

2. AMENDMENT/MODIFICATION NO. 0021	3. EFFECTIVE DATE See Block 16C	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. (If applicable)
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6. ISSUED BY U.S. DOT/ Maritime Administration Office of Acquisition MAR-380 1200 NEW JERSEY AVENUE SE MAIL STOP W-28-201 WASHINGTON DC 20590-0001	CODE 00091	7. ADMINISTERED BY (If other than Item 6) U. S. DOT Maritime Administration Atlantic Div. Acquisition Office MAR-380.2 7737 Hampton Blvd Building 19 Suite 300 Norfolk VA 23505-1204	CODE 00092
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8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code) Crowley Technical Management, Inc. Attn: Patricia Murphy 9487 Regency Square Blvd Jacksonville FL 32225-8126	(x)	9A. AMENDMENT OF SOLICITATION NO.
		9B. DATED (SEE ITEM 11)
	x	10A. MODIFICATION OF CONTRACT/ORDER NO. DTMA8C05019
		10B. DATED (SEE ITEM 13) 07/28/2005

**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 ACKNOWLEDGEMENT 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)  
See Schedule

**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.
X	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  is not,  is required to sign this document and return \_\_\_\_\_ 0 \_\_\_\_\_ copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)  
HQ Admin Mod JUL 2011

SUMMARY OF CHANGES

- Line items are added for Contract Year 7 (July 28, 2011 through July 27, 2012) with per diem rates adjusted in accordance with the contract provision at G.2.e.
- TE-5 is revised by replacing the RRF Logistics Management Manual, Vol I, of Sep 9, 2008 with the RRF Logistics Management Manual, Vol I, of Jun 1, 2011.
- SECTION I CONTRACT CLAUSES is revised to include by reference under I.1 FAR Clause

Continued ...

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) Jill M. Kline
15B. CONTRACTOR/OFFEROR  (Signature of person authorized to sign)	15C. DATE SIGNED
	16B. UNITED STATES OF AMERICA  (Signature of Contracting Officer)
	16C. DATE SIGNED 07/19/2011

## CONTINUATION SHEET

REFERENCE NO. OF DOCUMENT BEING CONTINUED  
DTMA8C05019/0021PAGE OF  
2 117

NAME OF OFFEROR OR CONTRACTOR

Crowley Technical Management, Inc.

ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
	52.251-1 Government Supply Sources (AUG 2010).  4. SECTION J-2 SHIP MANAGER SUBCONTRACT PURCHASE POLICIES is revised to authorize Ship Managers to purchase cost-reimbursable supply items from Government supply sources. Payment: MARAD A/P INVOICES P.O.BOX 25710 OKLAHOMA CITY OK 73125 FOB: Destination Period of Performance: 07/28/2005 to 07/27/2015				
0701	Opt 1, Yr 3, SS WRIGHT		LO	0.00	0.00
0701AA	ROS (with crew) SS WRIGHT		DA	5,905.38	0.00
0701AB	ROS (without crew) SS WRIGHT		DA	1,460.02	0.00
0701AC	RRF-10 SS WRIGHT		DA	1,476.53	0.00
0701AD	Phase 0 - operations SS WRIGHT		DA	1,929.50	0.00
0701AE	Cost reimbursable items SS WRIGHT		LO	0.00	0.00
0702	Opt 1, Yr 3, SS CURTISS		LO	0.00	0.00
0702AA	ROS (with crew) SS CURTISS		DA	5,905.38	0.00
0702AB	ROS (without crew) SS CURTISS		DA	1,460.02	0.00
0702AC	RRF-10 SS CURTISS		DA	1,476.53	0.00
0702AD	Phase 0 - operations SS CURTISS		DA	1,929.50	0.00
0702AE	Cost reimbursable items SS CURTISS		LO	0.00	0.00

## SECTION I -- CONTRACT CLAUSES

## I.1 52.252-02 CLAUSES INCORPORATED BY REFERENCE

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

<https://www.acquisition.gov/comp/far/current/html/FARTOCP52.html>

Clause	Title	Date
52.202-01	Definitions	Jul-04
52.203-03	Gratuities	Apr-84
52.203-05	Covenant Against Contingent Fees	Apr-84
52.203-06	Restrictions On Subcontractor Sales To The Government	Jul-95
52.203-07	Anti-Kickback Procedures	Jul-95
52.203-10	Price Or Fee Adjustment For Illegal Or Improper Activity	Jan-97
52.203-12	Limitations on Payments to Influence Certain Federal Transactions	Jun-03
52.204-02	Security Requirements	Aug-96
52.204-07	Central Contractor Registration	Oct-03
52.209-06	Protecting the Government's Interest When Subcontracting With Contractors Debarred, Suspended, or Proposed for Debarment	Jul-95
52.211-05	Material Requirements	Aug-00
52.215-02	Audit and Records--Negotiation	Jun-99
52.215-10	Price Reduction for Defective Cost or Pricing Data	Oct-97
52.215-11	Price Reduction for Defective Cost or Pricing Data-Modifications	Oct-97
52.216-24	Limitation Of Government Liability	Apr-84
52.216-25	Contract Definitization (See Note 1.)	Oct-97
52.217-08	Option To Extend Services	Nov-99
52.217-09	Option To Extend The Term Of The Contract	Mar-00
52.219-08	Utilization of Small Business Concerns	Oct-00
52.219-09	Small Business Subcontracting Plan (Jan 2002) - Alternate II	Oct-01
52.219-09	Small Business Subcontracting Plan	Jan-02
52.222-01	Notice To The Government Of Labor Disputes	Feb-97
52.222-03	Convict Labor	Jun-03
52.222-26	Equal Opportunity	Apr-02
52.222-35	Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans	Dec-01
52.222-36	Affirmative Action For Workers with Disabilities	Jun-98

Clause	Title	Date
52.222-37	Employment Reports on Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans	Dec-01
52.222-41	Service Contract Act Of 1965, As Amended	May-89
52.222-43	Fair Labor Standards Act And Service Contract Act - Price Adjustment (Multiple Year And Option Contracts)	May-89
52.223-02	Affirmative Procurement of Biobased Products Under Service and Construction Contracts	Dec-07
52.223-03	Hazardous Material Identification and Material Safety Data (Jan 1997) - Alternate I	Jul-95
52.223-03	Hazardous Material Identification And Material Safety Data	Jan-97
52.223-05	Pollution Prevention and Right-to-Know Information	Aug-03
52.223-06	Drug Free Workplace	May-01
52.223-09	Estimate of Percentage of Recovered Material Content for EPA Designated Items.	May-08
52.223-10	Waste Reduction Program	Aug-00
52.223-11	Ozone-Depleting Substances	May-01
52.223-12	Refrigeration Equipment and Air Conditioners	May-95
52.223-14	Toxic Chemical Release Reporting	Aug-03
52.223-15	Energy Efficiency in Energy-Consuming Products	Dec-07
52.223-16	IEEE 1680 Standard for the Environmental Assessment of Personal Computer Products	Dec-07
52.223-17	Affirmative Procurement of EPA-designated Items in Service and Construction Contracts	May-08
52.225-01	Buy American Act - Supplies	Jun-03
52.225-13	Restrictions on Certain Foreign Purchases	Mar-05
52.227-01	Authorization and Consent	Jul-95
52.227-03	Patent Indemnity	Apr-84
52.228-14	Irrevocable Letter of Credit	Dec-99
52.229-03	Federal, State And Local Taxes	Apr-03
52.230-02	Cost Accounting Standards	Apr-98
52.232-01	Payments	Apr-84
52.232-08	Discounts For Prompt Payment	Feb-02
52.232-11	Extras	Apr-84
52.232-17	Interest	Jun-96
52.232-18	Availability Of Funds	Apr-84
52.232-19	Availability Of Funds For The Next Fiscal Year	Apr-84
52.232-23	Assignment Of Claims	Jan-86
52.232-25	Prompt Payment	Oct-03
52.232-32	Performance-Based Payments	Feb-02
52.232-33	Payment by Electronic Funds Transfer--Central Contractor Registration	Oct-03
52.233-01	Disputes	Jul-02

Clause	Title	Date
52.233-03	Protest After Award	Aug-96
52.237-02	Protection Of Government Buildings, Equipment, And Vegetation	Apr-84
52.237-03	Continuity Of Services	Jan-91
52.242-13	Bankruptcy	Jul-05
52.243-01	Changes--Fixed-Price (Aug 1987) - Alternate II	Apr-84
52.243-07	Notification Of Changes	Apr-84
52.244-02	Subcontracts (Cost-Reimbursement and Letter Contracts)	Aug-98
52.244-05	Competition In Subcontracting	Dec-96
52.244-06	Subcontracts for Commercial Items	Dec-04
52.245-02	Government Property (Fixed Price Contracts)	Jun-03
52.245-04	Government-Furnished Property (Short Form)	Jun-03
52.246-25	Limitation Of Liability--Services	Feb-97
52.247-34	F.O.B. Destination	Nov-91
52.249-02	Termination for Convenience of the Government (Fixed-Price)	Sep-96
52.249-04	Termination for Convenience of the Government (Services) (Short Form)	Apr-84
52.249-08	Default (Fixed-Price Supply and Service)	Apr-84
<b>52.251-1</b>	<b>Government Supply Sources</b>	<b>Aug-10</b>
52.253-01	Computer Generated Forms	Jan-91

## I.2 1252.209-70 DISCLOSURE OF CONFLICTS OF INTEREST OCTOBER 1994

It is the Department of Transportation's (DOT) policy to award contracts to only those offerors whose objectivity is not impaired because of any related past, present, or planned interest, financial or otherwise, in organizations regulated by DOT or in organizations whose interests may be substantially affected by Departmental activities. Based on this policy:

(a) The offeror shall provide a statement in its proposal which describes in a concise manner all past, present or planned organizational, financial, contractual or other interest(s) with an organization regulated by DOT, or with an organization whose interests may be substantially affected by Departmental activities, and which is related to the work under this solicitation. The interest(s) described shall include those of the proposer, its affiliates, proposed consultants, proposed subcontractors and key personnel of any of the above. Past interest shall be limited to within one year of the date of the offeror's technical proposal. Key personnel shall include any person owning more than 20% interest in the offeror, and the offeror's corporate officers, its senior managers and any employee who is responsible for making a decision or taking an action on this contract where the decision or action can have an economic or other impact on the interests of a regulated or affected organization.

(b) The offeror shall describe in detail why it believes, in light of the interest(s) identified in (a) above, that performance of the proposed contract can be accomplished in an impartial and objective manner.

(c) In the absence of any relevant interest identified in (a) above, the offeror shall submit in its proposal a statement certifying that to its best knowledge and belief no affiliation exists relevant to possible conflicts of interest. The offeror must obtain the same information from potential subcontractors prior to award of a subcontract.

(d) The Contracting Officer will review the statement submitted and may require additional relevant information from the offeror. All such information, and any other relevant information known to DOT, will be used to determine whether an award to the offeror may create a conflict of interest. If any such conflict of interest is found to exist, the Contracting Officer may (1) disqualify the offeror, or (2) determine that it is otherwise in the best interest of the United States to contract with the offeror and include appropriate provisions to mitigate or avoid such conflict in the contract awarded.

(e) The refusal to provide the disclosure or representation, or any additional information required, may result in disqualification of the offeror for award. If nondisclosure or misrepresentation is discovered after award, the resulting contract may be terminated. If after award the Contractor discovers a conflict of interest with respect to the contract awarded as a result of this solicitation, which could not reasonably have been known prior to award, an immediate and full disclosure shall be made in writing to the Contracting Officer. The disclosure shall include a full description of the conflict, a description of the action the contractor has taken, or proposes to take, to avoid or mitigate such conflict. The Contracting Officer may, however, terminate the contract for convenience if he or she deems that termination is in the best interest of the Government.

