing the BP in a manner consistent with successful completion of all work items within the approved BP schedule	3. OQE by COTR (evaluated quarterly)
4. Specifications for BP Planned actions (over $100K) are submitted to COTR	4. Specifications are received by COTR
5. The SM effectively adjusted his business plan due to MARAD imposed changes or events beyond the SM control.	5. OQE

6. NS5 is maintained to reflect changes	6. Updated within 2 business days
Unsatisfactory *(meets **any** of the following)*	**Unsatisfactory Quality Level**
1. Quality of completed M&R actions is acceptable.	1. Any non-conformities noted by COTR on any major item and 6 or more minor non-conformities noted by COTR during the inspection period.
2. Actual Cost of Completed planned M&R actions is within business plan cost estimates	2. Actual costs of each of the following MARAD approved projects – Regulatory, Ship Support, M&R, Upgrades, ESL are **not** within **+10%/-20%** of the approved BP estimate. Only projects completed within the inspection period will be evaluated
3. Ship Manager is executing the BP in a manner consistent with successful completion of all work items within the approved BP schedule	3. OQE by COTR (evaluated quarterly)
4. Specifications for BP Planned actions (over $100K) are submitted to COTR	4. Specifications not received by COTR or have significant technical omissions or inaccuracies
5. The SM effectively adjusted his business plan due to MARAD imposed changes or events beyond the SM control.	5. OQE
6. NS5 is maintained to reflect work	*6.* Not updated within 2 business days

NOTES:
a) *For this Performance Element M & R is defined to include all maintenance, repairs, upgrades and ESL items and emergent repairs.*
b) A major item is defined as an individual work item that has a dollar value greater than $100,000, applies to a piece of critical equipment, or is an activity which impacts vessel readiness.
c) A minor item is any item that is not major.

Initiating Official:
COTR

Method of Inspection:
COTR review of NS5, including maintenance history, cost database and invoices
Visual inspection of equipment and systems during ship visits by COTR

Frequency of Inspection:
- Weekly reviews of NS5 and Periodic COTR vessel visits.
- COTR shall conduct visual inspection of vessel at least monthly during Phase M, and during Phase O – at least Quarterly if deployed throughout the year, and at least once during every ship call to a contiguous US port.

Report to be issued Quarterly

Statement of Work Reference:	Applicable References:
• C.6.4	NS5; MLSS; Ship Technical Manuals; Ship Operating Manuals; Applicable Regulatory Rules, Regulations and MOUs

Rating:

0	2	3
Unsat	Meets Standard	Exceeds Standard

Rationale/Comments required for all rating levels:

Performance Element 1-5: Quality of Ship Manager's Execution of the Business Plan (M&R Work Plan) ***- Check List (Job Aid only for COTR)***				**Frequency:** Inspection – Monthly Report - Quarterly
Quality of M & R Actions	Yes	No	N/A or N/O	Remarks
1) **The quality of completed M & R performed is acceptable?**				
a) Are M & R actions completed in accordance with the specifications?				
b) Did the M & R actions pass operational or regulatory tests?				
Financial Control and Tracking				
2) Are actual costs of completed planned M&R actions within business plan cost estimates?				
a) Is SM monitoring and tracking approved business plan? Sec C, 7.1.1				
b) Were actual project costs within **+10%/-20%** of cost estimates? (note anomalies within remarks) (Meets Standards) If actual project costs are within +5%/-15% of the approved BP estimate, note under remarks here and explain in Evaluators Summary Assessment. (Exceeds Standards)				
c) Did SM accurately estimate the cost for emergent work?				
d) Does review of crew documentation under Phase "M" confirm that OT was authorized by the COTR, OT work actually completed, and hours worked match billings? Sec C, 5.8.5				
e) Does the SM effectively utilize crew overtime to accomplish repairs and emergent work in lieu of industrial assistance?				
f) Did SM document work and record in NS5?				
Business Plan Execution				
3) Is Ship Manager executing the BP in a manner consistent with successful completion of all work items within approved BP schedule?				
a) Is the Business Plan proceeding in accordance with the approved Business Plan schedule?				
b) Is the work being commenced on or before the target date?				
c) Is the work being completed within the estimated performance period?				
d) Were parts and material requirements met and on schedule?				
e) Actual crew leave schedule (vacations and training) had no significant negative impact on the BP execution? *Explain "No" and extenuating circumstances in Remarks.*				
f) Was work accomplished in anticipation of known				

operations and sea trials?				
g) Were identified equipment upgrades, equipment change-outs or vessel enhancements accomplished in accordance with the business plan?				
h) Did the ship manager effectively schedule industrial assistance or vendor's tech rep assistance?				
Specifications				
4) Are Specifications for BP planned actions over $100K submitted to COTR?				
Required Adjustments to Business Plan				
5) Did the Ship Manager effectively adjust his business plan due to MARAD imposed changes or events beyond his control?				
a) Did the Ship Manager adjust his business plan due to changes (MARAD imposed or other factors beyond the SM's control impacting BP execution)?				
b) Did the ship manager adjust his business plan due to changes he imposed upon himself?				
Recording in NS5				
6) Did SM document changes and record in NS5?				
COTR Feedback to SM				
Did the COTR advise the Ship Manager QA POC, Port Engineer, and/or ROS Chief Engineer of any non-conformities, inconsistencies or unsatisfactory conditions upon identification?				

Performance Element 1-6: Logistics	
Performance Objective: **Manage, maintain and replenish ship support material and property necessary to sustain RRF vessels for 180 days.**	
Standards	**Quality Levels**
Exceeds Standards *(must meet at least **7** of the following 13 standards OR meet at least three (3) of the four Property Categories (Repair Parts, Tech Manuals, Drawings and Accountable Property) of the following Exceeds Standards; in addition to achieving SAT on all 13 "Meets Standards.")*	**Exceeds Acceptable Quality Levels**
1. Repair part inventory accuracy is maintained.	1. 98% or greater accuracy
2. Technical manual accountability is maintained.	2. 98% or greater accountability
3. Drawing accountability is maintained.	3. 98% or greater accountability
4. SM has developed and implemented an effective repair part stock replenishment program,	4. Objective Quality Evidence (OQE) AND All outstanding requisitions over three months are reviewed
5. Storerooms are maintained in a neat and clean condition, and secured, if possible.	5. OQE
6. Padlocks are not used to secure repair parts locations, except in the case of ongoing repairs.	6. Padlocks used on zero locations (excluding locations where equipment supported have ongoing repairs) **AND** OQE
7. Vessel's configuration is maintained.	7. Zero major deficiencies **AND** All new equipments are procured with 180 days of spare parts support
8. Accountable Property inventories are reported accurately and timely.	8 Final, annotated Accountable Property inventory count sheets are on file in NS5 and available for review prior to August 3 in the case of the Annual Inventory and within three (3) working days after a deactivation. AND OQE
9. Reports of Survey for missing or damaged equipment are completed accurately and timely.	9. Survey Reports are fully descriptive and submitted within two days of occurrence/discovery
10. Accountable Property is maintained	10 Zero lost or stolen items
11. Pricing information in Purchase Orders for repair parts is being properly posted into NS5 in accordance with SMC Para. 6.6.6.1.3	11 85% of Purchase Orders for stocked and non-stocked repair parts start with a Work Order and originate at the part record
12. Ship Manager verifies parts are unavailable in SBS prior to commercial	12 No more than 2% of repair part procurements are for items available

purchase	in SBS
13. Ship Manager fully complies with other TE-5 requirements that are not covered by Standards #1-12	13 Zero major discrepancies
Meets Standards ***[****Meets at least **7** of the following 13 standards **AND** SAT rating in at least **one** of two priced inventory (Accountable Property and Repair Parts) **AND** SAT rating in at least **two** of 4 inventories (Accountable Property, Repair Parts, Tech Manuals, Drawings)]*	**Acceptable Quality Level**
1. Repair part inventory accuracy is maintained.	1. 95.0% to 97.9% accuracy
2. Technical manual accountability is maintained.	2. 95.0% to 97.9% accountability
3. Drawing accountability is maintained.	3. 95.0% to 97.9% accountability
4. SM has developed and implemented an effective repair part stock replenishment program,	4. OQE **AND** All requisitions outstanding for more than 6 months are reviewed.
5. Storerooms are maintained in a neat and clean condition, and secured, if possible	5. Storerooms are neat, but dirty.
6. Padlocks are not used excessively to secure repair parts locations, except in the case of ongoing repairs.	6. Padlocks used on five or less locations (excluding locations where equipment supported have ongoing repairs)
7. Vessel's configuration is maintained.	7. One major discrepancy AND 5 minor discrepancies
8. Accountable Property inventories are reported accurately and timely.	8. No more than 5 days late
9. Reports of Survey for missing or damaged equipment are completed accurately and timely.	9. OQE and submitted within five (5) days of occurrence/discovery
10. Accountable Property is maintained	10. 100% Accountability
11. Pricing information in Purchase Orders for repair parts is being properly posted into NS5 in accordance with SMC Para. 6.6.6.1.3	11. At least 70% of the Purchase Orders for stocked and non-stocked repair parts start with a Work Order and originate at the part record
12. Ship Manager verifies parts are unavailable in SBS prior to commercial purchase	12. No more than 5% of repair parts procured commercially by SM are available in SBS
13. Ship Manager fully complies with other TE-5 requirements that are not covered by Standards #1-12	13. One major discrepancy
Unsatisfactory [*UNSAT ratings in 7 of 13 standards **OR** UNSAT ratings in 2 priced inventories (Accountable Property and Repair Parts) **OR** UNSAT rating in three of 4 inventories (Accountable Property, Repair Parts, Tech Manuals, Drawings)]*	**Unsatisfactory Quality Level**
1. Repair part inventory accuracy is maintained.	1. 94.9% or less accuracy
2. Technical manual accountability is maintained.	2. 94.9% or less accountability
3. Drawing accountability is maintained.	3. 94.9% or less accountability
4. SM has developed and implemented an	4. OQE

effective repair part stock replenishment program,	**OR** SM is not replenishing stock
5. Storerooms are maintained in a neat and clean condition, and secured, if possible.	5. Repair part storerooms are dirty and disheveled.
6. Padlocks are not used excessively to secure repair parts locations, except in the case of ongoing repairs.	6. Padlocks used on six locations (excluding locations where equipment supported have ongoing repairs)
7. Vessel's configuration is maintained.	7. Two major discrepancies in the vessel's configuration record
8. Accountable Property inventories are reported accurately and timely.	8. OQE; 6 or more days late
9. Reports of Survey for missing or damaged equipment are completed accurately and timely.	9. OQE; **OR** submitted six or more days after occurrence/discovery
10. Accountable Property is maintained	10. 99% or less Accountability
11. Pricing information in Purchase Orders for repair parts is being properly posted into NS5 in accordance with SMC Para. 6.6.6.1.3	11. 69% or less of the Purchase Orders for stocked and non-stocked repair parts start with a Work Order and originate at the part record
12. Ship Manager verifies parts are unavailable in SBS prior to commercial purchase	12. 6% of repair parts are procured by SM despite their availability in SBS
13. Ship Manager fully complies with other TE-5 requirements that are not covered by Standards #1-12	13. Two major discrepancies

Initiating Official:
LMO, Headquarters (MAR-614); COTR

Method of Inspection:
Random or scheduled inspections
Review of NS5 Visual inspection of equipment, systems and documentation
Review of CDRLs
Random sampling

Frequency of Inspection:
1. Region LMO: Inspections no less than once every six months for ROS 4-5 day vessels and no less than once every two years for all other RRF vessels. Monthly or more, if inconsistencies are found.
2. Headquarters: Random inspections no less than once every two years for ROS 4-5 day vessels, and as necessary for all other RRF vessels.