I.3 1252.217-81 GUARANTEE JANUARY 1996

(a) In the event any work performed or materials furnished by the contractor prove defective or deficient within 60 days from the date of redelivery of the vessel(s), the Contractor, as directed by the Contracting Officer and at its own expense, shall correct and repair the deficiency to the satisfaction of the Contracting Officer.

(b) If the Contractor or any subcontractor has a guarantee for work performed or materials furnished that exceeds the 60 day period, the Government shall be entitled to rely upon the longer guarantee until its expiration.

(c) With respect to any individual work item identified as incomplete at the time of redelivery of the vessel(s), the guarantee period shall run from the date the item is completed.

(d) If practicable, the Government shall give the Contractor an opportunity to correct the deficiency.

(1) If the Contracting Officer determines it is not practicable or is otherwise not advisable to return the vessel(s) to the Contractor, or the Contractor fails to proceed with the repairs promptly, the Contracting Officer may direct that the repairs be performed elsewhere, at the Contractor's expense.

(2) If correction and repairs are performed by other than the Contractor, the Contracting Officer may discharge the Contractor's liability by making an equitable deduction in the price of the contract.

(e) The Contractor's liability shall extend for an additional 90 day guarantee period on those defects or deficiencies that the Contractor corrected.

(f) At the option of the Contracting officer, defects and deficiencies may be left uncorrected. In that event, the Contractor and Contracting Officer shall negotiate an equitable reduction in the contract price. Failure to agree upon an equitable reduction shall constitute a dispute under the Disputes clause of this contract.

I.4 1252.219-70 SMALL BUSINESS AND SMALL DISADVANTAGED BUSINESS SUBCONTRACTING REPORTING JUNE 1997

(a) The Contractor shall submit the Summary Subcontract Report (Standard Form 295 (SF-295)) to the Department of Transportation, Office of the Secretary, Office of Small and Disadvantaged Business Utilization (S-42), 400 7th St., SW, Washington, DC, 20590.

(b) The Contractor shall include this clause in all subcontracts that include the clause at (FAR) 48 CFR 52.219-9.

I.5 1252.223-71 ACCIDENT AND FIRE REPORTING OCTOBER 1994

(a) The Contractor shall report to the Contracting Officer any accident or fire occurring at the site of the work which causes:

- (1) A fatality or as much as one lost workday on the part of any employee of the Contractor or subcontractor at any tier;
- (2) Damage of \$1,000 or more to Federal property, either real or personal;
- (3) Damage of \$1,000 or more to Contractor or subcontractor owned or leased motor vehicles or mobile equipment; or
- (4) Damage for which a contract time extension may be requested.

(b) Accident and fire reports required by paragraph (a) above shall be accomplished by the following means:

- (1) Accidents or fires resulting in a death, hospitalization of five or more persons, or destruction of Federal property (either real or personal), the total value of which is estimated at \$100,000 or more, shall be reported immediately by telephone to the Contracting Officer or his/her authorized representative and shall be confirmed by telegram or facsimile transmission within 24 hours to the Contracting Officer. Such telegram or facsimile transmission shall state all known facts as to extent of injury and damage and as to cause of the accident or fire.
- (2) Other accident and fire reports required by paragraph (a) above may be reported by the Contractor using a state, private insurance carrier, or Contractor accident report form which provides for the statement of:

- (i) The extent of injury; and
- (ii) The damage and cause of the accident or fire.

Such report shall be mailed or otherwise delivered to the Contracting Officer within 48 hours of the occurrence of the accident or fire.

(c) The Contractor shall assure compliance by subcontractors at all tiers with the requirements of this clause.

I.6 1252.237-70 QUALIFICATIONS OF EMPLOYEES OCTOBER 1994

The Contracting Officer may require dismissal from work of those employees which he/she deems incompetent, careless, insubordinate, unsuitable or otherwise objectionable, or whose continued employment he/she deems contrary to the public interest or inconsistent with the best interest of national security. The Contractor shall fill out, and cause each of its employees on the contract work to fill out, for submission to the Government, such forms as may be necessary for security or other reasons. Upon request of the Contracting Officer, the Contractor's employees shall be fingerprinted. Each employee of the Contractor shall be a citizen of the United States of America, or an alien who has been lawfully admitted for permanent residence as evidenced by Alien Registration Receipt Card Form I-151, or who presents other evidence from the Immigration and Naturalization Service that employment will not affect his/her immigration status.

I.7 1252.242-73 CONTRACTING OFFICER'S TECHNICAL REPRESENTATIVE OCTOBER 1994

(a) The Contracting Officer may designate Government personnel to act as the Contracting Officer's Technical Representative (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 Contracting Officer will provide a written notice of such designation to the Contractor within five working days after contract award or for construction, not less than five working days prior to giving the contractor the notice to proceed. The designation letter will set forth the authorities and limitations of the COTR under the contract.

(b) The Contracting Officer cannot authorize the COTR or any other representative to sign documents (i.e., contracts, contract modifications, etc.) that require the signature of the Contracting Officer.

I.8 1252.245-70 GOVERNMENT PROPERTY REPORTS OCTOBER 1994

(a) The Contractor shall prepare an annual report of Government property in its possession and the possession of its subcontractors.

(b) The report shall be submitted to the Contracting Officer not later than September 15 of each calendar year on Form DOT F 4220.43, Contractor Report of Government Property.

I.9 52.204-01 APPROVAL OF CONTRACT DECEMBER 1989

This contract is subject to the written approval of [identify title of designated agency official here] and shall not be binding until so approved.

I.10 52.216-24 LIMITATION OF GOVERNMENT LIABILITY APRIL 1984

(a) In performing this contract, the Contractor is not authorized to make expenditures or incur obligations exceeding dollars.

(b) The maximum amount for which the Government shall be liable if this contract is terminated is dollars.

I.11 52.217-02 CANCELLATION UNDER MULTIYEAR CONTRACTS OCTOBER 1997

(a) "Cancellation", as used in this clause, means that the Government is canceling its requirements for all supplies or services in program years subsequent to that in which notice of cancellation is provided. Cancellation shall occur by the date or within the time period specified in the Schedule, unless a later date is agreed to, if the Contracting Officer--

(1) Notifies the Contractor that funds are not available for contract performance for any subsequent program year; or

(2) Fails to notify the Contractor that funds are available for performance of the succeeding program year requirement.

(b) Except for cancellation under this clause or termination under the Default clause, any reduction by the Contracting Officer in the requirements of this contract shall be considered a termination under the Termination for Convenience of the Government clause.

(c) If cancellation under this clause occurs, the Contractor will be paid a cancellation charge not over the cancellation ceiling specified in the Schedule as applicable at the time of cancellation.

(d) The cancellation charge will cover only--

- (1) Costs--
  - (i) Incurred by the Contractor and/or subcontractor;
  - (ii) Reasonably necessary for performance of the contract; and
  - (iii) That would have been equitably amortized over the entire multiyear contract period but, because of the cancellation, are not so amortized, and
- (2) A reasonable profit or fee on the costs.

(e) The cancellation charge shall be computed and the claim made for it as if the claim were being made under the Termination for Convenience of the Government clause of this contract. The Contractor shall submit the claim promptly but no later than 1 year from the date--

- (1) Of notification of the non-availability of funds; or
- (2) Specified in the Schedule by which notification of the availability of additional funds for the next succeeding program year is required to be issued, whichever is earlier, unless extensions in writing are granted by the Contracting Officer.

(f) The Contractor's claim may include--

- (1) Reasonable nonrecurring costs (see Subpart 15.4 of the Federal Acquisition Regulation) which are applicable to and normally would have been amortized in all supplies or services which are multiyear requirements;
- (2) Allocable portions of the costs of facilities acquired or established for the conduct of the work, to the extent that it is impracticable for the Contractor to use the facilities in its commercial work, and if the costs are not charged to the contract through overhead or otherwise depreciated;-
- (3) Costs incurred for the assembly, training, and transportation to and from the job site of a specialized work force; and--
- (4) Costs not amortized solely because the cancellation had precluded anticipated benefits of Contractor or subcontractor learning.

(g) The claim shall not include--

- (1) Labor, material, or other expenses incurred by the Contractor or subcontractors for performance of the canceled work;-
- (2) Any cost already paid to the Contractor;-
- (3) Anticipated profit or unearned fee on the canceled work; or
- (4) For service contracts, the remaining useful commercial life of facilities. ``Useful commercial life" means the commercial utility of the facilities rather than their physical life with due consideration given to such factors as location of facilities, their specialized nature, and obsolescence. -

(h) This contract may include an Option clause with the period for exercising the option limited to the date in the contract for notification that funds are available for the next succeeding program year. If so, the Contractor agrees not to include in option quantities any costs of a startup or nonrecurring nature that have been fully set forth in the contract. The Contractor further agrees that the option quantities will reflect only those recurring costs and a reasonable profit or fee necessary to furnish the additional option quantities.

(i) Quantities added to the original contract through the Option clause of this contract shall be included in the quantity canceled for the purpose of computing allowable cancellation charges.

(a) Definitions. As used in this clause—

“Commercially available off-the-shelf (COTS) item”—

(1) Means any item of supply that is—

- (i) A commercial item (as defined in paragraph (1) of the definition at 2.101);
- (ii) Sold in substantial quantities in the commercial marketplace; and
- (iii) Offered to the Government, without modification, in the same form in which it is sold in the commercial marketplace; and

(2) Does not include bulk cargo, as defined in section 3 of the Shipping Act of 1984 (46 U.S.C. App. 1702), such as agricultural products and petroleum products. Per 46 CFR 525.1 (c)(2), “bulk cargo” means cargo that is loaded and carried in bulk onboard ship without mark or count, in a loose unpackaged form, having homogenous characteristics. Bulk cargo loaded into intermodal equipment, except LASH or Seabee barges, is subject to mark and count and, therefore, ceases to be bulk cargo.

“Employee assigned to the contract” means an employee who was hired after November 6, 1986, who is directly performing work, in the United States, under a contract that is required to include the clause prescribed at 22.1803. An employee is not considered to be directly performing work under a contract if the employee—

- (1) Normally performs support work, such as indirect or overhead functions; and
- (2) Does not perform any substantial duties applicable to the contract.

“Subcontract” means any contract, as defined in 2.101, entered into by a subcontractor to furnish supplies or services for performance of a prime contract or a subcontract. It includes but is not limited to purchase orders, and changes and modifications to purchase orders.

“Subcontractor” means any supplier, distributor, vendor, or firm that furnishes supplies or services to or for a prime Contractor or another subcontractor.

“United States”, as defined in 8 U.S.C. 1101(a)(38), means the 50 States, the District of Columbia, Puerto Rico, Guam, and the U.S. Virgin Islands.

(b) Enrollment and verification requirements.

(1) If the Contractor is not enrolled as a Federal Contractor in E-Verify at time of contract award, the Contractor shall—

- (i) Enroll. Enroll as a Federal Contractor in the E-Verify program within 30 calendar days of contract award;
- (ii) Verify all new employees. Within 90 calendar days of enrollment in the E-Verify program, begin to use E-Verify to initiate verification of employment eligibility of all new hires of the Contractor, who are working in the United States, whether or not assigned to the contract, within 3 business days after the date of hire (but see paragraph (b)(3) of this section); and (iii) Verify employees assigned to the contract. For each employee assigned to the contract, initiate verification within 90 calendar days after date of enrollment or within 30 calendar days of the employee’s assignment to the contract, whichever date is later (but see paragraph (b)(4) of this section).