Statement of Work Reference:	Applicable References:
C 3.1, TE-5	FAR 45.5; CFR 101-26.107

Rating:

0	2	3
Unsat	Meets Standard	Exceeds Standard

Rationale/Comments required for all rating levels:

Performance Element 1-6 Logistics – Check List (Job Aid only for COTR)				**Frequency:** **ROS- 6 Months** **RRF- 2 yrs**
Spare Parts Inventory Accuracy (*Conduct a random sample of repair parts in OPEN repair part locations and bulk head mounted spares, a minimum of 20 locations and 300 line items.)*	Yes	No	N/A or N/O	Remarks
1) Did the Ship Manager maintain each vessel's spare parts inventory accuracy at or above 95%? Note the current inventory accuracy. (Meets Standards) If accuracy is 98%or higher, note under Remarks and explain in Evaluator's Summary Assessment in PIR. (Exceeds Standards) Ref.: TE-5 **8.2**; FAR 45.5				
Technical Manual Accountability *(Conduct a complete inventory or a random sample of the ships technical manuals. The random sample will consist of at least 50 manuals).*				
2) Did the Ship Manager maintain each vessel's technical manuals inventory accountability at or above 95%? Note the number of unaccounted technical manuals and current technical manual inventory accuracy. (Meets Standards) If accuracy is 98%or higher, note under Remarks and explain in Evaluator's summary Assessment in PIR. (Exceeds Standards) Ref.: FAR 45.5				
Vessel Drawings Accountability *(Conduct a complete inventory or a random sample of the ships drawings. The random sample will consist of at least 50 drawings)*				
3) Did the Ship Manager maintain each vessel's drawings inventory accountability at or above 95%? Note the number of unaccounted technical manuals and current technical manual inventory accuracy. (Meets Standards) If accuracy is 98%or higher, note under Remarks and explain in Evaluator's summary Assessment in PIR. (Exceeds Standards) Ref.: FAR 45.5				
Repair Parts Stock Replenishment *(Review the Ship Manager's stock replenishment actions in NS5).*				
4) Is the SM actively reviewing and replenishing consumed spare parts stock in accordance with the SM Property Control manual? Ref.: TE-5, 6.4				
a) Did review of stock issues and receipts (since the last inspection) by the vessel in NS5 and interview of the Chief Engineer demonstrate effective stock replenishment actions?				
b) Did SM routinely review all requisitions				

outstanding for more than 6 months? (Meets Standards) If SM routinely reviewed and properly addressed all requisitions outstanding for more than 3 months, summarize here and explain in Evaluator's Summary Assessment in PIR. (Exceeds Standards)				
Storeroom Maintenance and Security *(Inspect each vessel's storerooms)*				
5) Did SM maintain the storerooms in neat and clean condition, and secured, when possible? Ref.: TE-5 **4.2.9** & **4.2.10** a) Storerooms are maintained in a neat condition; but **not thoroughly** clean. Storerooms that can be locked are locked. (Meets Standards) If Storerooms are maintained in a neat and **thoroughly** clean condition **and** Storerooms that can be locked are locked, summarize here and explain in Evaluator's Summary Assessment in PIR. (Exceeds Standards)				
Padlock Usage				
6) Are padlocks not being used, except in the case of ongoing repairs? Ref.: TE-5, 4.2.9				
a) Did SM use padlocks on **five (5) or less** locations (excluding locations where equipments supported have ongoing repairs)? (Meets Standard) If SM used padlocks on **zero** locations (excluding locations where equipment supported have ongoing repairs), summarize under Remarks here and explain under Evaluator's Summary Assessment in PIR. (Exceeds Standards)				
Vessel Configuration *(Review recent equipment installations and removals).*				
7) Did the SM update the vessel's configuration for all new equipment purchased or old equipment removed / replaced? Ref.: TE-5**,** 6.1				
a) Did SM procure repair parts and technical manuals necessary to support the vessel for 180 days at the same time as the new equipment?				
b) Did SM have **one (1) or less major discrepancies AND five (5) or less minor** discrepancies? (Meets Standards)				

If SM had **Zero (0) major** discrepancies **and** all new equipments are procured with 180 days of repair parts support, note under Remarks and explain under Evaluator's Summary Assessment in PIR (Exceeds Standards)				
Accountable Property *(Inspect Ship Manager deliverables with respect to Accountable Property, and associated source documentation, if available. Review Accountable Property activity in NS5. Review copies of Survey documents, if any, submitted by the Ship Manager. Optional: Conduct an inventory of Accountable Property.)*				
8) Did the Ship Manager report Accountable Property inventories accurately and timely? Ref.: TE-5**,** 5.3				
a) Is the Ship Manager conducting a physical inventory of all Accountable Property at times designated in TE-5?				
b) Were required deliverables received by MARAD on time?				
c) No more than five (5) days late? (Meets Standards) If Final, annotated, Accountable Property inventory count sheets are on file in NS5 **and** available for review prior to August 3 in case of the Annual Inventory **and** within three (3) working days after a deactivation, note under Remarks and explain under Evaluator's Summary Assessment in PIR. (Exceeds Standards)				
9) Is the Ship Manager accurately completing and timely submitting Reports of Survey documents for missing, lost or damaged property? Ref.: TE-5, 5.3; FAR 45.5				
a) Were all Reports submitted within 5 days of occurrence/discovery? (Meets Standard) If SM submitted all Reports of Survey within 2 days of occurrence/discovery, summarize under Remarks here and explain under Evaluator's Summary Assessment in PIR. (Exceeds Standards)				
10) Did the SM account for all items of Accountable Property? Ref.: FAR 4.5, TE-5 5.1				
a) Are 100% items of Accountable Property accounted for? (Meets Standard) If there were **zero missing or stolen** accountable property items, summarize				

under Remarks here and explain under Evaluator's Summary Assessment in PIR. (Exceeds Standards)				
Spare Parts Pricing Information *(Randomly select a minimum of 20 ship manager purchase orders. Inspect the purchase orders and compare them to data entered into NS5.)*				
11) Is the Ship Manager entering pricing information into NS5 IAW TE-5? Ref.: TE-5, 4.6.2; FAR 45.5; SMC 6.6.6.1.3				
a) Did at least **70%** of the Purchase Orders for stocked and non-stocked repair parts start with a Work Order and originate at the part record? (Meets Standard) If at least **85%** of the Purchase Orders for stocked and non-stocked repair parts start with a Work Order and originate at the part record, summarize under Remarks here and explain under Evaluator's Summary Assessment in PIR. (Exceeds Standards)				
Shore Based Spares Utilization *Review the Ship Manager's commercial stock purchases (20 or more is preferred).*				
12) Ship Manager verifies parts are unavailable in SBS prior to commercial purchase? Ref.: TE-5 4.5.2; CFR 101-26.107				
a) Did the Ship Manager use SBS assets when they were available? *Note under remarks the number of items purchased by the ship manager that were available in SBS.*				
b) No more than **5%** of repair parts procured commercially by SM are available in SBS. (Meets Standard) If **2% or less** of repair parts procured commercially by SM is available in SBS, summarize under Remarks here and explain under Evaluator's Summary Assessment in PIR. (Exceeds Standards)				
Review the Ship Manager's overall compliance with TE-5.				
13) Did the SM comply fully with otherTE-5 requirements not listed above? **Ref.: TE-5; FAR 45.5**				
a) Are there **1 or less** major violations of RRF logistics policy or property control procedures in TE-5, which are not covered above in Questions #1-12? (Meets Standard) If there were **zero** major discrepancies, summarize under Remarks here and explain				

under Evaluator's Summary Assessment in PIR. (Exceeds Standards)				
COTR Feedback to SM				
Did the COTR advise the Ship Manager QA POC, Port Engineer, and/or ROS Chief Engineer of any non-conformities, inconsistencies or unsatisfactory conditions upon identification?				

Performance Goal 2: Successfully Perform and Support Core RRF Requirements (Activation/ Operation/ Deactivation)

Performance Element 2-1: Quality of Vessel Activation and Deactivation	
Performance Objective: • The vessel activates on time and within budget in accordance with mission requirements. • The vessel is deactivated to its normal R-Status and a plan is developed for the correction of all voyage repairs. *(Note – This PE applies to all activations including no-notice and maintenance activations)*	
Standards	**Quality Levels**
Exceeds Standards *(must meet two out four from Standards 1-4 and Standard 5 of the following in addition to achieving "Meets Standard")*	**Exceeds Acceptable Quality Levels**
1. Successfully implements contingency plans for simultaneous activation of multiple vessels (three or more vessels, regardless of groups and locations)	1. Objective Quality Evidence (OQE)
2. Prepares vessel successfully during activation for unusual mission requirements	2. OQE
3. Unanticipated non-conformities are promptly and cost-effectively managed during activation	3. OQE
4. Deactivation demonstrates outstanding quality; or outstanding planning, scheduling and completion ahead of schedule; or outstanding cost-effective innovation.	4. OQE
5. Costs maintained within approved budget for each activation, each deactivation and voyage repairs.	5. Actual cost of each activation **OR** each deactivation **AND** voyage repairs is 90% or less of the approved estimate for the evolution (and all required items are properly completed)
Meets Standards *(must meet **all** of the following)*	**Acceptable Quality Level**
1. Ready for Sea within activation timeframe	1. FMC on time
2. Activation Plan adhered to, or adjusted to suit unique requirements	2. OQE
3. Deactivation Plan adhered to - inclusive of planning correction of voyage repairs	3. OQE
4. All required reports are submitted on time	4. OQE
5. Costs maintained within approved budget	5. Does not exceed approved activation or deactivation estimate (as applicable)
Unsatisfactory *(meets **any** of the following)*	**Unsatisfactory Quality Level**
1. Ready for Sea within activation timeframe	1. Failed to activate on time and be FMC
2. Activation Plan adhered to, or adjusted to suit unique mission requirements	2. Failed to adhere to plan or adjust for mission requirements
3. Deactivation Plan adhered to - inclusive of planning correction of voyage repairs	3. Failed to adhere to plan or omitted voyage repairs
4. All required reports are submitted	4. One or more significant non-conformity

5. Costs maintained within approved budget	5. Exceeds approved activation or deactivation estimate (as applicable)
Initiating Officials: COTR, SMS	
Method of Inspection: COTR review and assessment of the Activation Plans against actual execution. Receipt and review of reports and SITREPS On board monitoring and inspection	
Frequency of Inspection: As required upon completion of each activation and completion of each deactivation. Only one report is required if both activation/deactivation are completed within the same month.	
Statement of Work Reference: C.3.2 C.3.4.2	Applicable References: • Manufacturers' Manuals for safe operation of machinery • Deck Operating Manual • Engineering Operating Manual • Ship Manager's Activation Plan • Ship Manager's Activation Specification • Ship Manager's Deactivation Plan • Ship Manager's Deactivation Specification • Activation Message • Ship Manager Quality Assurance Plan
Rating: 0 Unsat — 2 Meets Standard — 3 Exceeds Standard	
Rationale/Comments required for all rating levels:	

Performance Element 2-1: Quality of Vessel Activation and Deactivation -Check List (Job Aid only for COTR)				**Frequency;** As required
Activation Results	Yes	No	N/A or N/O	Remarks
1) Ready for Sea within activation timeframe?				
a) Did the Ship Manager activate the vessel within the required R-status?				
b) There were NO casualties or anomalies after declaration of FMC which should have been identified and/or addressed during the activation?				
c) Did the Ship Manager correct all mission impacting M&R non-conformities at activation?				
d) If this was a "mass activation", did the Ship Manager successfully implement his contingency plans for simultaneous activation of their multiple vessels (three or more vessels under same SM, regardless of groups and locations)? Note under remarks here and explain under Evaluator's Summary Assessment in PIR (Exceeds Standards)				
Adherence to Activation Plan				
2) **Activation Plan adhered to or adjusted to suit unique requirements?**				
a) Did the Ship Manager comply with his approved activation plan?				
b) Did the SM reasonably correct all C-2 M&R deficiencies that might impact 180-day vessel operations, if funding had been provided to SM?				
c) Did the Ship Manager verify all regulatory items are up to date or will be current for intended voyage?				
d) Did the Ship Manager identify bunkering and lube oil requirements at time of notice to activate?				
e) Did the Ship Manager adequately brief the vessel's key personnel to ensure they understood MARAD and MSC chain of command and reporting requirements?				
f) Did SM provide new crew adequate ship familiarization and safety training IAW STCW before ship departed the berth?				
g) Did SM provide all officers & crew adequate rest periods IAW STCW before ship departed the berth?				
h) Did SM successfully prepare vessel during activation for unusual mission requirements and was the Ship Manager able to adjust their activation plan to allow for inclusion of any unusual mission requirements beyond a normal activation? Note under remarks here and explain under Evaluator's Summary Assessment in PIR (Exceeds Standards)				
i) Did SM promptly and cost-effectively manage unanticipated non-conformities during activation? Note under remarks here and explain under Evaluator's Summary Assessment in PIR (Exceeds Standards)				
Deactivation				
3) **Deactivation Plan adhered to inclusive of planning correction of voyage repairs?**				
a) Did the Ship Manager successfully deactivate the ship				