(2) If the Contractor is enrolled as a Federal Contractor in E-Verify at time of contract award, the Contractor shall use E-Verify to initiate verification of employment eligibility of—

(i) All new employees.

(A) Enrolled 90 calendar days or more. The Contractor shall initiate verification of all new hires of the Contractor, who are working in the United States, whether or not assigned to the contract, within 3 business days after the date of hire (but see paragraph (b)(3) of this section); or

(B) Enrolled less than 90 calendar days. Within 90 calendar days after enrollment as a Federal Contractor in E-Verify, the Contractor shall initiate verification of all new hires of the Contractor, who are working in the United States, whether or not assigned to the contract, within 3 business days after the date of hire (but see paragraph (b)(3) of this section); or

(ii) Employees assigned to the contract. For each employee assigned to the contract, the Contractor shall initiate verification within 90 calendar days after date of contract award or within 30 days after assignment to the contract, whichever date is later (but see paragraph (b)(4) of this section).

(3) If the Contractor is an institution of higher education (as defined at 20 U.S.C. 1001(a)); a State or local government or the government of a Federally recognized Indian tribe; or a surety performing under a takeover agreement entered into with a Federal agency pursuant to a performance bond, the Contractor may choose to verify only employees assigned to the contract, whether existing employees or new hires. The Contractor shall follow the applicable verification requirements at (b)(1) or (b)(2) respectively, except that any requirement for verification of new employees applies only to new employees assigned to the contract.

(4) Option to verify employment eligibility of all employees. The Contractor may elect to verify all existing employees hired after November 6, 1986, rather than just those employees assigned to the contract. The Contractor shall initiate verification for each existing employee working in the United States who was hired after November 6, 1986, within 180 calendar days of—

(i) Enrollment in the E-Verify program; or

(ii) Notification to E-Verify Operations of the Contractor's decision to exercise this option, using the contact information provided in the E-Verify program Memorandum of Understanding (MOU).

(5) The Contractor shall comply, for the period of performance of this contract, with the requirements of the E-Verify program MOU.

(i) The Department of Homeland Security (DHS) or the Social Security Administration (SSA) may terminate the Contractor's MOU and deny access to the E-Verify system in accordance with the terms of the MOU. In such case, the Contractor will be referred to a suspension or debarment official.

(ii) During the period between termination of the MOU and a decision by the suspension or debarment official whether to suspend or debar, the Contractor is excused from its obligations under paragraph (b) of this clause. If the suspension or debarment official determines not to suspend or debar the Contractor, then the Contractor must reenroll in E-Verify.

(c) Web site. Information on registration for and use of the E-Verify program can be obtained via the Internet at the Department of Homeland Security Web site: <http://www.dhs.gov/E-Verify>.

(d) Individuals previously verified. The Contractor is not required by this clause to perform additional employment verification using E-Verify for any employee—

- (1) Whose employment eligibility was previously verified by the Contractor through the E-Verify program;
- (2) Who has been granted and holds an active U.S. Government security clearance for access to confidential, secret, or top secret information in accordance with the National Industrial Security Program Operating Manual; or
- (3) Who has undergone a completed background investigation and been issued credentials pursuant to Homeland Security Presidential Directive (HSPD)-12, Policy for a Common Identification Standard for Federal Employees and Contractors.

(e) Subcontracts. The Contractor shall include the requirements of this clause, including this paragraph (e) (appropriately modified for identification of the parties), in each subcontract that—

(1) Is for—

- (i) Commercial or noncommercial services (except for commercial services that are part of the purchase of a COTS item (or an item that would be a COTS item, but for minor modifications), performed by the COTS provider, and are normally provided for that COTS item); or
- (ii) Construction;

(2) Has a value of more than \$3,000; and

(3) Includes work performed in the United States.

[END OF SECTION I]

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)
>\$2.5M	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:

- Define the intended work in as much detail as possible.
- Develop an estimate of cost, and an initial not to exceed value.
- Make all attempts possible to obtain competition, given the circumstances.
- Obtain fixed price rates for subcontracted labor (to include straight time and overtime) fully burdened material, mutually acceptable terms and conditions.
- Recommend project start and completion dates.
- 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. prepositioned 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 attached to each invoice submitted in the Electronic Invoice System (EIS) for either (1) FYXX M&R DRYDOCK or (2) OPER No-Notice Test Activation. The SM will utilize an Excel spreadsheet template provided by MARAD which provides an automated compilation of reimbursable costs segregated by Project Line Item Categories (M&R, ESL, Activation, Operating Costs, and/or Deactivation). In addition the spreadsheet shall include the following data elements, at a minimum:

- SM Name
- SM Contract Number
- Task Order Number
- Vessel Name
- SM Invoice Number
- CLIN number
- Project Line Item Category Name
- NS5 Work Order or Service Request Number
- Short Description of Supplies or Services
- SM Purchase Order Number
- Dollar Amount of Invoice
- Subcontractor Name
- Subcontractor Invoice Number
- Receipt Date of Subcontractor Invoice
- Fixed Fee Period Start Date
- Fixed Fee Period End Date
- Fixed Fee Days
- Fixed Fee Rate
- Fixed Fee Calculated Amount

**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:

- Copy of TO(s), with adequate funding authorized for this purpose
- Subcontract, including clearly defined requirements (see Section 3.7)
- Copy of all modifications to the subcontract
- Documentation of competition obtained for purchases of supplies >\$3,000 and services >\$2,500 or, in the absence of competition, proper justification for not competing the requirement.
- Documentation of purchase decision, evidencing that the price paid was fair and reasonable and the subcontractor selected represented the best value to the government
- Documentation of negotiations (if conducted), including explanation of variance between proposed and negotiated subcontract prices
- Proper approvals, including SM internal approvals in accordance with commercial procedures and MARAD specification, solicitation, and award approvals
- Documentation of inspection and acceptance
- Documentation of payment in accordance with subcontract terms
- 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)
- Documentation of rationale for not using directed sources (i.e., fuel)
- 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 working 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 is 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. 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 <https://www.epls.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.

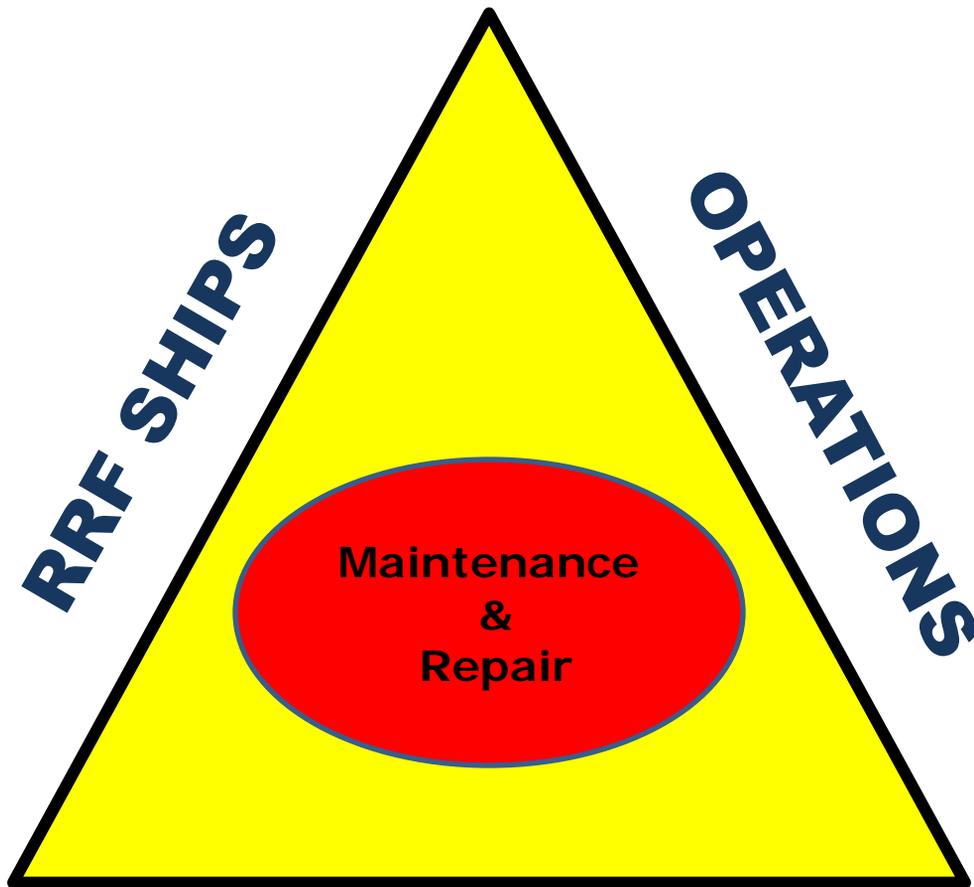
3.8 The Contracting Officer has determined it to be in the Government's best interest to authorize Ship Managers to use Government supply sources to purchase cost-reimbursable supply items for Government use. This authorization is provided for use on a voluntary basis and significant use of the authorization will be considered as Observable Quality Evidence (OQE) demonstrating superior business processes in the expenditures and obligations of funds authorized by Task Order to reduce costs under Performance Element 6-1 Effective Management and Control of Costs. To implement this provision, each Ship Manager will receive a letter of authorization from the PCO for each ship management contract they have been awarded by the Maritime Administration for use in placing orders to acquire supply items from Government supply sources (*see FAR 51.103 Ordering from Government supply sources*). Before placing orders with Government supply sources, the Ship Manager will need to coordinate with the ACO for assistance in obtaining any necessary activity address codes and for use of the proper ordering forms where specified (*see 51.102, 51.103 and 51.104*).

[END OF ATTACHMENT J-2]



U.S. Department  
of Transportation  
**Maritime  
Administration**

# Ready Reserve Force Logistics Management Manual



**LOGISTICS SUPPORT**

**VOLUME I**  
**June 1, 2011**

**Logistics Management Manual**

**VOLUME I**

**RRF SHIPBOARD LOGISTICS**  
**MANAGEMENT**

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# Chapter 1: Introduction to the RRF Logistics Support System

## 1.0 The Ready Reserve Force

The Ready Reserve Force (RRF) was established by the Maritime Administration (MARAD) in coordination with the U.S. Navy in 1976 as a support element for the deployment of U.S. forces. The RRF is an element of the National Defense Reserve Fleet (NDRF) that has been tasked to maintain an effective sealift capability in support of the Department of Defense (DOD). MARAD manages RRF vessel acquisitions, upgrades, activations, maintenance, and operations. RRF vessels are entrusted to contract ship managers, general agents, and a number of maritime academies.

## 1.1 RRF Logistics Management Manual (LMM)

### 1.1.1 Purpose

The *RRF Logistics Management Manual* provides logistics support guidance and operating procedures to MARAD Headquarters and Area personnel. It also provides authoritative guidance and direction to Ship Managers, general agents, surveyors, support contractors (as provided for in their respective contracts) and selected maritime academies that have custody of an RRF vessel. This manual shall also serve as a reference for those Government agencies whose functions and responsibilities require them to interact with MARAD and the RRF.

The *RRF Logistics Management Manual* addresses MARAD supply management policies, procedures and responsibilities within the context of the RRF Logistics Support System.<sup>1</sup> It also prescribes uniform configuration management and provisioning requirements, applications, objectives, and definitions for the RRF, and assigns responsibilities related thereto.