according to his approved deactivation plan?				
b) Did SM complete and document all lay-up items IAW approved procedures?				
c) Did the Ship Manager establish and implement an adequate plan for the correction of all voyage repairs?				
d) Did deactivation demonstrate: o *outstanding* quality; or o *outstanding* planning, scheduling and completion ahead of schedule; or o *outstanding* cost-effective innovation. Note under remarks here and explain under Evaluator's Summary Assessment in PIR (Exceeds Standards)				
Activation & Deactivation Reporting				
4) **All required reports are submitted on time?**				
a) Were all activation SITREPs submitted on time and accurately?				
b) Were deactivation status reports during the deactivation submitted on time and accurately?				
c) SM demonstrated zero significant non-conformity in activation and/or deactivation (as applicable) status reporting? Note: After Action Reports and Lessons Learned Report are not covered here but are covered under PE 5-4 Deliverables				
Activation & Deactivation Cost				
5) **Costs maintained within approved budget?**				
a) Did the Ship Manager verify activation and operations estimates are accurate for intended mission and were adjustments made, as necessary, for unique requirements (i.e. carriage of hazardous cargo, additional manning requirements, barge removal, etc.)?				
b) Did the Ship Manager complete all required items and remain within his approved budget estimates for deactivation of the ship (excluding voyage repairs)? (Meets Standard) Note under remarks here and explain under Evaluator's Summary Assessment in PIR if actual deactivation cost was 90% or less of the approved budget estimate. (Exceeds Standard)				
c) Did the Ship Manager complete all required items within his approved budget estimates for voyage repairs? (Meets Standard) Note under remarks here and explain under Evaluator's Summary Assessment in PIR if actual voyage repairs cost was 90% or less of the approved budget estimate. (Exceeds Standard)				
COTR Feedback to SM				
Did the COTR advise the Ship Manager QA POC, Port Engineer, and/or ROS Chief Engineer of any non-conformities, inconsistencies or unsatisfactory conditions upon identification?				

Performance Element 2-2: Quality of Ship Operations

Performance Objective:
Ship Manager effectively and efficiently sustains continuous operations in accordance with all mission requirements.

Standards	Quality Levels
Exceeds Standards *(must meet all of the following in addition to achieving "Meets Standard")*	**Exceeds Acceptable Quality Levels**
1. Performs operations in accordance with Ship Managers Operations Plan	1. No major non-conformities and 1 minor non-conformity per ship per 90 day operational period
2. Submits MSC and MARAD standard reports	2. No more than 1 non-conformity per ship per 90 day period with no recurrence of the same non-conformity through the entire operational period
3. Submits CASREPS, CASCORS, and CASCANs in accordance with MSC reporting requirements	3. No more than 1 minor non-conformity per month
4. Effectively manages Phase O costs	4. At or under Phase O budget
5. Effectively manages crew overtime	5. Does not exceed approved discretionary overtime amount
Meets Standards *(must meet **all** of the following)*	**Acceptable Quality Level**
1. Performs operations in accordance with Ship Managers Operations Plan	1. No major non-conformities and no more than 3 minor non-conformities per ship per 30 day operational period and no recurrence of the same non-conformity through the entire operational period
2. Effectively and efficiently conducts cargo operations	2. No non conformities that together delay cargo ops by more than 12 hours per month
3. Maintains NS5 including all voyage repairs	3. No major non-conformities and no more than 3 minor non conformities per month
4. Monitors regulatory requirements while in Phase O to ensure vessels remains in compliance	4. Notifies MARAD of any requirement due within 180 days
5. Submits MSC and MARAD standard reports	5. No more than 3 non-conformities per ship per 30 day period with no recurrence of the same non-conformity through the entire operational period
6. Issues CASREPS, CASCORS, and CASCANs in accordance with MSC reporting requirements	6. No more than 1 non-conformity per ship through entire operational period
7. Effectively manages Phase O costs	7. Does not exceed approved budget by more than 10%
8. Effectively manages crew overtime	8. Does not exceed 110% of approved amount
9. Supports embarked supercargoes and military personnel	9. Objective Quality Evidence (OQE)
10. Effectively and efficiently conducts	10. All work is justified as emergency or

repairs in overseas ports	mission critical, satisfactorily completed at acceptable cost, and properly documents work completed
Unsatisfactory *(meets **any** of the following or does not meet any "Meets Standard" AQLs)*	**Unsatisfactory Quality Level**
1. Performs operations in accordance with Ship Managers Operations Plan	1. One Major non-conformity or more than 3 Minor non-conformities per ship per 30 day operational period or the recurrence of the same non-conformity through the entire operational period
2. Effectively and efficiently conducts cargo operations	2. Any non conformity that delays cargo ops by more than 12 hours per month
3. Maintains NS5 including all voyage repairs	3. One major or more than 3 minor non conformities per month
4. Monitors regulatory requirements while in Phase O to ensure vessel remains in compliance	4. Failure to notify MARAD of any requirement due within 180 days
5. Submits MSC and MARAD standard reports	5. More than 3 non conformities per ship per 30 day period or the recurrence of the same non-conformity through the entire operational period
6. Issues CASREPS, CASCORS, and CASCANs in accordance with MSC reporting requirements	6. More than 1 major non conformity and five minor non conformities per ship through entire operational period
7. Effectively manages Phase O budget	7. More than 10% over the approved budget estimate
8. Effectively manages crew overtime	8. More than 10% over the amount agreed upon for discretionary overtime
9. Supports embarked supercargoes and military personnel	9. More than 1 Validated significant adverse report or more than 3 minor adverse reports from command sponsors during the month
10. Effectively and efficiently conducts repairs in overseas ports	10. Work is not justified as emergency or mission critical, not satisfactorily completed or at unacceptable cost, or does not properly document work completed
Definitions: A major non-conformity consists of a failure to comply with applicable processes and procedures that are defined in the Ship Manager's Operational Plan that results in measurable loss to the Government in terms of resources, mission readiness, operational performance, and/or compromising the safety or security of property or personnel. A minor non-conformity is one that is correctable without measurable loss to the Government in terms of resources, mission readiness, operational performance and/or compromising the safety or security of property or personnel.	
Initiating Officials: COTR, SMS, SSR	Method of Inspection: COTR review of NS5, daily reports, casualty reporting, customer feedback

Frequency of Inspection: When vessel is operating, monthly QASP comments unless events require immediate action. Onsite inspections at least every four months and at every CONUS trip.	
Statement of Work Reference: C.2.6, C.3.3, TE-1, TE-7	Applicable References: • Regulatory Requirements • MARAD Operations Plan • Navy, MSC, MSC area commands Standard Operating Instructions • Activation Message and SAILORDs • Deck Operating Manual • Engineering Operating Manual • Ship Manager developed Operations Plan • Ship Manager Quality Assurance Plan
Rating: 0 Unsat 2 Meets Standard 3 Exceeds Standard	
Rationale/Comments required for all rating levels:	

Performance Element 2-2: Quality of Ship Operations -Check List (Job Aid only for COTR)				**Frequency**: **Monthly**
Ship and Crew Operations	Yes	No	N/A or N/O	Remarks
1) Did the Ship Manager conduct operations in accordance with the Operations Plan?				
a) Did Ship Manager have **zero major** non-conformities **and 3 or less** minor non-conformities per ship per 30 day operational period, **and** no recurrence of the same non-conformity through the entire operational period? (Meets Standard) If there were **zero major** non-conformity and **1 or less minor** non-conformity per ship per 90 day operational period, Note under remarks here and explain under Evaluator's Summary Assessment in PIR (Exceeds Standard)				
b) Did the vessel successfully conduct any unique operations or take extraordinary measures during the Phase O period? Note under remarks here and explain under Evaluator's Summary Assessment in PIR if the Ship Manager provided OQE (Exceeds Standard)				
2) Did the Ship Manager and crew demonstrate knowledge of ship specific characteristics and cargo handling requirements to support cargo operations?				
a) Ship Manager did not have any non conformities that delay cargo ops by less than 12 hours per month?				
3) Did the Ship Manager identify all voyage repairs within the NS5 database?				
4) Did the Ship Manager monitor regulatory requirements and due dates to ensure vessel stays in compliance?				
5) Did the Ship Manager submit all standard reports including SITREPs and Noon Reports according to MARAD and MSC reporting requirements? a) No more than 3 non-conformities per ship per 30 day period with no recurrence of the same non-conformity through the entire operational period (Meets Standard) Note under remarks here and explain under Evaluator's Summary Assessment in PIR if there was no more than **1 non-conformity** per ship per 90 day period with no recurrence of the same non-conformity through the entire operational period (Exceeds Standard)				
6) Did the Ship Manager submit CASREPs, CASCORs and CASCANs according to MSC reporting requirements?				
a) No more than 1 non-conformity per ship through entire operational period (Meets Standard) Note under remarks here and explain under Evaluator's Summary Assessment in PIR if there was no more than **1 minor** non-conformity per month (Exceeds Standard)				
7) Did the Ship manager effectively manage Phase O costs?				
a) Ship Manager did not exceed approved budget by more than 10% (Meets Standards)				

Note under remarks here and explain under Evaluator's Summary Assessment in PIR if Phase O costs were held to or under Phase O budget (Exceeds Standard)				
8) Did the Ship Manager demonstrate efficient and effective crew management?				
a) Did the Ship Manager remain within 110% of approved amount? (Meets Standard) Note under remarks here and explain under Evaluator's Summary Assessment in PIR if overtime did not exceed approved discretionary overtime amount (Exceeds Standard)				
b) Did the Ship Manager comply with guidance on discretionary and non-discretionary overtime authorized via task order during Phase O? Sec C., 5.11.1.1				
9) Did the vessel support supercargoes, embarked military personnel, and Force Protection teams inclusive of maintaining open communications and chain of command?				
Foreign Maintenance and Repairs				
10) Did the Ship Manager effectively and efficiently conduct repairs in overseas ports? If no, answer N/A or N/O. If answer is marked N/O or N/A to #10 a, b, c, d, e, and f.				
a) Did the Ship Manager complete foreign maintenance and repairs? I				
b) If foreign maintenance and repairs were accomplished, were they emergency or mission essential?				
c) If foreign maintenance and repairs were accomplished, did the Ship Manager provide adequate oversight of the work?				
d) If foreign maintenance and repairs were accomplished, was the work accomplished in a cost effective manner?				
e) If foreign maintenance and repair were accomplished, was GFM delivered on time?				
f) If foreign maintenance and repairs were accomplished, did the Ship Manager accurately write-up Service Request's for Customs Purposes and prepare US Customs documentation to minimize Ad-Valorem assessments?				
COTR Feedback to SM				
Did the COTR advise the Ship Manager QA POC, Port Engineer, and/or ROS Chief Engineer of any non-conformities, inconsistencies or unsatisfactory conditions upon identification?				