When there is an apparent conflict between the terms of the Ship Manager's contract or the Federal Acquisition Regulation (FAR) and this manual, the contract or the FAR must take precedence.

### 1.1.2 Terms

The term "Ship Manager" will be used in this manual to indicate general agents, ship managers, and Chief Engineers of RRF vessels operated by maritime academies. The term "Government" will be used to indicate managers and employees of the Maritime Administration. The term "Area" will refer to managers and employees of the Divisions of Atlantic, Gulf and Pacific Operations of the Maritime Administration. A Glossary of logistics terms used in this manual is provided in Appendix A. The meaning of common acronyms is provided in Appendix B.

### 1.1.3 Manual Organization

The *RRF Logistics Management Manual* is divided into two sections:

- a. Volume I: RRF Shipboard Logistics Management
- b. Volume II: RRF Shore-Based Logistics Management

Chapters are numbered consecutively with paragraphs numbered in legal style. Users should examine the Table of Contents to obtain an overview of the contents of each chapter. Whenever possible, tables, figures and footnotes have been provided to clarify the processes or procedures contained in the text. Footnotes are numbered consecutively within each chapter. An index is provided at the end of each volume.

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<sup>1</sup>Maritime Administration Policy Directive 10-02, June 28, 2010.



### 1.1.4 Changes to the Manual

Recommendations for changes to this manual are encouraged and should be sent to the Division of Logistics Support (MAR-614).

## 1.2 The RRF Logistics Support System Concept

The RRF Logistic Support System is built around three critical programs: The Shipboard Supply Management Program, the Configuration Management Program and the RRF Shore-Based Spares Program.<sup>2</sup>

### 1.2.1 Shipboard Supply Management Program

The Shipboard Supply Management Program addresses the logistics functions performed aboard ship or in direct support of shipboard operations. It encompasses allowance and inventory management policy, procedures, and information related to shipboard spare parts, outfitting material, and technical documentation.

### 1.2.2 Configuration Management Program

The Configuration Management Program provides a systematic means for documenting the configuration of shipboard equipment and includes provisions for configuration identification, change control, spare parts provisioning and allowance determination. An active Configuration Management Program is necessary for effective logistics support.

### 1.2.3 Shore-Based Spares Program

The Shore-Based Spares (SBS) Program provides guidelines for managing inventories of RRF equipment and repair parts critical to mission readiness but not readily available on the open market. The MARAD SBS warehouses also provide convenient temporary storage for spare parts, controlled material, and technical documentation removed from vessels undergoing overhaul, slated for disposal, etc.

### 1.2.4 MARAD Logistics Support System

The RRF Management System (RMS) serves as MARAD's enterprise repository for all RRF equipment, spare part, outfitting, Accountable Property, technical manual, and vendor drawing data and information. RMS integrates maintenance, logistics and purchasing, providing life-cycle visibility of logistics material from acquisition until disposal. Within RMS, the Nautical Systems 5 (NS5) software and associated hardware provide readily available logistics-related data and information to Government and contractor personnel supporting RRF operations and maintenance.

### 1.2.5 Interagency Support

The Division of Logistics Support (MAR-614) is the central requisitioning point for spare parts available through the Federal Supply System (FSS).

## 1.3 Inspections and Reviews

MAR-614 conducts several types of formal and informal inspections as a way of monitoring the performance and effectiveness of the RRF Logistics Support Program.

**1.3.1 Area Supply Readiness Assessment** MAR-614 will conduct periodic Management Quality Reviews (MQR) of ship-controlling Areas. The factors to be assessed will be published and provided in advance to each Area. The assessment will examine the degree to which Area practices conform to the policies and procedures contained in this manual, the Federal Acquisition Regulation (FAR), and Maritime Administration Policy

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<sup>2</sup> Maritime Administration Policy Directive 10-02, June 28, 2010.



Directives. Such evaluations will also assess the effectiveness of these policies and procedures in supporting the operational logistics needs of the Areas.

### 1.3.2 Logistics Management Reviews

Logistics Management Reviews (LMRs) examine and evaluate the contract performance of Ship Managers and normally focus on a specific vessel. LMRs are conducted using Performance Element 1-6: Logistics, contained in the Ship Manager Contract (SMC) Quality Assurance Surveillance Plan (QASP). In the case of maritime schools that operate RRF-owned vessels, LMRs will evaluate the control and management of federally owned property, while also assessing the effectiveness of the vessel's logistics management program. This manual, the FAR, and the contract itself are used as the basis for these evaluations.

Areas will perform "routine" LMRs of RRF vessels. MARAD HQ will periodically perform unannounced or "no-notice" LMRs on selected vessels to assure the logistics management program onboard the vessel complies with the Ship Manager's contract, the FAR and the operational support requirements of the RRF. HQ LMRs are also used to gauge the effectiveness of Area logistics management programs. The areas addressed during Logistics Management Reviews are listed in Performance Element 1-6: Logistics; MAR-614's QASP Execution Checklist is contained in Appendix C.

### 1.3.3 Other Inspections and Reviews

MAR-614 or an Area may conduct other inspections and reviews on an ad-hoc basis to address specific logistics readiness concerns. These inspections (which may focus on a ship, a ship class or a MARAD Area Office), may be formally scheduled or conducted on a "no-notice" basis, as required.

### 1.3.4 Logistics Support Visits

MAR-614 or an Area may conduct Logistics Support Visits to ensure timely activation, perform training, seal drawers or other reasons. Logistics Support visits will be coordinated in advance, with written or e-mail notification to the Chief Engineer and Ship Manager.

Minimizing the number of Temporary Seals on a vessel is in the interest of both the Maritime Administration and the Ship Manager. A large number of Temporary Seals poses a readiness risk due to uncertain inventory accuracy while deployed. However, since inventory accuracy is primarily a Ship Manager responsibility, Inventory Management Specialists will only apply permanent seals to those locations found to have 100% inventory accuracy. During a Logistics Support Visit, any location where an error is found will be re-sealed with a Temporary Seal, with the Chief Engineer and Ship Manager notified of the findings. During a Logistics Support Visit, the Inventory Management Specialist is not authorized to adjust the inventory quantity on hand.

## 1.4 Activity Phases

The life cycle of an RRF vessel may encompass many different events, including initial acquisition, routine maintenance periods, activation, and operation. Under the current Ship Manager Contract these stages in the life cycle have been simplified to two (2) *phases*, which are defined below:

- a. Phase M: Maintenance
- b. Phase O: Operation

## 1.5 RRF Readiness Ratings

MAR-610 assigns overall RRF readiness ratings, which are provided below for informational purposes.

- a. C-1: No mission degrading deficiencies



- b. C-2: Documented and correctable mission degrading deficiencies
- c. C-3: Mission degrading deficiencies exist which cannot be corrected.
- d. C-4: Major deficiencies prevent the ship from performing its primary mission, which cannot be corrected within the assigned period.
- e. C-5: Scheduled major repairs in progress - unable to meet assigned readiness criteria.

### **1.6 Federal Government Property Regulations**

All persons and activities involved in the RRF Logistics Support System may, at one time or another, find themselves accountable or responsible for Government property. The procedures contained in this manual are designed to accomplish the supply management mission while protecting this accountability. "Government property" is defined as all property owned by or leased to the Government, or acquired by the Government under the terms of a contract. It includes both Government-furnished property, and contractor-acquired property as defined in the Federal Acquisition Regulation (FAR). It includes all facilities, material, special tooling, special test equipment, and agency-peculiar property. The following publications and instructions provide requirements and guidance for the management of such property:

- a. Federal Acquisition Regulation (FAR), 48 CFR 45 and 52. This publication prescribes policies and procedures for providing Government property to contractors; contractor's use and management of Government property; and reporting, redistributing, and disposing of contractor inventories of Government property.
- b. Federal Management Regulation (FMR), 41 CFR Chapters 101 and 102. This publication prescribes regulations, policies, and procedures pertaining to the management of Government property.
- c. Equipment Management and Control (DOT Order 4410.4). This order contains Department of Transportation (DOT) policy for the management, accountability, control, utilization, and disposal of Government-owned, leased, and/or borrowed equipment. It implements and supplements the FMR.
- d. Accountability and Capitalization of Property (MAO 330-13). This order establishes policy for accountability and capitalization criteria for the Maritime Administration.

## Chapter 2: RRF Logistics Organization and Responsibilities

### 2.0 Organizational Responsibilities

The following paragraphs describe in general terms the responsibilities of the organizations and staff positions supporting the RRF Logistics Support System (RRF/LSS).

#### 2.1 MARAD RRF Headquarters

MARAD Headquarters in Washington, D.C., provides overall RRF program policy, management, direction, and support through the offices and divisions described below:

##### 2.1.1 Associate Administrator for National Security (MAR-600)

The Associate Administrator for National Security has overall responsibility for ensuring the coordination and implementation of the policies and procedures contained in this manual.

##### 2.1.2 Office of Ship Operations (MAR-610)

The Director, Office of Ship Operations, serves as the RRF Program Manager and is responsible for the coordination and implementation of the policies contained in this manual. Responsibilities include:

- a. Through management reports and general oversight, ensure that the RRF Logistic Support System effectively provides the requisite level of logistics to meet the mission and requirements of the RRF.
- b. Provide adequate funding and personnel to support all aspects of the RRF Logistics Support System.
- c. Approve issue of instructions, manuals, and other directives required to implement RRF/LSS policies and procedures.
- d. Coordinate inter-agency support with the U.S. Transportation Command (USTRANSCOM), the Military Sealift Command (MSC), and other agencies.
- e. Approve proposed spare parts provisioning actions for vessels undergoing conversion, upgrade, or sealift enhancement.

##### 2.1.3 Chief, Division of Ship Maintenance and Repair (MAR-611)

The Division of Ship Maintenance and Repair, supervises RRF maintenance and repair systems, funding, and methodologies. Responsibilities include:

- a. Provide technical assistance and guidance to MAR-614 in matters involving RRF logistics support.
- b. Advise MAR-614 of all issues that may impact RRF logistics readiness.
- c. Conduct a final review of excess material staged for disposal.
- d. Fund special programs.



### 2.1.4 Chief, Division of Sealift Operations (MAR-612)

The Division of Reserve Fleet, supervises Emergency Planning, Vessel Out-porting and NDRF Fleet Management. Responsibilities include:

- a. Provide technical assistance and guidance to MAR-614 in matters involving NDRF logistics support.
- b. Advise MAR-614 of all issues that may impact NDRF/RRF logistics readiness such as weapons and ammunition, Force Protection Gear (FPG), Safety Gear, and Chemical, Biological, and Radiological Defense (CBR-D) materials.
- c. Fund special programs

### 2.1.5 Division of Logistics Support (MAR-614)

The Division of Logistics Support serves as the RRF Logistics Support System Program Manager.<sup>1</sup> Responsibilities include:

- a. Develop and implement the policies, procedures, and systems necessary to provide effective logistics support for the RRF.
- b. Monitor and evaluate Area logistics support programs and activities.
- c. Ensure that Ship Managers, maritime schools operating RRF ships, and SBS Warehouse operations comply with established logistics support policies and procedures.
- d. Maintain the RRF Logistics Management Manual (LMM).
- e. Supervise the management, development, and operation of RMS and associated systems.
- f. Maintain and monitor the functionality and validity of RMS databases, in accordance with MAO 630-7 and the RRF Logistics Management Manual.
- g. Fund the purchase of critical spares approved by MAR-611. Purchases are subject to the constraints of funds. Purchases to be conducted by MAR-614's Logistics Support contractor.
- h. Coordinate logistics support requirements for new RRF vessel acquisitions, upgrades and conversions.
- i. Monitor the security and storage of RRF spare parts, outfitting items, Accountable Property and Shore-Based Spares.
- j. Schedule periodic Area Logistics Support Audits, RRF HQ LMRs, and validations of RRF vessel and SBS warehouse inventories.
- k. Develop and implement RRF configuration management and provisioning programs.
- l. Approve and direct the transfer of Shore-Based Spares among Areas.
- m. Exercise technical and administrative supervision and control over the Shore-Based Spares Program.
- n. Provide logistics support training and guidance to Area personnel as required.
- o. Conduct shipboard Assist Visits as required.
- p. Provide periodic financial accountability reports for Shipboard and Shore-Based Spares operations to the Chief, Division of Accounting Operations (MAR-252).
- q. Serve as the designated Accountable Property Officer (APO) for all Shore-Based Spares, per MAO 330-13.
- r. Serve as the Property Administrator for all Accountable Property and spare parts onboard RRF vessels.
- s. Program and manage logistics support funds.