Performance Goal 3: Adhere to Sound Safety, Security and Environmental Standards and Practices with No Adverse Impact on Personnel, Environment and Property

Performance Element 3-1: Environmental

Performance Objectives:

- Zero pollution incidents
- Maintain control of all on-board hazardous materials and proper disposal of hazardous waste generated.
- Proactive training and awareness to pollution and hazardous waste regulations and response requirements.
- Effective and efficient response to *any* pollution incident.
- Effective Shipboard Waste Management control

Standards	**Quality Levels**
Exceeds Standards *(must meet no.1 and any other 2 of the following in addition to achieving "Meets Standard")*	**Exceeds Acceptable Quality Levels**
1. There were No Pollution Incidents by fault of SM personnel or that could have been prevented by SM personnel	1. Zero Polution Incidents
2. Performs various realistic and applicable training and drills	2. Objective Quality Evidence (OQE)
3. Hazardous Waste is properly disposed of utilizing *efficient* and *cost effective* solutions	3. OQE
4. Innovative methods and efforts to reduce the shipboard waste stream	4. OQE
5. MSDS booklet is maintained (minimum 20 samples inspected)	5. <95% Compliance
6. HAZMAT INVENTORY is accurate and properly controlled and documented (minimum 20 samples inspected).	6. 100% Compliance
Meets Standards *(must meet **all** of the following)*	**Acceptable Quality Level**
1. In the event of a pollution incident, regardless of cause, SM personnel follow all response plans for mitigating damage. (100% conformity required)	1. 100% Conformity
2. Staff and crew are trained to current standards and drills are conducted	2. Demonstrates 100% Compliance
3. Current MARAD Response Plan is onboard	3. Zero Non-conformities
4. Waste Plan is current, detailed and executed in accordance with local, State and Federal regulations	4. Zero Citations
5. MSDS booklet is maintained (minimum 20 samples inspected)	5. >90% Compliance
6. HAZMAT is accurate, properly controlled and documented (minimum 20 samples inspected)	6. 90% Accuracy
7. Hazardous Waste is properly disposed of and documented	7. 100% Compliance

8. Oil transfer log must be current and updated	8. 100% Compliance
9. USCG ballast water requirements are implemented including log	9. 100% Compliance and Accuracy
Unsatisfactory *(meets **any** of the following or does not meet any Meets Standards AQL)*	**Unsatisfactory Quality Level**
1. A preventable pollution incident	1. >0 Incidents
2. Failure to make a required third party notification of an incident	2. >0 Incidents
3. Failure to meet any of the "Meets Standard" items	3. >0 Observations

Initiating Officials: COTR, Region Environmental Specialists, Region QI, 613	Method of Inspection: Check off list Vessel Response Plan/SOPEP (Government documents provided to SM) COMINST 5090.1B and 5090.5CH-1 and 5090.6 CH-1 COTR on-board inspection Review of relevant logs and records ISO 14000 (series)

Frequency of Inspection:
Continuous monitoring and inspection

All items to be reviewed quarterly. Sampling may be concurrent with SM self-inspection or external ISM audits.

Statement of Work Reference: • C. 4.2 • TE-1, Section 19	Other Applicable References: • U.S. Code of Federal Regulations • State and Local Environmental regulations • MARPOL Annex V, Section 73/78 • ISO 14000 (series) • SM Quality Plan • Vessel Response Plan or Shipboard Oil Pollution Emergency Plan • HAZWOPER training • MSDS Sheets

Rating:

0	2	3
Unsat	Meets Standard	Exceeds Standard

Rationale/Comments required for all rating levels:

Performance Element 3-1: Environmental - Check List (Job Aid only for COTR)				**Frequency: Quarterly**
Pollution or Environmental Incidents	Yes	No	N/A or N/O	Remarks
1) Did the ship manager have zero preventable pollution incidents? (Exceeds Standards) If the answer is yes mark sub-elements 1a,1b, 1c, 1d, 1e and 1f N/A				
a) If an incident occurred, did the SM follow the response plans and procedures?				
b) Did the SM provide immediate assistance to MARAD to mitigate and control the incident with minimal impact to the environment?				
c) Was the incident reported to USCG and MARAD in accordance to the VRP or SOPEP?				
d) Did the crew and/or SM personnel respond to and assist in the control of an incident that was most likely not their responsibility?				
e) Did the SM and/or ship have *zero citations* for any failures to comply with federal, state, and/or local regulations? (Section C, 4.2.1)				
f) If there was an incident, did regulatory body and /or MARAD investigation determine that the ship and ship's force had no control and could not prevent the incident from occurring?				
HAZMAT is properly controlled and documented.				
2) Is HAZMAT properly stored and secured?				
a) Is an accurate and properly controlled inventory maintained of all HAZMATs?				
b) Did a spot inspection of the HAZMAT inventory (excluding consumables) indicate 90% accuracy? (minimum of 20 samples over the reporting period) (Meets Standard) Did a spot inspection of the HAZMAT inventory (excluding consumables) indicate 100% accuracy? (minimum of 20 samples over the reporting period) (Exceeds Standard)				
c) Are HAZMATs clearly labeled and in proper non-damaged containers?				
d) Are appropriate placards/posters placed on the vessel in the appropriate location?				
Hazardous Waste is properly disposed of and documented.				
3) Are hazardous waste materials properly disposed and are disposal records properly maintained??				
a) Did a spot inspection of the disposal records indicate 100% accuracy and completeness?				
b) Do repair specifications reflect proper disposal of hazardous materials?				
c) Does the SM properly monitor activities of subcontractors in the handling and disposal of hazardous waste?				
MSDS booklet is maintained.				
4) Has the SM acquired MSDS for HAZMAT on board the				

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vessel, and maintained them in a right-to-know folder or yellow folder labeled "Ships Name – Inventory of HAZMAT aboard?" (Ref TE-1 Section 19.2.3.1).				
a) Did a spot inspection of the MSDS folder indicate a minimum of 95% accuracy and currency? (minimum of 20 samples over the reporting period) Exceeds Standard				
b) Did a spot inspection of the MSDS folder indicate a minimum of 90% accuracy and currency? (minimum of 20 samples over the reporting period) Meets Standard				
Staff and crew are trained and environmental drills are conducted				
5) Has SM conducted environmental training for staff and crew?				
a) Is the training above the minimum required				
b) Is the SM performing drills?				
c) Is the SM being innovative in the type of drills he is conducting? (i.e. - are the incidents varying in nature, location, response?) (Exceeds Standard)				
d) Does the SM promote awareness to new and/or anticipated Environmental regulations? (may be validated through crew safety meeting minutes, memorandums to employees, etc.)				
e) Does the SM promote Environmental Awareness through crew incentive programs?				
f) Does the SM modify his environmental policies and procedures based on events and lessons learned from other incidents or near misses and has he promulgated these lessons learned to MARAD?				
Response Plans are current and detailed.				
6) Has the SM identified necessary changes and updates to the VRP or SOPEP and or inserted the latest MARAD provided change? (Section 4.2.3.1)				
Waste Plan is current, detailed and executed in accordance with local, State and Federal regulations.				
7) Does the SM implement a Waste Management Plan? (Section 4.2.11)				
a) Are there any successful and innovative efforts to reduce shipboard waste streams? (Exceeds Standard)				
Oil transfer log must be current and updated.				
8) Does the Crew accurately maintain the Oil Transfer Log?				
Ballast Water transfer log must be current and updated.				
9) Does the Crew accurately maintain the ballast Transfer Log?				
COTR Feedback to SM				
Did the COTR advise the Ship Manager QA POC, Port Engineer, and/or ROS Chief Engineer of any non-conformities, inconsistencies or unsatisfactory conditions upon identification?				

Performance Element 3-2: Safety

Performance Objective:
Ship Manager is effectively and efficiently executing their Safety Management Plan in accordance with MARAD direction that results in no adverse impact on personnel or the vessel.

Standards	Quality Levels
Exceeds Standards *(must meet three of the following in addition to achieving "Meets Standard")*	**Exceeds Acceptable Quality Levels**
1. Exceeds ISM standards and receives no Major non-conformities	1. No non-conformities and Observed Quality Evidence (OQE)
2. Promptly addresses and corrects all non-conformities	2. 100% Compliance
3. Actively encourages participation from all Company and Shipboard personnel in the Safety Program, including providing innovative content into monthly Safety Meeting that are held onboard RRF vessels for which the Ship manager is responsible	3. OQE
4. Initiates valid safety improvements	4. OQE
5. Perform safe, realistic, and applicable emergency drills that exceed regulatory and contractual requirements	5. OQE
6. Consistently provides Root Cause analyses of incidents that are clear, concise and timely	6. OQE
7. Outstanding Risk Management Program	7. OQE of reduced frequency and costs of incidents from prior year (zero lost time incident is automatically considered to be an outstanding program)
8. No Lost Time Incident during FOS, absent any extenuating circumstances.	8. Zero Lost Time Incidents during FOS.
9. No Lost Time Incident during ROS, absent any extenuating circumstances	9. Zero Lost Time Incidents per ship group during ROS each six-month Performance Period.
Meets Standards *(must meet **all** of the following)*	**Acceptable Quality Level**
1. Meets ISM standards	1. No more than one major non-conformity and no more than 3 minor non-conformities
2. Root cause analysis conducted as appropriate and completed with sufficient information	2. 100% Conformity
3. Implements a program of continuous safety improvement	3. OQE
4. Addresses and corrects nonconformities	4. 100% Conformity
5. Communications to all concerned parties regarding Safety issues are communicated without unreasonable delay and are sufficiently understandable	5. OQE
6. Acceptable Risk Management Program	6. OQE Approved by a recognized body, such as the Ship Manager's Insurance Carrier or the ISM/ISO9000 certifying Classification

	Society
7. Does the Ship Manager accomplishes the following tasks on a routine basis:	7.
a. Tracks and publicizes safety metrics	a. OQE
b. Complies with all regulatory requirements	b. OQE
c. Complies with all contract requirements	c. OQE
d. Promptly submits reports, SITREPs, incident reports, and lessons learned for all reportable incidents to MARAD	d. OQE
8. Lost time incidents are minimized during FOS, absent any extenuating circumstances	8. Lost Time Incidents during FOS do not exceed one (1) LTI for every 365/(crew size * 0.19) Days in FOS. Notes: a. This standard will not be evaluated in any PAP when the Total number of FOS days during the PAP for all vessels in the ship group is less than the calculated number of days from the above formula. b. FOS and ROS data shall be kept separate for evaluation
9. Lost time incidents are minimized during ROS, absent any extenuating circumstances (excludes RRF-10 vessels without crew)	9. No more than one (1) Lost Time Incident per ship group for each 360 Total Group ROS Ship Days/Performance Appraisal Period. **Notes:** a. Total Group ROS Ship Days/ Performance Appraisal Period = Sum of total ROS days for each ship in group during the current six-month PAP (# of total ROS days for Ship #1 during the current six-month PAP + # of total ROS days for Ship #2 during the current six-month PAP + # of total ROS days for Ship #3 during the current six-month PAP + # of total ROS days for Ship #4 during the current six-month PAP + etc) b. This standard will not be evaluated in any PAP when the Total Group ROS Ship Days/ Appraisal Period Performance is less than 360. c. FOS and ROS data shall be kept separate for evaluation purposes
10. Shipboard Fire Fighting Doctrine complies with the requirements stated in the Ship Manager contract	10. OQE
11. Conducts and documents monthly Safety Meetings	11. Monthly safety meetings conducted and documented in writing
Unsatisfactory *(meets **any** of the following)*	**Unsatisfactory Quality Level**

1. Does not meet ISM standards	1. Two (2) or more major non-conformities, or 4 or more minor non-conformities or loss of SMC or loss of DOC
2. Root Cause analyses of incidents (when required) are DEFICIENT in one or more of the following elements without justifiable reason: 1) Incomplete Investigative Reports, 2) Poorly Written Reports (i.e. vague or unclear), or 3) Reports not submitted or not submitted in a timely manner	2. Deficient Root Cause Analyses
3. Recommended safety improvements are unjustifiably ignored, not accomplished, or are accomplished only sporadically	3. One or more non-conformity
4. Communications to all concerned parties regarding Safety Issues are not provided in a clear, concise and timely manner	4. One or more non-conformity
5. Required emergency drills are, without valid reason, not conducted	5. One or more non-conformity
6. Failed to conduct and document monthly Safety Meetings	6. Miss any monthly meeting

Initiating Official:
COTR, HQ Safety Program Manager (MAR-613), Region Safety Program Manager

Method of Inspection:
COTR review of NS5
Visual inspection of equipment and systems during ship visits by COTR
Light-offs, Dock and Sea Trials
ABS Surveys
USCG Inspections
ISM Audits by USCG approved Classification Society

Frequency of Inspection:
Continuous review maintenance history database
Periodic COTR vessel visits. (note: COTR shall inspect each vessel at least quarterly for vessels in Phase M and semi-annually for vessels in Phase O)

Statement of Work Reference:	Applicable References:
C.4.2	ISM/33CFR96, USCG, Ship Operating Manuals; Applicable Regulatory Rules, Regulations and MOUs SM Business Plan

Rating:

0	2	3
Unsat	Meets Standard	Exceeds Standard

Rationale/Comments required for all rating levels:

Performance Element 3-2: Safety - Check List (Job Aid only for COTR)				**Frequency: Quarterly**
ISM standards and Perform required audits	**Yes**	**No**	**N/A or N/O**	**Remarks**
1) Does the ship manager abide by the ISM Standards and perform the required audits/?				
a) Does the Ship Manager have a Risk Management Program approved by a recognized entity such as the Ship Manager's Insurance Carrier or a recognized Classification Society?				
b) Is the ISM Safety plan for the vessel current? Does the Ship manager ensure that the current ISM Safety plan is being followed?				
c) The Ship Manager has not received any citations by the USCG, OSHA, or another Regulatory Body or their duly appointed designate, during the current rating period.?				
d) Is there evidence the SM is actively tracking and reducing safety incidents and associated costs?				
e) The Ship Manager did not receive any Major Non-Conformities issued under ISM or have the vessel's Safety Management Certificate suspended (if no, explain in Remarks).				
f) Did the Ship Manager have no minor non-conformities or observations during the execution of internal and external audits?				
Perform realistic and applicable safety drills.				
2) Are the drills sufficiently realistic as to ensure that the ship's crew is adequately trained to respond to foreseeable shipboard emergencies and documented accordingly?				
Supports participation from all Company and Shipboard personnel in the Safety Program.				
3) Does the ship managers company support and encourage active participation from all parties, both shipboard and shore side in the Safety Program?				
a) Is the SM conducting monthly safety meetings aboard each vessel the Ship Manager is responsible for and do they have relevant subject matter and are well documented with contain clear, concise written minutes?				
b) Does the SM ensure that crewmembers are provided an orientation that includes general safety, shutdown locations, emergency procedures, and safe working conditions and procedures?				
c) Does Company Management effectively communicates changes or modifications in Company or MARAD Safety Program to the crew and/or SM personnel, such as Port Engineers?				
d) Does the Ship Manager have an established communication protocol for Safety Issues from Company management to employees, both Shoreside and shipboard?				
e) Does the Ship Manager utilize Permit to Work procedures and maintain logs as required by SM Contract, including the following: 1) Lock Out/Tag Out, 2) Confined Space Entry?				
f) Does the Shipboard Fire Fighting Doctrine comply with the requirements stated in the Ship Manager contract?				
Addresses and corrects nonconformities and implements safety				

improvements				
4) Does the ship manager actively address nonconformities and implements safety improvements?				
a) Does the SM promptly ensure that all responsible parties (both ashore and afloat) are notified of non-conformities, observations, and emergent Safety Issues and corrective action is taken in a reasonable period of time (example: Manufacturer required/ recommended equipment changes or modifications)?				
b) Does the Ship Manager, when tasked, consistently ensure that MARAD Safety Items or Improvements (i.e. Posters, Training Videos, and Safety Equipment etc.) are forwarded to or implemented on the designated vessels in a timely manner?				
c) Did the Ship Manager have ***No*** lost time incidents aboard RRF vessels in this group due to one (1) or more of the following contributing factors: 1) Lack of proper supervision due to negligence, 2) Failure to utilize proper equipment (example: fall protection equipment, hardhat, etc.), 3) Failure to maintain appropriate Safety perimeter around work area, 4) Failure to comply with applicable established Safety Procedures, including but not limited established MARAD or Company policy?				
d) Does the Ship Manager accomplish the following tasks on a routine basis? 1) Tracks and publicizes safety metrics, 2) Complies with all applicable regulatory requirements, 3) Complies with all applicable contract requirements, 4) Promptly submits reports, SITREPs, incident reports, and lessons learned for all reportable incidents to MARAD,				
e) Lost time incidents do not exceed one (1) Lost Time accident for every 365 / (crew size * 0.19) Days in FOS, absent any extenuating circumstances. (Please comment if extenuating circumstances exist.)				
f) Lost time incidents do not exceed one (1) Lost Time incident for every 360 Total Group Ship Days/Performance Appraisal Period, absent any extenuating circumstances. (Please comment if extenuating circumstances exist.)				
Root cause analysis of incidents completed with sufficient information.				
5) Does the Ship Manager conduct a Root Cause analysis (when applicable) following an incident to be sufficiently useful in correcting or mitigating future incidents?				
COTR Feedback to SM				
Did the COTR advise the Ship Manager QA POC, Port Engineer, and/or ROS Chief Engineer of any non-conformities, inconsistencies or unsatisfactory conditions upon identification?				

Performance Element 3-3: Security

Performance Objective:
Provide resources, programs and procedures to ensure proper vessel security on all RRF vessels by following and revising, as necessary, the USCG approved Vessel Security Plan (VSP).

NOTE: This performance Element does NOT apply to any RRF vessel without crew while the ship is both located at and is under the custody of a MARAD Reserve Fleet.

Standards	Quality Levels
Exceeds Standards *(must meet one of the following in addition to achieving "Meets Standard")*	**Exceeds Acceptable Quality Levels**
1. Demonstrates innovative methods or efforts to promote vessel security IAW the VSP requirements	1. Objective Quality Evidence (OQE)
2. Proposes and Implements cost-effective initiatives *above* the current VSP requirements	2. Objective Quality Evidence (OQE)
3. Implements and Complies with VSP (ROS/FOS ships)	3. No non-conformities/835s
Meets Standards *(must meet **all** of the following)*	**Acceptable Quality Level**
1. Implements and Complies with VSP (ROS/FOS ships)	1. No more than one non-conformity
2. Maintains, updates and audits VSP IAW Coast Guard Regulations (all RRF ships)	2. No more than one non-conformity
3. Maintains RRF security and FP training standards IAW RRF and MSC security training requirements to include Anti-Terrorism Officer (ATO), CBR-D Officer and 5-person Small Arms FP Team (ROS/FOS ships)	3. 100% Conformity
4. Maintains proper controls and accountability for small arms and submits annual Small Arms Verification List to MSC per instructions from MAR-612 (ROS/FOS)	4. 100% Conformity
5. Corrects outstanding Coast Guard non-conformities to the vessel's security (CG-835) within allotted time frame (all RRF ships)	5. 100% Conformity
6. Vessels performs and documents all security drills required by USCG approved VSP and MARAD	6. 100% Conformity
Unsatisfactory *(meets **any** of the following)*	**Unsatisfactory Quality Level**
1. Implements and Complies with VSP (ROS/FOS ships)	1. More than one non-conformity
2. Maintains, updates and audits VSP IAW Coast Guard Regulations (all RRF ships)	2. More than one non-conformity
3. Maintains RRF security and FP training standards IAW RRF and MSC security training requirements to include Anti-Terrorism Officer (ATO), CBR-D Officer	3. One or more non-conformity

and 5-person Small Arms FP Team (ROS/FOS ships)	
4. Maintains proper controls and accountability for small arms and submits annual Small Arms Verification List to MSC per instructions from MAR-612 (ROS/FOS)	4. One or more non-conformity
5. Corrects outstanding Coast Guard non-conformities to the vessel's security (CG-835) within allotted time frame (all RRF ships)	5. One or more non-conformity
6. Vessels performs and documents all security drills required by USCG approved VSP and MARAD	6. One or more non -conformity

Initiating Official:
COTR, MAR-613, Regional Designate

Method of Inspection:
COTR review of NS5
Visual inspection of equipment and systems during ship visits by COTR
USCG Inspections

Frequency of Inspection: Quarterly.

Statement of Work Reference:	Applicable References:
C.4.	NS5, Ship Operating Manuals; Applicable Regulatory Rules, Regulations and MOUs SM Business Plan, Vessel Security Plan (VSP)

Rating:

0	2	3
Unsat	Meets Standard	Exceeds Standard

Rationale/Comments required for all rating levels:

Performance Element 3-3 Security - Check List (Job Aid only for COTR)				**Frequency: Quarterly**
Implements Security Plan	Yes	No	N/A or N/O	Remarks
1) Implements and Complies with VSP (ROS/FOS ships)?				
a) Did Ship Manager have one or less non-conformities? (Meets Standards)				
b) Is SM maintaining visitor's log by logging all visitors and contractors on/off the vessel at a visible access control point?				
c) Is SM implementing innovative methods or efforts to promote vessel security? (if yes, note under Remarks here and explain in Evaluators Summary Assessment in PIR) (Exceeds Standards)				
d) The Ship Manager Proposes and Implements cost-effective initiatives *above* the current VSP requirements. (Exceeds Standards)				
e) Implements and Complies with VSP (ROS/FOS ships) (Exceeds Standards)				
Maintains and Updates Vessel Security Plan				
2) **Maintains updates and audits VSP IAW Coast Guard Regulations?**				
a) Has annual audit of VSP IAW Coast Guard Regulations been performed?				
Force Protection				
3) Maintains RRF security and FP training standards IAW RRF and MSC security training requirements to include Anti-Terrorism Officer (ATO), CBR-D Officer and 5-person Small Arms FP Team (ROS/FOS ships)?				
a) Does the ship manager's vessel(s) in Phase "O" have the latest COMSC INST. 5530.3C "MSC Shipboard Antiterrorism / Force Protection (AT/FP) Program" (Revised) onboard?				
b) Has Qualified Anti-Terrorism Officer (ATO) been established?				
c) Has Qualified CBR-D Officer been established?				
d) Has 5-person Small Arms Force Protection (FP) Team submitted annual Small Arms Verification List to MSC per MAR-613 (if applicable)?				
e) Does the ship manager follow MSC Security Instructions while in Phase "O"?				
Small Arms				
4) **Maintains proper controls and accountability for small arms and submits annual Small Arms Verification List to MSC per instructions from MAR-612 (ROS/FOS)?**				
USCG 835				
5) Corrects outstanding Coast Guard non-conformities to the vessel's security (CG-835) within allotted time frame?				
a) Did the Ship Manager have **Zero** security related CG-835's since the COTR's last PIR? (note any in Remarks)				
b) Have all outstanding security related CG-835's have been corrected within allotted time frame?				
Security Drills				
6) Vessels perform and document all security drills required by USCG approved VSP and MARAD?				

a) Is SM performing and logging quarterly security drills in security log?				
b) Is SM performing and logging annual security drills in security log?				
COTR Feedback to SM				
Did the COTR advise the Ship Manager QA POC, Port Engineer, and/or ROS Chief Engineer of any non-conformities, inconsistencies or unsatisfactory conditions upon identification?				

Performance Goal 4: Adequately Crew Vessels with Qualified Marine Personnel

Performance Element 4-1: Contract Manning Levels and Quality	
Performance Objective: Provide for safe, efficient and economical operation of the vessel by employing qualified marine personnel. NOTE: This performance Element does NOT apply to any RRF vessel without crew.	
Standards	**Quality Levels**
Exceeds Standards *(must meet 2 of the following in addition to achieving "Meets Standard")*	**Exceeds Acceptable Quality Levels**
1. Crew members perform in a professional manner	1. No major or minor incidents during the inspection period
2. The crew is fully trained, qualified, and/or certified for operational requirements beyond what is required for J-13	2. OQE (i.e., at sea rotation of ROS crew, additional training)
3. The Ship Manager institutes training practices which gain efficiencies	3. OQE
Meets Standards *(must meet **all** of the following)*	**Acceptable Quality Level**
1. Provides ROS manning level in accordance with the Ship Manager's contract proposal	1. No non-conformities during the inspection period.
2. Provides FOS manning in accordance with operational requirements	2. No non-conformities during the inspection period
3. The crew is fully trained, qualified, and/or certified for operational requirements in accordance J-13	3. No non-conformities during the inspection period.
4. The crew is physically qualified and vetted according to operational requirements	4. No non-conformities during the inspection period.
5. Crew members perform in a professional manner	5. No more than 2 minor incidents during the inspection period and Zero major incidents
Unsatisfactory *(meets **any** of the following)*	**Unsatisfactory Quality Level**
1. Provides ROS manning level in accordance with the Ship Manager's contract proposal	1. One or more non-conformities during the inspection period.

2. Provides FOS manning in accordance with operational requirements	2. One or more non-conformities during the inspection period.
3. The crew is fully trained, qualified, and/or certified for operational requirements in accordance J-13	3. One or more non-conformities during the inspection period.
4. The crew is physically qualified and vetted according to operational requirements	4. One or more non-conformities during the inspection period.
5. Crew members perform in a professional manner	5. One major incident or more than two minor incidents during the inspection period
A major incident consists of an action or an event that result in measurable loss to the Government in terms of resources, mission readiness, operational performance, and/or compromising the safety or security of property or personnel. A major incident does require investigation by the Government or other third party. A minor incident is an action or event that results without measurable loss to the Government in terms of resources, mission readiness, and/or safety or security of property or personnel but can require ship manager investigation and corrective action.	