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<sup>1</sup>Maritime Administration Policy Directive 10-02, June 28, 2010, paragraph 4.04.



### **2.1.6 Division of Management (MAR-392)**

The Division of Management is responsible for all policy and procedures concerning matters of personal property management.

### **2.1.7 Office of Accounting Operations (MAR-252)**

The Director, Office of Accounting, is responsible for maintaining financial accountability records for Shipboard and Shore-Based Spares based on periodic summary transaction reports received from MAR-614.

### **2.1.8 Office of Acquisition (MAR-380)**

The Office of Acquisition provides contracting and purchasing support and guidance.

## **2.2 Area Offices**

The Atlantic, Gulf, and Pacific Areas have significant management responsibilities under the RRF Logistics Support Program. Each Area is organized in a similar, but not identical manner.

### **2.2.1 Area Ship Operations and Maintenance Officer (SOMO)**

The SOMO is the senior MARAD official in each Area. The SOMO is responsible for scheduling activations, yard periods, and other RRF vessel evolutions, and as such, must be aware of the logistics readiness status of the RRF vessels assigned to the Area. Responsibilities include:

- a. Appoint a Logistics Management Officer (LMO) for the Area.
- b. Appoint an Accountable Property Officer (APO) for shipboard spare parts and Accountable Property.
- c. Approve changes in the shipboard configuration.
- d. Ensure the logistics policies and procedures outlined in this manual are carried out.
- e. Ensure Ship Manager turnovers are conducted properly.

### **2.2.2 Logistics Management Officer (LMO)**

The Area LMO reports to the Area SOMO and liaises with MARAD Headquarters (MAR-614) on all logistics support-related matters. Responsibilities include:

- a. Serve as the APO for all Accountable Property and spare parts on RRF vessels in the Area. Coordinate overall RRF logistics support functions within the Area.
- b. Review and document the performance of the Ship Managers and school ships with respect to configuration management, inventory management and control of Accountable Property.
- c. Review and document the Ship Manager's maintenance of RMS databases.
- d. Ensure Area and Ship Manager personnel are competent in the execution of logistics management responsibilities, including the use of RMS and property management procedures.
- e. Conduct periodic LMRs to ensure compliance with the logistics support requirements set forth in the Ship Manager Contract and the Logistics Management Manual.
- f. Authorize and coordinate the removal of excess spare parts and Accountable Property from RRF vessels.
- g. Review the results of Accountable Property inventories.
- h. Manage and safeguard Area Shore-Based Spares inventory as directed by HQ and the Logistics Management Manual.
- i. Responsible for the integrity of data entered into RMS.
- j. Conduct a joint inventory of Accountable Property and spare parts upon award of a new Ship Manager contract, termination of a ship manager, transfer of a vessel from one Area to another, or when there is reason to believe



that significant deficiencies exist in property or spare parts accountability.

- k. Supervise and train all Area logistics support personnel.
- l. Communicate and coordinate with MAR-614 on all Area logistics related - matters.
- m. Conduct shipboard Assist Visits as required.
- n. Keep the SOMO and MAR-614 informed of the operating status of the SBS warehouse.
- o. Assure the safe operation and proper maintenance of the MARAD SBS warehouse facilities and Material Handling Equipment (MHE).
- p. When authorized by MAR-614, review and evaluate the work of the MARAD logistics support contractor.
- q. Conduct actions associated with the management and accountability of ammunition, weapons, chemical, biological, and Radiological Defense (CBR-D) and Force Protection Gear (FPG) materials.
- r. Perform disposal actions related to RRF materials/equipment via the MARAD Excess Processing Program (EPP) in the sale, scrap or destruction of government property.
- s. On an annual basis, provide a report to MARAD Headquarters (MAR-614) of all items surveyed as lost, damaged or destroyed in the Area.<sup>2</sup>

### 2.2.3 Marine Surveyors

Marine surveyors are engineering and management representatives assigned to each RRF vessel by the SOMO. They normally serve as the MARAD Contracting Officer's Technical Representative (COTR) or Alternate COTR (ACOTR) for assigned vessel(s). Responsibilities include:

- a. Review and approve new purchases of Accountable Property.
- b. Review and evaluate provisioning packages.
- c. Ensure the Chief Engineer and the Port Engineer review provisioning packages.
- d. Ensure that shipyard work packages include provisions for reporting equipment additions, deletions, and change-outs.
- e. Ensure that all equipment change-out contracts provide for the proper disposal of scrap material, and the purchase of associated spare parts.
- f. Ensure that funding for the replenishment of spare parts is identified and requested.
- g. Participate in Headquarters and Area LMRs.

### 2.2.4 Inventory Material Coordinator (SBS Warehouse Manager)

The Area LMO will appoint a Inventory and Material Coordinator (Warehouse Manager) for each MARAD SBS warehouse and Shipping and Receiving Facility in the Area. The Inventory and Material Coordinator will report to the LMO on all logistics and warehouse management related issues. Responsibilities of the Area Inventory and Material Coordinator are as follows:

- a. Enter data into RMS, as required.
- b. Identify and manage excess material.
- c. Serve as the initial point of contact for GSA Sales.
- d. Serve as a custodian for all Shore-Based Spares and equipment in his or her assigned warehouse.
- e. Ensure the proper maintenance, cleanliness, security, and safety of warehouse facilities, MHE, and Shore-Based Spares.

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<sup>2</sup>Maritime Administration Policy Directive 10-02, June 28, 2010, paragraph 4.0.6



### **2.2.5 Inventory Management Specialists**

Under the direction of the LMO, Inventory Management Specialists conduct Area directed LMRs to evaluate the performance of Ship Managers and assess the overall logistics readiness of assigned RRF vessels. Duties may also include logistics training and monitoring the performance of the MARAD logistics support contractor.

### **2.3 Ship Managers**

All Ship Managers or state maritime academy representatives with current management responsibility of MARAD RRF property are considered “Property Custodians.” As such, they are responsible for the custody and security of shipboard spare parts and Accountable Property in accordance with this manual, the FAR, the current Ship Manager’s contract, or applicable school ship custody agreement.

Responsibilities include:

- a. Update the equipment configuration, inventory management and Accountable Property information contained in RMS.
- b. Supervise the receipt, protection, control, accountability, use and distribution of spare parts and Accountable Property in accordance with this manual.
- c. Submit complete and descriptive Reports of Survey (DOT Form 4410.1) to the Area APO as required by DOT Order 4410.4.
- d. Participate in Headquarters and Area LMRs.
- e. Perform management and accountability actions related to special categories of material i.e., weapons and ammunition, Chemical, Biological and Radiological Defense (CBR-D) and Force Protection Gear (FPG) materials.

### **2.4 DOD and other Activities**

MARAD’s logistics partners include the Military Sealift Command (MSC) and the General Services Administration (GSA). MARAD and GSA work in partnership in the disposal, sale and scrap of government property. MSC collaborates with MARAD for the management and accountability of Force Protection Gear (FPG) and ammunition and weapons deployed to RRF vessels.

## Chapter 3: RRF Management System (RMS)

### 3.0 MARAD Management Information Systems

The following chapter briefly describes the current information system used by the RRF to manage vessel configuration and spare part inventories.

### 3.1 MARAD RRF Management System (RMS)

The MARAD RRF Management System consists of a number of information systems used by MARAD to support agency business processes. The principal system used by MARAD to manage RRF logistics data is based on the American Bureau of Shipping Nautical Systems software, Version 5, otherwise known as “NS5”. This software application includes the following data:

- a. Equipment configuration of RRF vessels
- b. RRF shipboard spare parts, technical manuals, drawings and Accountable Property
- c. Equipment configuration and property information for NDRF Vessels designated for retention (military useful or logistics support).
- d. Spare parts and equipment stored in the three Shore-Based Spares (SBS) warehouses.

NS5 gives authorized MARAD users visibility of all RRF and NDRF spare parts and equipment data. It also provides the user with the capability to sort and view data in a variety of ways.

### 3.2 NS5 Module

NS5 allows users to access and revise the logistics information. NS5 is installed on all ROS-5 vessels. These vessels are referred to as having an “active NS5.” ROS-10, ROS-20, and ROS-30 vessels normally do not have NS5 installed on the vessel. These vessels are referred to as having an “inactive” NS5. The data for these vessels can be viewed and updated on the ship manager’s database, logistics contractor’s databases, or in MARAD offices. NDRF ship databases can be viewed and updated through MARAD offices.

#### 3.2.1 Activating and De-Activating RMS

When required for activation or other circumstances, a replicating active database can be installed on a vessel. Conversely, when it is no longer required, the vessel’s NS5 database can be “de-activated.”

#### 3.2.2 Hardcopy Ship’s Allowance Lists

In the past, vessels were required to maintain a hardcopy Ship’s Allowance List (SAL). NS5 obviates the need to maintain this rather large document, and RRF ships are no longer required to retain a hardcopy of the SAL onboard.

### 3.3 Database Reporting Requirements

When installed, ship managers and maritime academies will maintain all equipment, technical manual, inventory, drawing and Accountable Property information using NS5. Each night, or more frequently as required, changes to the NS5 database are automatically replicated ashore to the NS5 Central Database.



### **3.3.1 Vessels with an Active NS5**

Regardless of the Activity Phase of the vessel, the MAR-614 NS5 Database Administrator will monitor the replication status of each vessel on a daily basis. If necessary, the Database Administrator may request the vessel's Chief Engineer to take certain actions to help correct replication problems.

### **3.3.2 Vessels with an Inactive NS5**

The Ship Manager of a vessel with an inactive NS5 must report to the Area LMO all changes to the vessel's equipment configuration, spare parts inventory, and Accountable Property within ten (10) days of the date of the change.

For NDRF vessels, Reserve Fleet managers must report to the Area LMO all changes to the vessel's equipment configuration, spare parts inventory, and Accountable Property within thirty (30) days of the date of the change. When NS5 becomes available at Reserve Fleet sites, Reserve Fleet managers will be responsible for updating NS5 for NDRF vessels.

## **3.4 Reference Guides**

There are a number of guides available for use by RMS users. These documents are:

- a. NS5 Shipboard Guidance
- b. MARAD NS5 Hierarchy Guidance
- c. MARAD NS5 Business Protocol Guidance
- d. MARAD School Ship Surveyor NS5 User Guide
- e. MARAD Logistics Guide to Maintenance and Purchasing Module
- f. RMS Transfer Order and Warehouse Management Procedures

These guides are available in the RMS eRoom or may be obtained by submitting an e-mail to the RMS Help Desk (RMS@dot.gov).