Acceptable Quality Levels (AQLs): **100% of Crew has current USCG Mariner Documentation/STCW Certifications at activation and on a monthly basis during Phase O.**	
Initiating Official: COTR	Method of Inspection: COTR random checks of crew lists and credentials
Frequency of Inspection: Monthly reviews NOTE: For RRF-10 vessels, this standard only applies when activated.	
Statement of Work Reference: C.5.2 – 5.4	Applicable References: • STCW-95 or current document • USCG licensing or certification for billet occupied • US Public Health Regulations CFRs, STCW, J-13, IMO
Rating: 0 Unsat 2 Meets Standard 3 Exceeds Standard	
Rationale/Comments required for all rating levels:	

Performance Element 4-1: Manning Levels and Quality - Check List (Job Aid only for COTR)				**Frequency: Monthly**
ROS manning level	Yes	No	N/A or N/O	Remarks
1) Provides ROS manning level in accordance with the Ship Manager's contract proposal?				
a) Did the Ship Manager man the vessel during the current inspection period in accordance with the manning levels he proposed for ROS? C.5.7.3.1				
b) Did the ROS manning level disclose zero non-conformities during the inspection period?				
c) Were all noted non-conformities in ROS manning level due to excusable extenuating circumstances beyond the control of the Ship Manager? (Explain under remarks)				
FOS Manning Level				
2) Provides FOS manning in accordance with operational requirements?				
a) Did the Ship Manager crew the vessel for FOS during the current inspection period to adequately to support FOS and all operational requirements? C.5.10				
b) Did the FOS manning level disclose zero non-conformities during the inspection period?				
c) Were all noted non-conformities in FOS manning level due to excusable extenuating circumstances beyond the control of the Ship Manager? (Explain under remarks)				
d) Did the Ship Manager anticipate, plan, and execute crew vetting, replacements and rotations in an effective and efficient manner during the current inspection period?				
e) Were any of the ROS crew rotated during the rating period to be afforded additional sea time experience? (if yes, summarize under Remarks -which ratings and for how long)				
Crew training, qualifications and licenses				
3) The crew is fully trained, qualified, and/or certified for operational requirements in accordance J-13?				
a) Did all crew members have the appropriate licenses and endorsements for the position they were employed in during the duration of the current inspection period? C.5.4.1				
b) Did the ship manager provide qualified professional crews in both "ROS" and "FOS"?				
c) Did the Ship Manager screen crew members for US citizenship requirements (100% Licensed and 75% Unlicensed)? C.5.4.2				
d) Did the ship manager provide any training to the crew?				
e) Did the Ship Manager provide any unique onboard training or institute other training practices during the current inspection period to achieve efficiencies? (Exceeds Standards) If yes, summarize under Remarks here explain in Evaluator's Summary Assessment in the PIR.				
f) Did the Ship Manager offer training which is above and beyond the				

minimum required in J-13 during the current inspection period? (Exceeds Standards) If yes, summarize under Remarks here explain in Evaluator's Summary Assessment in the PIR.				
Crew physical fitness and vetting				
4) The crew is physically qualified and vetted according to operational requirements?				
a) Did the Ship Manager screen all new crew members who signed on during the current inspection period to ensure they do not have a history of medical claims or claiming not fit for duty? C.5.5.8 & J-3 1.3.1				
b) Were all crew members who signed on during the current inspection period medically fit and have they received or are willing to receive all necessary inoculations and immunizations? C.5.2.2, C.5.4.1, C.5.5.1				
c) Did the Ship Manager advise the crew they will be vetted and provide the required information to MAR-612? C.5.4.3				
Crew professionalism				
5) Crew members perform in a professional manner?				
a) Did the crew's level of professionalism cause two ***or less minor*** incidents and ***Zero major*** incidents during the inspection period? (Meets Standards) If the crew's level of professionalism caused zero **major and zero minor** incidents during the inspection period, summarize under Remarks here and explain in Evaluator's Summary Assessment in the PIR? (Exceeds Standards)				

6) Did the Ship Manager take appropriate action (investigate, penalize and/or dismiss) in response to all valid complaints regarding the performance or activities of the crew? C.5.4.4, C.5.4.5				

COTR Feedback to Ship Manager			
Did the COTR advise the Ship Manager QA POC, Port Engineer, and/or ROS Chief Engineer of any non-conformities, inconsistencies or unsatisfactory conditions upon identification?			

Performance Goal 5: Compliance with Government and Company Business Policies, Procedures and Practices

Performance Element 5-1: Quality Assurance	
<u>Performance Objective</u>: Adherence to SM-developed Quality Assurance Plan, providing accurate and timely quality related data submissions, correcting non-conformities identified by inspections, and taking effective measures to preclude recurrence of non-conformities.	
Standards	**Quality Levels**
Exceeds Standards *<u>(must meet 3 of the following in addition to achieving "Meets Standard")</u>*	**Exceeds Acceptable Quality Levels**
1. SM Adherence to SM-developed QA Plan	1. Zero major non-conformities and 2 or less minor non-conformities as indicated by a Corrective Action Request (CAR) issued during the annual office audit by Registrar for DOC **AND** Zero major non-conformities and 4 or less minor non-conformities as indicated by a Corrective Action Request (CAR) issued during On-Board external QA audits by registrar during Onboard SMC audits.
2. SM provides timely and accurate quality related data submissions	2. All **internal** audit findings are accurately posted in a timely manner (within 10 working days) to NS5
3. SM corrects non-conformities identified by audits in a timely manner	3. All CARs tracked, executed and closed in accordance with the registrar's approved completion schedule. AND SM timely corrects 100% of non-conformities (excluding observations) identified in internal or external audit reports within the schedule accepted by the Registrar.
4. SM takes effective measures to preclude recurrence of non-conformities.	4. SM completes implementation of all Lessons Learned within the schedule in the Ship Manager's implementation plan approved by MARAD OR SM implements customized training and programs for Health, Safety & Environment Quality Assurance (HSEQA) targeted to address Lessons Learned, near-misses or observations in internal or external audits. OR If there are no incidents or near-misses or observations, SM demonstrates a ***superior and cost-effective*** preventative action system. (OQE)

Meets Standards *(must meet **all** of the following)*	**Acceptable Quality Level**
1. SM Adherence to SM-developed QA Plan	1. Valid vessel SMC and company DOC **AND** ***Zero major*** non-conformities and ***5 or less minor*** non-conformities as indicated by a Corrective Action Request (CAR) issued during the annual ***office audit*** by Registrar DOC **AND** ***Zero major*** non-conformities and ***5 or less minor*** non-conformities as indicated by a Corrective Action Request (CAR) issued during each ***Onboard external SMC audit by Registrar.*** . **Note**s: a. major and minor non-conformities as defined below. b. Non-conformities count shall **exclude** any "observations" in the audit reports.
2. SM provides timely and accurate quality related data submissions	2. All **External** audit reports are posted in a timely manner (within 10 working days) into NS5 by SM and are accurate and complete. **Note:** Audit reports may be redacted as necessary by SM to exclude proprietary information related to other owners/operators/ non-MARAD related entities.
3. SM Corrects non-conformities identified by audits in a timely manner	3. Corrective Action Plans for non-conformities identified in Registrar-issued CARs are submitted to Registrar within the schedule required by Registrar. AND SM corrects 90% of non-conformities (excluding observations) identified in internal or external audit reports in a timely manner (within 10 working days) (IAW the schedule recommended by the Registrar or internal auditor, as applicable).
4. SM takes effective measures to preclude recurrence of non-conformities	4. SM conducts and submits Report of Investigation of each incident in 45 days or less after incident **And** SM submits "Lessons Learned" with recommendations to MARAD within 60 days after incident. AND SM submits to MARAD an effective plan to implement all Lessons Learned recommendations (that are under Ship Manager's control), AND commences implementation within 90 days after incident. OR If there are no incidents, SM demonstrates an

	effective preventative action system. (OQE)
Unsatisfactory *(meets **any** of the following)*	**Unsatisfactory Quality Level**
1. Adherence to SM-developed QA Plan	1. Vessel SMC OR company DOC is not valid and current **OR** ***One major*** non-conformity or **6 or more** minor non-conformities as indicated by a Corrective Action Request (CAR) issued during the annual ***office*** audit by Registrar DOC **OR** **One** major non-conformity or **6 or more** minor non-conformities as indicated by a Corrective Action Request (CAR) issued during On-board external QA audits by registrar during Onboard SMC audits **Note**s: a. major and minor non-conformities as defined by registrar. b. Non-conformities count shall **exclude** any "observations" in the audit reports.
2. SM provides timely and accurate quality related data submissions	2. All **External** audit reports are not posted in a timely manner (within 10 working days) into NS5 by SM OR are not accurate and complete
3. Ship Manager corrects deficiencies identified by audit	3. Corrective Action Plans for non-conformities identified in Registrar-issued CARs are NOT submitted to Registrar within the schedule required by Registrar. OR SM does not correct at least 80% of non-conformities identified in internal audit reports in a timely manner (IAW the schedule recommended by the internal auditor).
4. SM takes effective measures to preclude recurrence of deficiencies	4. SM does not conduct and submit Report of Investigation of each incident within 45 days or less after incident **OR** SM does not submit "Lessons Learned" with recommendations to MARAD within 60 days after incident. AND SM does not submit to MARAD an effective plan to implement all Lessons Learned recommendations (that are under Ship Manager's control) or does not commence implementation within 90 days after incident. OR SM does not demonstrate an effective preventative action system. (OQE)
A major non-conformity consists of a failure to	

comply with QA Plan that results in measurable loss to the Government in terms of resources, mission readiness, and/or compromising the safety or security of property or personnel. A minor non-conformity is one that is correctable without measurable loss to the Government in terms of resources, mission readiness, and/or safety or security of property or personnel.	
Initiating Officials: COTR	Method of Inspection: Review of records to determine effectiveness of corrective action, internal audits, external audits, root cause analysis documents, and quality assurance testing.
Frequency of Inspection: Random, no less than semi-annual.	
Statement of Work Reference: C.6.7.2.1 C.6.7.2.2	Other Applicable References: Federal Acquisition Regulations • Ship Manager developed Quality Assurance Plan • ISO 9000 (series) • Ship Manager's ISM and SMS Manuals • SM QASP Inspections
Rating: 0 Unsat 2 Meets Standard 3 Exceeds Standard	
Rationale/Comments required for all rating levels:	

Performance Element 5-1: Quality Assurance - Check List (Job Aid only for COTR)				**Frequency : Six monthly**
Adherence to QA Plan	**Yes**	**No**	**N/A or N/O**	**Remarks**
1) Did the Ship Manager adhere to the SM-developed QA Plan?				
a) Did the SM have **Zero major** non-conformities and 5 or less minor non-conformities as indicated by a Corrective Action Request (CAR) issued during the **annual office audit** by Registrar? (Meets Standards) Did the SM have **Zero major** non-conformities and **2 or less minor** non-conformities as indicated by a Corrective Action Request (CAR) issued during the annual office audit by Registrar for DOC, Note in remarks here and explain under evaluator's Summary assessment in PIR. (Exceeds Standards)				
AND b) Did the SM have **Zero** major non-conformities and **No more than 5** minor non-conformities as indicated by a Corrective Action Request (CAR) issued during the **On-board external** SMC audit by registrar. (Meets Standard) Did the SM have **Zero major** non-conformities and **4 or less minor** non-conformities as indicated by a Corrective Action Request (CAR) issued during the **On-board external** SMC audit by registrar, Note in remarks here and explain under evaluator's Summary assessment in PIR. (Exceeds Standards)				
c) Did the Ship Manager demonstrate that he applied Risk Management in his processes?				
d) Did the Ship Manager QA POC issue Quality Non-conformity Reports IAW QA Plan?				
e) Was quality statistical data generated IAW QA Plan?				
f) Were internal quality audits performed and documented IAW ISM/ISO/SM QA Plan?				
g) Did the Ship Manager perform inspections on processes and/or services IAW QA procedures?				
h) Did the Ship Manager maintain inspection status IAW QA Procedures?				
Providing timely and accurate data submissions				
***2)* Did SM provide timely and accurate quality-related data submissions?**				
a) All **external** audit reports were posted in a timely manner into NS5 and were accurate and complete? (Meets Standard)				
b) All **internal** audits are accurately posted in a timely manner to NS5 Note in remarks here and explain under evaluator's Summary assessment in PIR. (Exceeds Standards)				

c) Was the SM QA system documentation, as part of a continuous process improvement, reviewable by the COTR?				
Correcting non-conformities identified by audits				
3) SM Corrects non-conformities identified by audits in a timely manner?				
a) Did the SM submit Corrective Action Plans for non-conformities identified in Registrar-issued CARs to Registrar within the schedule required by Registrar? (Meets Standard) If the SM track, executed and closed all CARs in accordance with the registrar's approved completion schedule Note in remarks here and explain under evaluator's Summary assessment in PIR. (Exceeds Standards)				
AND b) Did the SM correct **90%** of non-conformities identified in internal or external audit reports within the schedule accepted by the Registrar? (Meets Standard) If the SM corrected **100%** of non-conformities identified in internal or external audit reports within the schedule accepted by the Registrar, Note in remarks here and explain under evaluator's Summary assessment in PIR. (Exceeds Standards)				
Preventing Recurrence				
4) SM takes effective measures to preclude recurrence of non-conformities?				
a) Did SM conduct and submit Report of Investigation of each incident in 45 days or less after incident? (Meets Standard)				
And b) Did SM submit "Lessons Learned" with recommendations to MARAD within 60 days after each incident? (Meets Standard)				
AND c) Did SM submit to MARAD an effective plan to implement all Lessons Learned recommendations (that are under Ship Manager's control), AND commences implementation within 90 days after incident? (Meets Standard)				
OR d) If there are no incidents, did SM demonstrate an effective preventative action system? (OQE) (Meets Standard)				
e) Did SM complete implementation of all Lessons Learned within the schedule in the Ship Manager's implementation plan approved by MARAD? Note in remarks here and explain under evaluator's Summary assessment in PIR. (Exceeds Standards)				

OR f) Did SM implement customized training and programs for Health, Safety & Environment Quality Assurance (HSEQA) targeted to address Lessons Learned, near-misses or observations in internal or external audits? Note in remarks here and explain under evaluator's Summary assessment in PIR. (Exceeds Standards)				
OR g) If there are no incidents or near-misses or observations, did SM demonstrate a ***superior and cost-effective*** preventative action system? (OQE) Note in remarks here and explain under evaluator's Summary assessment in PIR. (Exceeds Standards)				
COTR Feedback to Ship Manager				
Did the COTR advise the Ship Manager QA POC, Port Engineer, and/or ROS Chief Engineer of any non-conformities, inconsistencies or unsatisfactory conditions upon identification?				

Performance Element 5-2: Acquisition Procedures

Performance Objective:
Acquisition procedures are in compliance with applicable regulations and reflect good commercial procurement practice.

Standards	**Quality Levels**
Exceeds Standards	**Exceeds Acceptable Quality Levels**
1. Ship Manager exceeds the acceptable standard for acquisition procedures that are in compliance with applicable regulations and reflects good commercial procurement practice	1. >95% compliant on evaluated factors and no major non-conformities
Meets Standards *(must meet **all** of the following)*	**Acceptable Quality Level**
1. Ship Manager meets the acceptable standard for acquisition procedures that are in compliance with applicable regulations and reflects good commercial procurement practice	1. 90-95% compliant on evaluated factors and no major non-conformities
Unsatisfactory	**Unsatisfactory Quality Level**
1. Ship Manager is not meeting the acceptable standard for acquisition procedures that are in compliance with applicable regulations and reflects good commercial procurement practice	1. <90% compliant on evaluated factors or one or more major non-conformities
Notes: a) A major non-conformity consists of a failure to comply with applicable laws or procedures that results in measurable loss to the Government in terms of resources, mission readiness, and/or compromising the safety or security of property or personnel.	b) A minor non-conformity is one that is correctable without measurable loss to the Government in terms of resources, mission readiness, and/or safety or security of property or personnel.

Initiating Officials: CO	Method of Inspection: Review and interviews by the ACO Periodic & random reviews of subcontract files.
Frequency of Inspection: Annually or more frequently as required	
Statement of Work Reference: C.6.7 to 6.7.1.4 Attachment J-2	Other Applicable References: • Ship Manager Contract • Federal Acquisition Regulation • Ship Manager developed and MARAD approved Commercial Purchasing System Procedures

Rating:

0	2	3
Unsat	Meets Standard	Exceeds Standard

Rationale/Comments required for all rating levels:

Performance Element 5-2: Acquisition Procedures -Check List (Job Aid Only for ACO)				**Frequency: Annual**
Acquisition Procedures	**Yes**	**No**	**N/A or N/O**	**Remarks**
1) Ship Manager meets the acceptable standard for acquisition procedures that are in compliance with applicable regulations and reflects good commercial procurement practice				
a) J-2, Sec 1.1.1.2 – Does SM have a methodology for the acquisition of quality products and services at fair and reasonable prices?				
b) J-2, Sec 1.1.1.3 – Does SM minimize acquisition lead-time of purchasing?				
c) J-2, Sec 1.1.1.4 – Does SM use self-assessment to support continuous improvements in purchasing?				
d) J-2, Sec 1.1.1.7 – Is there evidence that SM uses electronic commerce to the maximum extent practicable, for transmission, processing, invoicing and storing data associated with the SM contract?				
e) J-2, Sec 1.1.1.8 – Does SM have procedures to identify capable and reliable contractors who have successful past performance records and who can demonstrate a current ability to perform?				
f) J-2, Sec 1.3 – Did SM advise MARAD of any change to its commercial purchasing procedures 14 calendar days prior to implementation throughout the performance period of the SMC?				
g) J-2, Sec 2.3 – Did SM submit requests for consent to subcontract to the ACO at least 10 working days prior to intended subcontract award date?				
h) Do consent requests contain supporting documents as specified in Sec 2.3 of Attachment J-2?				
i) J-2, Sec 2.4 – Did SM submit proper and sufficient documents associated with subcontracts requiring formal consent, to ACO for pre-issuance review at least 10 working days prior to intended issuance date?				
j) J-2, Sec 3.2 - Did SM notify ACO in writing when 75% of the funds provided on the TO have been expended?				
k) J-2, Sec 3.2 - Does SM maintain a tracking report on segregation and monitoring of funds?				
l) J-2, Sec 3.3 - Does SM submit Subcontract Socioeconomic Statistical Reports to ACO by the 5th of each month?				
m) J-2, Sec 3.3 - Does SM submit SF-294 and SF-295 on time?				
n) J-2, Sec 3.6 – Did SM advise ACO and COTR/ACOTR of any disputes with its subcontractors, changes in status of disputes, and potential costs or delays in delivery or possible litigation?				
o) Are there adequate separation of duties (Requisitioning/Procurement/Receiving/Accounting)?				
p) Are there proper controls for use of credit cards for purchasing?				
q) C, 7.5 Is SM maintaining records IAW FAR Subpart 4.7?				
r) Was the Ship Manager advised of any inconsistencies or unsatisfactory conditions upon identification?				
ACO Feedback to SM				
Did the ACO advise the Ship Manager of any non-conformities,				

inconsistencies or unsatisfactory conditions upon identification?				

Performance Element 5-3: Acquisition Operations	
Performance Objective: Acquisition operations are in compliance with approved commercial purchasing system procedures.	
Standards	**Quality Levels**
Exceeds Standards	**Exceeds Acceptable Quality Levels**
1. Ship Manager exceeds the acceptable standard for being in compliance with all applicable regulations and procedures	1. >95% compliant on evaluated factors and no major non-conformities
Meets Standards *(must meet **all** of the following)*	**Acceptable Quality Level**
1. Ship Manager meets the acceptable standard for being in compliance with all applicable regulations and procedures	1. 90-95% compliant on evaluated factors and no major non-conformities
Unsatisfactory *(meets **any** of the following)*	**Unsatisfactory Quality Level**
1. Ship Manager is not meeting the acceptable standard for being in compliance with all applicable regulations and procedures	1. <90% compliant on evaluated factors or one or more major non-conformities
NOTES: a) A major non-conformity consists of a failure to comply with applicable laws or procedures that results in measurable loss to the Government in terms of resources, mission readiness, and/or compromising the safety or security of property or personnel.	b) A minor non-conformity is one that is correctable without measurable loss to the Government in terms of resources, mission readiness, and/or safety or security of property or personnel.

Initiating Officials: CO	Method of Inspection: Contract Administrative Review of procurement documents. Periodic & random reviews of subcontract files.
Frequency of Inspection: Annual	
Statement of Work Reference: C.6.7 to 6.7.1.4 Attachment J-2	Other Applicable References: • Ship Manager Contract • Federal Acquisition Regulation • Ship Manager developed and MARAD approved Commercial Purchasing System Procedures
Rating: 0 Unsat 2 Meets Standard 3 Exceeds Standard	
Rationale/Comments required for all rating levels:	

Performance Element 5-3: Acquisition Operations -Check List (Job Aid Only for ACO)				**Frequency: Annual**
Acquisition Operations	**Yes**	**No**	**N/A or N/O**	**Remarks**
1) Ship Manager meets the acceptable standard for being in compliance with all applicable regulations and procedures				
a) J-2, Sec 2.5.2 – Did SM follow the procedures for Mission Essential Repair as specified?				
b) Are there improper trends in purchasing (i.e., splitting purchases to avoid competition or review thresholds and repeated awards to the same vendor)?				
c) J-2, Sec 3.4 – Copy of TO(s), with adequate funding authorized for this purpose included?				
d) J-2, Sec 3.4 – Are clearly defined requirements included?				
e) J-2, Sec 3.4 – Copy of all modifications to the subcontract included?				
f) J-2, Sec 3.4 – Documentation of competition obtained for purchases >$2,500 or its absence properly justified included?				
g) J-2, Sec 3.4 – Documentation of purchase decision, evidencing that the price paid was fair and reasonable and the subcontractor selected represented the best value to the government included?				
h) J-2, Sec 3.4 – Documentation of negotiations (if conducted), including explanation of variance between proposed and negotiated subcontract prices included?				
i) J-2, Sec 3.4 – Proper approvals, including SM internal approvals in accordance with commercial procedures and MARAD specification, solicitation, and award approvals included?				
j) J-2, Sec 3.4 – Is documentation of inspection and acceptance included?				
k) J-2, Sec 3.4 – Is documentation of payment in accordance with subcontract terms included?				
l) J-2, Sec. 3.4 – Closeout documentation, including final invoice payment marked as such included?				
m) J-2, Sec 3.5 – Is there evidence that SM verifies the validity and accuracy of all subcontractor invoices prior to forwarding them to MARAD for reimbursement?				
n) J-2, Sec 3.7.1 – Do SM subcontracts contain the basic content listed?				
o) J-2, Sec 3.7.2 – Does SM incorporate appropriate flow-down clauses in subcontracts?				
p) J-2, Sec 3.7.3 - Is there evidence that SM subcontracts do not include any language implying or stating that it is an agent of the Federal Government, and the SM shall not sign as “agent” or SM for MARAD?				
q) Are files complete? (includes solicitation, specification review/approval by COTR/ACOTR, source list, detailed estimate)				
r) Does file contain basis for determination of liquidated damages, diversion/inter-port differentials, bonding, and insurance for coverage in excess of MARAD contract requirement included?				

s) J-2, Sec 3.7.3 - Is there evidence that SM subcontracts do not include terms that bind the Government to the results of arbitration, judicial determination, or voluntary settlement between the prime contractor and subcontractor?				
t) J-2, Sec 3.7.4 - Is there evidence that SM ensures indemnification extends to MARAD, and the insurance certificate shall name the U.S.A. as a secondary source certificate holder as owner, along with the SM as vessel operator?				
u) J-2, Sec 3.7.4 - Does subcontract file contain evidence of an insurance policy from its subcontractors to protect Government property?				
v) J-2, Sec 3.7.6.2 - Is there evidence that SM verified proposed subcontractors are not suspended and/or debarred by consulting the GSA List of Parties Excluded from Federal Procurement and Non-procurement Programs?				
w) J-2, Sec 3.7.6.3 - Is there evidence that SM evaluated subcontractor performance to establish qualified sources, and to be used as part of the evaluation of best value?				
x) Did selected bidders verify recorded bid amounts?				
y) Did file review verify that SM complied with approved commercial procedures?				
z) Were negotiated prices obtained on supplemental growth delivery orders?				
aa) Were material and subcontracted expenses included in growth work exclusive of any percentage markup?				
bb) Was the Ship Manager advised of any inconsistencies or unsatisfactory conditions upon identification?				
ACO Feedback to SM				
Did the ACO advise the Ship Manager of any non-conformities, inconsistencies or unsatisfactory conditions upon identification?				