## Chapter 4: Shipboard Logistics Management

### 4.0 Sustainability and Accountability

The primary purpose of the RRF Logistics Support System (RRF/LSS) is to enable an RRF vessel to sustain itself operationally for 180 days.<sup>1</sup> This capability is maintained through the strict management and accountability of the shipboard spare parts.

#### 4.1 Use of Shipboard Spare Parts

The Ship Manager is required to use shipboard spare parts to perform routine maintenance on RRF vessels.<sup>2,3</sup> However, in some situations the extensive use of shipboard spare parts to support *planned maintenance* is considered uneconomical. These situations are as follows:

##### 4.1.1 Overhauls and Availabilities

Ship overhauls and availabilities are considered planned maintenance. Routinely used spare parts that are necessary to complete maintenance or equipment change-outs during these periods will be purchased in advance, or provided by the shipyard or subcontractor. Shipboard spare parts can be used to support an overhaul or availability only in emergency situations when the lack of a unique spare part would impede the progress of the overhaul or ship availability.<sup>4</sup>

**The Ship Manager is required to use shipboard spare parts to perform routine maintenance on RRF vessels.**

##### 4.1.2 Scheduled Repairs Accomplished by Outside Subcontractors

*Except in emergencies*, contracts for routine maintenance accomplished by outside subcontractors must require the vendor to provide common or routinely used parts.

### 4.2 Control and Accountability of Shipboard Spare Parts

#### 4.2.1 The RMS Module is an Accountable Record

RMS constitutes the Accountable Record for the receipt and issue of all shipboard spare parts. The Ship Manager or Chief Engineer of a school ship will properly maintain RMS at all times.<sup>5</sup>

#### 4.2.2 Care and Safekeeping of Government Property

The Ship Manager's Chief Engineer, or Chief Engineers assigned to school ships are responsible for the care and safe keeping of all spare parts on the vessel. This includes spare parts stored in bulk locations and shelves, boxes or drawers originally sealed by the Government, and open boxes and boxes temporarily sealed by the Ship Manager.<sup>6</sup>

<sup>1</sup>Maritime Administration Policy Directive 10-02, June 28, 2010.

<sup>2</sup>Maritime Administration Policy Decision Memo 97-5, August 12, 1997.

<sup>3</sup>CFR 101-26.107

<sup>4</sup>Maritime Administration Policy Decision Memo 97-5, August 12, 1997.

<sup>5</sup>Federal Acquisition Regulations (FAR) Subpart 45.107 and 52.245-1, Records and Reports of Government Property.

<sup>6</sup>Federal Acquisition Regulations (FAR) Subpart 45.107 and 52.245-1, Management of Government Property in the Possession of Contractors.



### 4.2.3 Seals

Seals are used to establish and maintain the accountability spare parts stored in boxes, cabinet drawers and storerooms. Although the physical barrier presented by a seal depends on the type of seal used, the purpose of the seal is to indicate whether a box, drawer or space has been entered.

The Government has sealed most boxes and drawers on RRF vessels. Seals applied by a Government representative are referred to as “Permanent Seals,” and have a unique number and appear different in color or numeration than seals provided to the Ship Manager. The Government is NOT required to seal boxes and may choose not to do so. The absence of a seal, a broken seal, or a seal with a number different from the number recorded in the Seal Log (a database contained in RMS) indicates the accountability for that particular box, drawer or space may have been compromised.

### 4.2.4 Maintaining the Accountability of Spare Parts Boxes

The Ship Manager or Maritime Academy is responsible for properly maintaining the NS5 database to reflect all boxes or drawers that have been unsealed by the ship's crew until they are re-sealed with a Permanent Seal by a Government Representative. The overall minimum Repair Parts inventory standard for boxes or drawers unsealed by the ship's crew is 95%.

### 4.2.5 Opening Sealed Boxes and Drawers

When a Ship Manager needs to obtain a spare part, the ship's crew will locate the appropriate box or drawer using RMS, cut the seal, and retrieve the part. Except as provided for in paragraph 4.2.9, the spare parts box or drawer will be inventoried and re-sealed immediately after completion of repairs using a unique, numbered seal provided to the Ship Manager by the Area LMO, called a “Temporary Seal.” Open spare parts boxes or drawers must not be left unattended.<sup>7</sup>

**Open spare parts boxes or drawers must not be left unattended.**

### 4.2.6 Changes to Seal Logs

After the ship's crew enters a sealed spare parts box or drawer, the Ship Manager will update the vessel's RMS Seal Log. The Ship Manager will record the following in the vessel's Seal Log:

- a. The number of the Temporary Seal affixed by the Ship Manager.
- b. Any other pertinent information required by the *NS5 Shipboard User Guide*.

### 4.2.7 Government Sampling and Re-sealing of Spare Parts Boxes

During an Assist Visit, the Area LMO, or members of the Area logistics staff *may* (but are not required to) remove Temporary Seals applied by the Ship Manager and sample the contents of the spare parts boxes or drawers. If the drawer inventory accuracy is 100%, the LMO or the Area logistics staff will then apply a Permanent Seal and update RMS. Boxes or drawers with errors will be resealed with Temporary Seals, with notification to the Ship Manager and Chief Engineer.

### 4.2.8 Contractor Application of Permanent Seals

*Under no circumstances will the Ship Manager apply Permanent Seals or document the application of Permanent Seals in RMS.*

On rare occasions Permanent Seals may be sent to an RRF vessel in advance of a visit by MARAD logistics personnel. These packages will be held in the custody of the Chief Engineer until MARAD representatives arrive.



### 4.2.9 Padlocks

Padlocks must not normally be used to secure MARAD spare parts boxes or drawers. The Ship Manager may, on occasion, use a padlock to temporarily lock an open box or drawer that holds parts for an ongoing repair. However, once the repair is complete the Ship Manager must inventory and re-seal the box or drawer with a Temporary Seal provided by the LMO. The large-scale use of padlocks to secure spare parts boxes or drawers is not authorized.

### 4.2.10 Storeroom Security and Cleanliness

When not in use, storerooms on ROS-5 day vessels will be locked, where this is physically possible. Storerooms on RRF-10 and NDRF Retention ships should be locked, and sealed, where possible.

Storerooms will be kept neat and clean. All repair parts listed in RMS must be properly stowed. Those parts that are too large to fit in a drawer must be mounted on a bulkhead, or placed in a secure location. Hazardous items will be stowed in accordance with Appendix D.

## 4.3 Material Issue

To issue material, the ship's crew will cut the security seal and remove the needed item. After the part has been issued, the ship's crew must inventory the contents of the box or drawer and apply a Temporary Seal. This process, called a *perpetual inventory*, is the approved inventory methodology for use on the Ship Manager's contract.<sup>7</sup> Ship Managers are always free to inventory any spare parts box or drawer; however, this does not relieve them of the responsibility to conduct a perpetual inventory when the box is unsealed.

The following will be documented in RMS after a perpetual inventory of a box or drawer has been conducted:

- a. Items issued for ship repairs
- b. Items found to be missing
- c. Items in the box or drawer but not listed in RMS.

**After a part has been issued, the ship's crew must inventory the contents of the box or drawer and apply a Temporary Seal.**

## 4.4 Contractor Responsibility to Initiate the Replenishment of Spare Parts

If a repair part line item falls below its Minimum Level (or Allowance) in RMS, or the Quantity On Hand equals zero (0), the Ship Manager must either:

- a. Generate a purchase order to replenish the item up to its Minimum Level or previous balance; or
- b. Change the Minimum Level (allowance) where authorized; see Paragraph 6.3.

If additional funding is required, the Ship Manager must generate an RMS requisition to fund the purchase of replacement spare parts.

<sup>7</sup> Federal Acquisition Regulations (FAR), Subpart 45.107 and 52.245-1 Contractor Responsibility.



## 4.5 Spare Parts Replenishment from Shore-based Spares (SBS) and the Defense Logistics Agency (DLA)

### 4.5.1 SBS Warehouses

MARAD maintains three Area warehouses that contain a large quantity of unused/servicable spare parts and equipment that have been removed from RRF vessels. This inventory of MARAD spare parts is called Shore-Based Spares. SBS is considered the “first source of supply.”

**Ship Managers are required to screen SBS before buying any part for the maintenance of an RRF vessel.**

### 4.5.2 Shore-Based Spares is a Mandatory Source of RRF Spare Parts

To reduce RRF maintenance costs, Ship Managers are *required* to screen the inventory of all MARAD and FSS SBS warehouses before buying *any* part needed for the maintenance of the vessel (emergencies excluded).<sup>8</sup> If the needed part is available from an SBS warehouse, the Ship Manager *must* request the item. Most items will be shipped to RRF vessels at no cost.

### 4.5.3 Requesting an Item from SBS

All material requisitions can be screened against an SBS database provided semi-annually to each ship and Ship Manager. Items can then be requisitioned in RMS with the Chief Engineer adding the remarks “For Issue by DAO/DGO/DPO/FSS Warehouse” in the requisition’s Remarks Block. The Port Engineer would review the requisition, assigning the status “For Transfer” to the requisition. After the next replication cycle, this requisition will appear in NS5 under the menu “Requisitions for Material Transfer”. The Warehouse Manager will review the request and then either issue the item from stock, or forward the request to another Area warehouse holding the item. SBS items are available on a “first come, first serve” basis, unless they are being held for a specific program (such as OPDS) or vessel.

### 4.5.4 Required Remarks on All Spare Parts Purchase Requests

All purchase requests for spare parts *must* contain a statement certifying that Shore-Based Spares have been screened.

### 4.5.5 Use of SBS to Support Federal or MARAD-owned School Ships

It is strongly recommended that school ships screen SBS before purchasing spare parts. As with other RRF vessels, most parts held in the three SBS warehouses will be forwarded to federally owned school ships at no cost.

### 4.5.6 Obtaining Items from General Services Administration (GSA) or the Defense Logistics Agency (DLA)

In rare cases, items may only be obtained from DLA or GSA sources. This is particularly true of former Coast Guard, Navy or MSC ships. These items can be obtained by contacting the Area LMO. When requesting DLA or GSA items, the following information will be required by the LMO to process the request:

- a. Vessel Name and shipping address
- b. Nomenclature of the part
- c. National or Federal Stock Number (NSN/FSN)

<sup>8</sup> CFR 101-26.107



- d. Manufacturer
- e. Quantity required
- f. Unit of Issue

The LMO, working with MAR-614, will determine the availability of the item(s), and if funding permits, submit a requisition into the Federal Supply System (FSS). Items requisitioned from FSS are normally delivered to the Area warehouse for onward shipment to the requesting vessel.

### 4.6 Material Receipt

#### 4.6.1 Spare Parts Purchased by the Ship Manager

The Ship Manager is responsible for the proper inventory, receipt, inspection and handling of all spare parts purchased by the Ship Manager for the Government.<sup>9</sup> This includes the resolution of all shortages and overages as well as the management and proper return of non-conforming material.

#### 4.6.2 Stowing Spare Parts

After a newly purchased item has been inspected, the Ship Manager must properly label the part, stow it in a spare parts box or drawer, and update RMS within ten (10) working days.<sup>10</sup> The Ship Manager will ensure that all pricing information is entered into RMS.<sup>11</sup>

#### 4.6.3 Labels

All MARAD spare parts will be labeled.<sup>12</sup> The label will contain the following information:

- a. The assigned barcode for the item
- b. Item name or description
- c. Part number
- d. Unit of issue

Additional information, such as manufacturer or storage location is optional.