Performance Element 5-4: Deliverables	
Performance Objective: Timely and accurate submittal of deliverables (excluding the Business Plan Deliverable which is addressed under Performance Element 1-4)	
Standards	**Quality Levels**
Exceeds Standards	**Exceeds Acceptable Quality Levels**
1. Initial and recurring Deliverables are delivered on-time and accurately	1. The following deliverables (including revisions or updates as required) must be delivered timely and accurately requiring no more than one **minor** revision: Activation Plan, Deactivation Plan, Operations Plan, Preventative Maintenance Plan, QA Plan Severe Weather Plan, and Solicitation Packages in excess of $2 million, Commercial Purchasing Procedures (CPSR). No more than two of the balance of Deliverables require minor revisions and are submitted on time
2. Initial and recurring Deliverables are of high quality	2. OQE (demonstrate innovation, cost efficiencies, and technical superiority)
Meets Standards *(must meet **all** of the following)*	**Acceptable Quality Level**
1. Initial and recurring Deliverables are delivered on-time and accurately	1. All are submitted on time. Five or less require only minor revisions and zero major revisions. Deliverables requiring revision are accepted after one re-submittal and re-submitted within the allotted time period.

Unsatisfactory *(meets **any** of the following)*	**Unsatisfactory Quality Level**
1. Initial and recurring Deliverables are late or inaccurate.	1. Any deliverable is late. More than five require minor revisions and **one or more** require major revisions. A deliverable requiring revision requires more than one resubmittal
	NOTES: a) A major revision is defined as a deliverable which was incomplete or inaccurate in meeting minimally acceptable contract requirements. b) A minor revision is defined as a deliverable which may have inadvertent omissions, inaccuracies, or typographical errors.

Initiating Officials: COTR	Method of Inspection: 100% sample inspected on deliverables that require acceptance; sampling on deliverables that do not require acceptance
Frequency of Inspection: **Quarterly**	
Statement of Work Reference: TE-3 and J4	Applicable References: Ship Manager Contract (Attachment J-4, TE3)

Rating:

0	2	3
Unsat	Meets Standard	Exceeds Standard

Rationale/Comments required for all rating levels:

Performance Element 5-4: Deliverables -Check List (Job Aid only for COTR)				**<u>Frequency</u>** **Quarterly**
Submittal of Deliverables	**Yes**	**No**	**N/A or N/O**	**Remarks**
1) Did the Ship manager deliver Initial and recurring Deliverables on-time and accurately?				
a) Did the SM provide the deliverables on time in accordance with J-4 (justify in Remarks if any were early)?				
b) Were the SM deliverables submitted accurately with **five or less** requiring only minor revisions and **zero major** revisions? Of those deliverables re-submitted with a minor revision, were all accepted? (Meets Standard) *Identify in remarks any deliverable that required major revisions* Were the following deliverables (including revisions or updates as required) delivered timely and accurately requiring **no more than one** minor revision: Activation Plan, Deactivation Plan, Operations Plan, Preventative Maintenance Plan, QA Plan Severe Weather Plan and Solicitation Packages in excess of $2 million, Commercial Purchasing Procedures (CPSR) **and**, Did **no more than two** of the balance of Deliverables require minor revisions and were submitted on time. Note in remarks here and explain under evaluator's Summary assessment in PIR. (Exceeds Standard)				
c) Were the deliverables of high quality? Note in remarks here and explain under evaluator's Summary assessment in PIR that by OQE, the Ship manager demonstrated cost effectiveness, innovation, and/or technical superiority) (Exceeds Standard)				
COTR Feedback to SM				
Did the COTR advise the Ship Manager QA POC, Port Engineer, and/or ROS Chief Engineer of any non-conformities, inconsistencies or unsatisfactory conditions upon identification?				

Performance Goal 6: Effective Management and Control of Costs

Performance Element 6-1: Effective Management and Control of Costs	
Performance Objective: Ship Manager effectively manages and controls costs by implementing business processes and practices that accurately, track, reconcile and close-out actions.	
Standards	**Quality Levels**
Exceeds Standards *(must meet **two** of the following in addition to achieving "Meets Standard")*	**Exceeds Acceptable Quality Levels**
1. SM shall ensure accurate and timely management of expenditures and obligations	1. OQE (Demonstrates superior business processes in the expenditures and obligations of funds authorized by Task Order to reduce costs) **OR** **95%** of Invoices are submitted promptly, within 60 days following completion of work on each subcontract ***AND*** **90%** of subcontractor invoices are invoiced to MARAD within **15 days** of receipt by Ship Manager ***AND*** 85% or more of all reimbursable funds, authorized by all task orders during the Fiscal Year are invoiced to MARAD by August 31st of the fiscal year (except for any TOs issued after May 1)
2. Invoices are free of errors and mistakes	2. An average of one or less invoices per vessel are returned for errors and mistakes in the 6-month rating period
3. SM notifies COTR/ACO following end of performance period to effect Task Order close-out	3. Notification is made for 85% of TOs within 3 months following end of period of performance
4. SM shall effectively mitigate the Government's liability for crew claims (related to injuries, maintenance & cure, sexual harassment, unfair labor practices, asbestos/hazmat exposure, etc.)	4. OQE (SM has implemented innovative, superior business processes to mitigate the Government's liability and reduce costs)
Meets Standards *(must meet **all** of the following)*	**Acceptable Quality Level**
1. SM shall ensure accurate and timely management of expenditures and obligations	1. **90%** of Invoices are submitted promptly, within 60 days following completion of work on each subcontract ***AND*** **80%**of subcontractor invoices are invoiced to MARAD within **30 days** of receipt by Ship Manager ***AND*** **75%** of all reimbursable funds authorized by all task orders during the Fiscal Year are invoiced to MARAD by August 31st of the

	fiscal year (except for any TOs issued after May 1)
2. Invoices are free of errors and mistakes	2. An average two or less invoices per vessel are returned for errors and mistakes in the 6-month rating period
3. SM notifies COTR/ACO following end of performance period to effect Task Order close-out	3. Notification is made for 100% of TOs within 6 months following end of period of TO performance
4. Expenditures are within Authorized Task Order amount	4. 100% of task orders
5. SM shall effectively mitigate the Government's liability for crew claims (related to injuries, maintenance & cure, sexual harassment, unfair labor practices, asbestos/hazmat exposure, etc.)	5. OQE (SM complies with J-3 100% of the time.)
Unsatisfactory *(meets **any** of the following or does not meet any of the "Meets Standards" AQLs)*	**Unsatisfactory Quality Level**
1. SM shall ensure timely management of expenditures and obligation	1. Less than 90% of Invoices are submitted within 60 days following completion of work on each subcontract
2. Invoices are free of errors and mistakes	2. An average of greater than two invoices per vessel are returned for errors and mistakes in the 6-month rating period
3. SM notifies COTR/ACO following end of performance period to effect Task Order close-out	3. Notification is made for less than100% of TOs within 6 months following end of period of TO performance
4. Authorized task order amount is exceeded	4. 1 task order exceeded
5. SM shall effectively mitigate the Government's liability for insurance and claims	5. SM fails to comply with Attachment J-3 **100%** of the time
	NOTE: Operational Task Orders may be exempted by MARAD on a case-by-case basis due to extenuating circumstances

Initiating Officials: FCO, ACO and COTR	Method of Inspection: Review of NS5, EIS, SM financial documents, annual Contract Administration Review, onsite inspections as deemed necessary.
Frequency of Inspection: **Semi-annual** .	
Statement of Work Reference: C.7, C.5.8.5, C.5.11.1.1	References: • Generally Accepted Accounting Principles (GAAP) US as established by the Finance Account Standards Board • Funded Task Orders under Ship Manager contract • 52.215-2 "Audit and Records -- Negotiation" and FAR Subpart 4.7 • Government provided procedures under SMC (Attachment J-2, EIS) • Ship Manager's Quality Control Plan and ISM Related Procedure, Plans, and Documents
Statement of Work Reference: • C. 4.2 • TE-1, Section 19	Other Applicable References: • U.S. Code of Federal Regulations • State and Local Environmental regulations • MARPOL Annex V, Section 73/78 • ISO 14000 (series)

	• SM Quality Plan • Vessel Response Plan or Shipboard Oil Pollution Emergency Plan • HAZWOPER training • MSDS Sheets
Rating: 0 Unsat 2 Meets Standard 3 Exceeds Standard	
Rationale/Comments required for all rating levels:	

Performance Element 6-1: Effective Management and Control of Costs -Check List (Job Aid only for COTR)				**Frequency : Semi-annual**
Cost Control and Management	**Yes**	**No**	**N/A or N/O**	**Remarks**
1) Did the Ship Manager ensure accurate and timely management of expenditures and obligations?				
a) i) Were **90%** of Invoices submitted promptly, within **60 days** following completion of work on each subcontract ***AND*** ii) **80%** of subcontractor invoices were invoiced to MARAD within **30 days** of receipt by Ship Manager ***AND*** iii) **75%** of all reimbursable funds authorized by all task orders during the Fiscal Year were invoiced to MARAD by August 31st of the fiscal year (except for any TOs issued after May 1)? Sec C.,7.2.2 (Meets Standard) *Note actual % for each item under Remarks here.* If Ship Manager submitted: iv) **95%** of Invoices within **60 days** following completion of work on each subcontract ***AND*** v) **90%**of subcontractor invoices within **15 days** of receipt by Ship Manager ***AND*** vi) **85%** of all reimbursable funds authorized by all task orders during the Fiscal Year were invoiced to MARAD by August 31st of the fiscal year (except for any TOs issued after May 1)? Note under Remarks here and explain under evaluator's Summary assessment in PIR. (Exceeds Standard)				
b) Did review of advance payments confirm reconciliation was performed within **60** days of payment, supporting documentation was adequate, and overpayments were returned to MARAD?				
c) Did the Ship Manager provide OQE demonstrating superior business processes in the expenditure and obligation of funds authorized by Task Order to reduce costs? (Exceeds Standards)				
2) Were Invoices free of errors and mistakes?				
a) Did the average number/vessel of invoices returned by MARAD for errors and mistakes during the 6-month rating period equal **2.00** or less? (Meets Standard) *Enter under Remarks : Average = number of invoices returned/number of vessels in contract* If the average number/vessel of invoices returned by MARAD for errors and mistakes during the 6-month rating period was **1.00** or less, Note in remarks here and explain under evaluator's Summary assessment in PIR.				

(Exceeds Standard)				
3) Did the Ship Manager notify the COTR/ACO following end of performance period to effect Task Order close-out?				
a) Did the Ship manager submit close-out notifications for **100%** of TOs **within 6 months** following the end of the TO performance period? Sec C, 7.1.3 (Meets Standard) *Enter calculation of actual % and notification period under Remarks here*. If the Ship manager submitted close-out notifications for **85%** of TOs **within 3 months** following end of period of performance, Note under Remarks here and explain under evaluator's Summary assessment in PIR. (Exceeds Standard)				
4) Were the expenditures within the Authorized Task Order amount?				
a) Expenditures were within the Authorized Task Order amount for **100%** of Task Orders?				
b) Did the SM notify MARAD in a timely manner of changes in funding requirements? Sec C, 7.1.2				
5) Did the Ship Manager effectively mitigate the Government's liability for crew claims (related to injuries, maintenance & cure, sexual harassment, unfair labor practices, asbestos/hazmat exposure, etc?)				
a) Did the Ship Manager demonstrate OQE to substantiate that the SM had mitigated the Government's liability and reduced costs? (Meets Standard) *Summarize details in Remarks here.* If the SM implemented and/or sustained innovative, superior business processes to mitigate the Government's liability and reduce costs, Note in remarks here and explain under evaluator's Summary assessment in PIR. (Exceeds Standard)				
b) Did the SM process claims and settlements in a timely manner? Sec C, 7.4				
c) Did the review of documentation for selected crew injury claims reveal that SM properly sought reimbursement? Sec C, 7.4				
d) Were records/support documentation available when requested by MARAD? Sec C, 7.5				
COTR Feedback to SM				
Did the COTR advise the Ship Manager QA POC, Port Engineer, and/or ROS Chief Engineer of any non-conformities, inconsistencies or unsatisfactory conditions upon identification?				