#### 4.6.4 “Push” Material

On many occasions MAR-614 will procure and ship spare parts and other specialized equipment (such as force protection gear) directly to RRF vessels. These items, also called “push” material, must be placed in a spare parts box or drawer, and NS5 updated within ten (10) working days of receipt of the material.<sup>13</sup>

### 4.7 Transferring Items

#### 4.7.1 Transferring Items to Other RRF Vessels

Spare parts and equipment may be transferred between RRF vessels, provided the following conditions are met:

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<sup>9</sup>Federal Acquisition Regulations (FAR), Subpart 52.245-1 Discrepancies Incident to Shipment.

<sup>10</sup>Federal Acquisition Regulations (FAR), Subpart 52.245-1 Identification.

<sup>11</sup>Federal Acquisition Regulations (FAR), Subpart 52.245-1 Records of Pricing Information.

<sup>12</sup>Federal Acquisition Regulations (FAR), Subpart 52.245-1 Identification.

<sup>13</sup>Federal Acquisition Regulations (FAR), Subpart 52.245-1 Identification.



- a. Operational consent by the controlling personnel involved has been obtained (See Table 4-1);
- b. The transfer properly documented on an NS5 Transfer Order (TO) (see Figure 4-1) or DD1149. (see Figure 4-2)
- c. The ship-to-ship transfer process is followed in accordance with the guidelines set forth in Table 4-2.

	Within the Area	Among Different Areas
<b>Equipment</b>	Supervisory Marine Surveyor or SOMO	SOMO
<b>Parts</b>	Port Engineer for own SMC ships or Supervisory Marine Surveyor	Port Engineer for own SMC ships or Supervisory Marine Surveyor or SOMO

**Table 4-1:** Authority to transfer parts and equipment to other vessels.

The transferring MARAD Surveyor is responsible for obtaining authority to remove spare parts from a vessel. (Note: The transfer of “*excess*” spare parts and equipment from RRF ships to Area SBS warehouses is also discussed in Chapter 7.)

The following table provides a summary of material sources for RRF ships:

Sources of Material	Procedures
Another Ship	Procedures for transferring material from one ship to another ship are provided in the <i>RMS-Transfer Order and Warehouse Management Procedures</i> .
Commercial	Procedures for procuring commercial items are prescribed by individual Ship Manager contract purchasing guidelines.
NDRF	Procedures for obtaining material from an NDRF vessel are provided in Chapter 7, paragraph 7.8 and 7.8.1.
SBS Warehouses	Procedures for obtaining SBS warehouse material can be found in the <i>RMS-Transfer Order and Warehouse Management Procedures</i> .
Fast Sealift Ships Shore-based Spares Warehouse	Procedures for obtaining FSS insurance items are provided in Chapter 4, paragraph 4.5.
Logistics Support Contractor	Must obtain MAR-614 approval for material.

**Table 4-2:** Ship-To-Ship Transfer Process

Guidance for creating, issuing and taking delivery of Transfer Orders can be found in Sections 1 and 2 of the “Transfer Order and Warehouse Management Procedures” manual.



### 4.8 Weapons and Ammunition

#### 4.8.1 Small Arms Weapons and Ammunition Usage

MAR-612 is the POC for all Weapons and Ammunition related issues. The Military Sealift Command (MSC) has already furnished 100% of small arms weapons and ammunition to MARAD, and is stored aboard RRF vessels. If RRF vessels should use any ammunition, the Ship Manager is required to send the Ammunition Transaction Report (ATR) information to MARAD HQ (MAR-612). If MSC receives a Naval Ammunition Reclassification (NAR) message informing them of a bad lot of ammunition on an RRF vessel. MSC will notify MARAD (MAR-612) and require the RRF vessel to segregate the bad ammunition and mark it so it would not be used accidentally by the Chief Mate.

#### 4.8.2 Small Arms Weapons and Ammunition Accounts

Each RRF vessel has their own Ammunition Account. Ship Accounts are held in a classified system called the Ordinance Information System Retail (OIS-R), formerly the Retail Ordinance Logistics Management System (ROLMS). MARAD does not have access to OIS-R. Conducting annual weapons inventories, reporting ammunition transactions, and maintaining the ammunition inventory is required by the Ship Manager.

RRF vessels have two types of Ammunition, one maintained by the ship's Master in his/her safe or Small Arms Locker and a second type set-aside for the Embarked Security Teams (ESTs) held in a Ready Service Locker (RSL). MARAD's position on EST ammunition is that we simply hold it for the Navy's ESTs; thus our Ship Managers are not contractually responsible for its use or management. MARAD in a controlled process will be visiting each vessel to inventory both the ship's and EST Ammunition.

In case of differences between OIS-R and the on-hand balances, the Navy Accountant will discuss these with the Chief Mate. The Navy Accountant will adjust the OIS-R records, as necessary. Prior to departing the vessel, the Navy Team will provide the Chief Mate with an updated inventory of both the Ship's and the EST ammunition.

Upon completion of the ship's ammunition locker inventories, the MARAD Inventory Management Specialist (IMS) will place a temporary seal across the lip of the locker and record the seal number in RMS; additional seals will be placed inside the locker for future ship use. Upon completion of the RSL inventories, the MARAD IMS will place a permanent weather resistant metal seal on the RSL and record this number in RMS. Also, prior to sealing the RSL, several seals is to be placed inside for future use.

#### 4.8.3 Small Arms Weapons and Ammunition Procedures

If the Chief Mate needs to open the Small Arms Locker or Ship's Ammunition Safe, the Chief Mate will remove the foil seal and apply a new seal when the locker or safe has been closed. The Chief Mate will then record the new Temporary Seal number in RMS.

If an RRF vessel is deployed and an embarked EST requires ammunition, the permanent seal will be cut and the Chief Mate will go into RMS and change the Seal Type to "None". Prior to departure, the EST OIC will complete a DD 1149 to provide the Master with approximate amount of each type of ammunition consumed. The Master informs MAR-612 of ammunition usage. Upon return to CONUS to deactivate, an Ammunition Inventory Team will visit the ship. The Team will validate the EST Ammunition consumption, and prepare and submit the ATR. With EST Ammunition accountability re-established, the Ready Service Locker will be sealed with a permanent seal.

#### 4.8.4 Ammunition Disposal

Once the entire RRF has been inventoried, Ammunition Disposal Teams will be sent to the RRF ships to remove any bad or excess ammunition. These teams will also ensure that ATRs are completed and submitted to document these transactions.



### 4.9 Required Files

The Ship Manager must retain the following accountable records:

#### 4.9.1 Surveys and Transfer Orders

The Chief Engineer of the vessel will retain a copy of all Surveys (DOT 4410) and Transfer Orders submitted to the Area LMO.

#### 4.9.2 Receipt and Shipping Documents File

The Chief Engineer will retain a copy of all, DD1149s, DD1348s, or other shipping documents initiated by or received by each vessel. This includes documents used to transfer items to or received from DLA.

Appendix E provides a complete list of logistics forms used by RRF vessels. A copy of each form is provided in the back of the manual.

### 4.10 Adding Technical Manuals and Drawings to the NS5 Database

#### 4.10.1 Technical Manuals and Drawings

The purpose of this section is not to provide a step by step process for adding technical manuals and drawings (see Sections 1 through 12 of the *MARAD Logistics Guide for the NS5 Maintenance and Purchasing Module to accomplish these functions*), but to give those a better understanding of how technical manuals and drawings are organized and sorted.

#### 4.10.2 Technical Manuals

The following is how technical manuals are organized and sorted in NS5:

- a. Technical manuals are organized and sorted in alphabetical order by manufacturer, and then within each manufacturer alphabetically by the title; once this is complete, new index numbers are assigned.
- b. Technical manuals index numbers placed in the part number field of the technical manual parts record.
- c. Do not add or delete existing Pin numbers in the technical manual part record.
- d. Keep “index numbers” in the part number field in the technical manual part record since it’s the only way for users to know the number is an index number.

**NOTE:** If a manufacturer has already been assigned an index number of *Index # 131* and another technical manual is *added for the same manufacturer in NS5*, then the new index number assigned for the added technical manual would be *Index # 131a*.

#### 4.10.3 Drawings

The following is how drawings are organized and sorted in NS5:

- a. Drawings are organized and sorted by shipbuilder then by vendor drawings. Vendors are then sorted alphabetically. If a ship has conversion overhaul drawings, treat them as another shipbuilder and file accordingly.
- b. Drawings are sorted by a vendor group according to their drawing number.
- c. Drawing numbers along with its REV/ALT letter or number and correct manufacturer is placed in the part number field of the drawing part record.
- d. Do not add a Pin number or alter/delete the existing Pin number in the drawing parts record.



### 4.11 Packaging and Preservation

#### 4.11.1 Preservation

All shipboard repair part items will be afforded the degree of protection required to prevent damage during shipment or deterioration during storage. Items that require internal preservation will be sprayed or dipped (as applicable) with a preservative. Preservatives will be carefully applied to ensure complete and proper coverage. Openings will be sealed with caps, plugs, closures, or other barrier material.

#### 4.11.2 Packaging

Packaging of shipboard repair part items will conform to generally accepted commercial standards. Factors and conditions to be considered when packaging an item for shipment or storage include, but are not limited to:

- a. Handling during transportation and temporary storage.
- b. Shock and vibration during loading and shipment.
- c. Exposure to inclement weather.
- d. The anticipated length of storage.
- e. Static discharge.

Accessory parts (i.e., nuts, bolts, washers, etc.) accompanying the basic item will be preserved, bagged or otherwise consolidated, properly identified, and secured to the item. Large/outsized items will be skid mounted, preserved, and covered to prevent water damage. Peripheral equipment (i.e., power panels, controllers, etc.) will be marked, packaged, and carefully secured to the main unit.

Containers will generally be wooden and constructed to provide a compact, balanced load. Components with highly machined surfaces (i.e., turbine rotors/blades, impellers and shafts, etc.) will be properly treated. Multiple components will be fastened to the wooden pallets/skids and securely arranged to prevent shifting. Oversized loads will be provided with pallets/skids.

An oversized load is defined as:

- a. An item weighing 250 lbs. or greater.
- b. Length and width dimensions of 48 x 24 inches or more and weighing more than 100 pounds.

Pallets/Skids will be constructed in such a manner as to accommodate the use of lifting devices and material handling equipment where possible.

Additional information on packaging can be found in DOD Directive 4145.19-R-1 "Storage and Materials Handling."



### 4.11.3 Material Identification

Material will be identified by the use of labels, tags, or nameplates. Minimum identification markings include the following data:

- a. equipment number and serial number
- b. part number
- c. nomenclature
- d. quantity and unit of issue
- e. gross weight and cube (if known)

### 4.11.4 Marking

Markings should be legible, and withstand deterioration and fading under adverse conditions. All surfaces to be marked will be clean, dry, and free of contaminants. Inaccurate marks or labels will be removed or sufficiently covered. Unless otherwise specified, the color of all markings will be black. When black is not legible, the color used will provide a definite contrast with the background.

Lettering for all marking will be capital letters of equal height and proportional to the available marking space of the container. Stenciled letters for identification will not be less than one-half of an inch in height. For labels, the lettering will be not less than 0.125 inch (approximately one-eighth of an inch).

With respect to item tags, markings will be not less than three sixteenths of an inch.

The required markings will be placed so that strapping or cleats do not obscure them. Additionally, marks or labels will be placed on the front facing vertical surface of all containers, and at least one other vertical surface.



Figure 4-1: RMS Transfer Order

<b>Transfer Order(TO) No.:</b> 0100666	<b>Fiscal Effective Date:</b> 10/04/2010	<b>Printed On:</b> 03/09/2011
<b>Location:</b> SRF CHEATHAM ANNEX	<b>Location:</b> REGULUS	
<b>Account No.:</b> [040-002] Warehouse	<b>Account No.:</b> [040-002] Warehouse	
<b>Project No.:</b> MAR-SAR-WHSE	<b>Project No.:</b> *TRANSFER ORDER	
<b>Ship To:</b> REGULUS C/O PENN SHIP SERVICES, LLC 5195 SOUTH 19th STREET PHILADELPHIA, PA UNITED STATES	<b>Contact.:</b> Tel.: 215-339-0277	
<b>Ship Via.:</b> TRACEABLE MEANS	<b>Total Cost:</b> 273.81	
<b>Expected Delivery.:</b>	<b>Expedite:</b>	
<b>Remarks:</b>		
<b>SOURCE (SRF CHEATHAM ANNEX)</b>	<b>UNIT COST</b>	<b>QUANTITY DESTINATION (REGULUS)</b>
S: INDICATOR, AIRFLOW, K82364 P No.: K82364 EQ: Parts ST: BOX 1*10-B0033*WHSE 16** CAX AC:040-002 PJ: MAR-SAR-WHSE MI: INDICATOR, AIRFLOW, K82364	9.9900	7.00 S: INDICOR, AIRFLOW P No.: 0000-01-479-3865 EQ: KIDDE SMOKE DETECTION SYSTEM ST: DRAWER-D*VID-39*SAL-1 AC:040-002 PJ: *TRANSFER ORDER MI: INDICOR, AIRFLOW
S: LAMP, 223006000 P No.: 223006000 EQ: Parts ST: BOX 3*10-B0057*WHSE 16** CAX AC:040-002 PJ: MAR-SAR-WHSE MI: LAMP, 223006000	33.9800	6.00 S: LAMP, HALOGEN, EXC P No.: 223006000 EQ: KIDDE SMOKE DETECTION SYSTEM ST: DRAWER-D*VID-39*SAL-1 AC:040-002 PJ: *TRANSFER ORDER MI: LAMP, HALOGEN, EXC
<b>ISSUED BY:</b> Callwood, Richard 757-282-3227 <b>DATE:</b> 10/04/2010		
<b>DELIVERED BY:</b> REGULUS, CHIEF <b>DATE:</b> 10/06/2010		



Figure 4-2: Preparation of a DD 1149

SHIPPING CONTAINER TALLY → 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50

**REQUISITION AND INVOICE/SHIPPING DOCUMENT**

Form Approved  
OMB No. 0704-0146  
Expires Dec 31, 1999

The public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to Department of Defense, Washington Headquarters Service, Directorate for Information Operations and Reports (0704-0146), 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to any penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.

**PLEASE DO NOT RETURN YOUR FORM TO THIS ADDRESS. RETURN COMPLETED FORM TO THE ADDRESS IN ITEM 2**

1. FROM (Include ZIP Code) MARAD SBS Warehouse, South Atlantic Region 1545 Crossways Blvd., Ste G Chesapeake VA 23320-2842		2. SHEET NO. 1	3. NO. OF SHEETS 1	4. REQUISITION DATE 2002-01-05	5. REQUISITION NUMBER			
2. TO (Include ZIP Code) MV CAPE KNOX Poland Ave. Wharf New Orleans, LA		7. DATE MATERIAL REQUIRED (YYYYMMDD) 2002-01-05		8. PRIORITY				
3. SHIP TO - MARK FOR Chief Engineer		9. AUTHORITY OR PURPOSE		10. SIGNATURE D. Powell				
4. APPROPRIATIONS DATA		12. DATE SHIPPED (YYYYMMDD) 2002-01-03		13. MODE OF SHIPMENT Fedex				
		15. AIR MOVEMENT DESIGNATOR OR PORT REFERENCE NO. 2345243865		16. VOUCHER NUMBER & DATE (YYYYMMDD)				
		17. SPECIAL HANDLING		14. BILL OF LADING NUMBER				
		18. TRANSPORTATION VIA MATS OR MBTS CHARGEABLE TO		AMOUNT				
ITEM NO.	FEDERAL STOCK NUMBER, DESCRIPTION, AND CODING OF MATERIEL AND/OR SERVICES	UNIT OF ISSUE (SI)	QUANTITY REQUESTED (SI)	SUPPLY ACTION (SI)	TYPE CONTAINER (SI)	CON-TAINER NOS. (SI)	UNIT PRICE (SI)	TOTAL COST (SI)
1	Bolt, Long Shank, P/N 23456	BX	3				25.67	\$77.01
2	Gear, Worm, PN 34521	EA	1				\$200.00	\$200.00
3								
19. ISSUED BY J. Mesa		TOTAL CONTAINERS	TOTAL TAINER	DESCRIPTION	TOTAL WEIGHT	TOTAL CUBE	20. CONTAINERS RECEIVED EXCEPT AS NOTED DATE (YYYYMMDD) BY SHEET TOTAL \$277.01	
21. CHECKED BY D. Powell					23.00	3.0	22. QUANTITIES RECEIVED EXCEPT AS NOTED DATE (YYYYMMDD) BY GRAND TOTAL \$277.01	
23. PACKED BY R. Young							24. POSTED DATE (YYYYMMDD) BY 25. RECEIVER'S VOUCHER NO.	
		TOTAL						

DD FORM 1149, JAN 1997 (EG) 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100  
PREVIOUS EDITION MAY BE USED. Designed using Perform Pro, WHEELBOR, Jan 97

Issuing Ship's Voucher Number

Shipper, normally the Chief Engineer

Original Purchase Price

Receiving Voucher Number

## Chapter 5: Accountable Property

### 5.0 Outfitting Material

In addition to installed equipment and spare parts, each RRF vessel uses a large number of other portable equipment and support items necessary for the safe and effective operation of the vessel. These types of material are referred to collectively as "*Outfitting Material*." One of the most highly visible categories of outfitting is "Accountable Property." The procedures for managing Accountable Property differ in many respects from those for spare parts, and are therefore addressed separately in this chapter.

### 5.1 Accountable Property

#### 5.1.1 Items Managed as Accountable Property

A category of outfitting items that are formally managed in RMS is referred to as "Accountable Property." Historically, these items have been referred to as "controlled material," "controlled equipage" and "high value items", however, these terms are no longer used; all of these items are collectively referred to and managed as Accountable Property.

Accountable Property consists of:

- a. All expendable (*articles which are portable, semi-portable and detachable, and used in the normal day-to-day maintenance and operation*) and non-expendable equipment with an original acquisition price greater than \$2,500.<sup>1</sup>
- b. All "Sensitive Items" listed in Table 5-1 with an original acquisition cost of \$100.00 or more.

Note: Some Force Protection items are valued at less than \$100.00, however these items are to be managed as a kit, which has a total value in excess of the \$100.00 threshold.

#### 5.1.2 Capitalized Assets

Capitalized Assets are a special subset of Accountable Property. They are items of Accountable Property whose purchase price is equal to or greater than \$25,000. All Capitalized Assets contain a tracking number, such as MAR61400023, in the MARAD No. field of the RMS Part Record. This tracking number is only assigned by MAR-614. If a new Capitalized Asset is purchased or transferred onboard, the Ship Manager will notify the LMO within ten (10) days of receipt and will identify the applicable Purchase Order number or Transfer Order number.

Quarterly, during the first ten days of March, June, September and December the Ship Manager will inventory and apply a new NS5 label on all Capitalized Assets on their vessels.

#### 5.1.3 Items Specifically Excluded from Accountable Property Records

The following items are excluded from Accountable Property because they are accounted for by other means, or are uneconomical to track using formal accountability records:

- a. Consumable items
- b. Equipment or fixtures bolted, attached or "hard-wired" to the vessel itself

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<sup>1</sup> Department of Transportation Personal Property Bulletin PP 98-01, October 15, 1998.



- c. Hawsers, mooring cables and lines
- d. Lifeboats and Zodiac watercraft (please note that the Zodiac's outboard engines *are* Accountable Property, see Table 5-1)
- e. Barges
- f. Manifested cargo and cargo containers
- g. Weapons and ammunition
- h. Any spare part, special tool or outfitting item in the vessel's spare parts inventory and recorded in RMS
- i. Chemical, biological and radiological defense (CBRD) items
- j. Any item with an original purchase price of LESS than \$100.00.

Even if an item is listed in Table 5-1, no item with an original purchase price of less than \$100.00 will be managed as Accountable Property. *Ship Managers are not to add additional items with a purchase price of less than \$100.00 (such as low cost office equipment) to this accountable register.*

### **5.1.4 Official Record of Accountable Property**

The official record of the vessel's Accountable Property is RMS.

### **5.1.5 Fire and Safety Equipment**

Any MARAD Fire and Safety equipment (not considered part of the ship's normal fire and safety equipment) placed aboard an RRF vessel by the RRF Safety Manager with a value of greater than \$100 will be added to the Accountable Property record for the vessel in RMS. Upon downgrade of any RRF or RRF like vessel, and the vessel has Fire and Safety equipment placed aboard by the RRF Safety Manager; the equipment will be off-loaded and returned to a designated location provided by the RRF Safety Manager.

### **5.1.6 Chemical, Biological, Radiological Defense (CBR-D) and Force Protection Gear (FPG) Materials**

#### **a. CBR-D**

Chemical, Biological, Radiological Defense materials were initially controlled and maintained by the U.S. Navy, and whenever an RRF vessel is activated these materials are deployed to the vessel by the Navy. The process and procedures have changed. Now, whenever an RRF vessel is activated and requires CBR-D materials, MARAD's logistics support contractor will deploy CBR-D materials out to the vessel from its warehouse facility. These materials will arrive at the vessel in several hard plastic containers. The CBR-D containers will contain an inventory list of the CBR-D items shipped to the vessel. Once CBR-D materials are received by the vessel, the Ship Manager is responsible for adding CBR-D as a single line item and location in the NS5 Accountable property parts record.

Note: Do not add all CBR-D items in the NS5 Accountable property database.

When CBR-D is removed from an RRF vessel after completion of its mission, MARAD will provide the necessary resources to remove and relocate CBR-D materials back to the MARAD contractor's facility for future use. The Ship Manager shall assist in reconciling the CBR-D inventory with MARAD's logistics support contractor prior to the return of CBR-D materials.



**b. Force Protection Gear**

Force Protection Gear (FPG) is controlled and maintained by the U.S. Navy, and whenever an RRF vessel is activated these materials are deployed to the ship by the Navy. FPG materials consist of body armor, flashlights, belts, handcuffs, etc. When FPG is deployed to an RRF vessel, the Ship Manager is responsible for adding FPG as a single line item and its location in the NS5 Accountable property parts record.

Note: Do not add all FPG items in the NS5 Accountable property database.

When FPG is removed from an RRF vessel after completion of its mission, The MARAD LMO will coordinate the removal and return of FPG to the Navy's stock point. The Ship Manager will assist in reconciling the FPG inventory.

## **5.2 Custodial Responsibilities**

### **5.2.1 Property Custodians**

The term "Property Custodian" refers to Ship Managers and the Chief Engineers of school ships that possess MARAD property. Property Custodians are responsible for the custody and security of all shipboard Outfitting Material.<sup>2</sup>

### **5.2.2 Ship Manager Custodial Responsibilities**

The Ship Manager Property Custodian will:

- a. Maintain the Accountable Property database contained in RMS.
- b. Conduct required inventories of Accountable Property on board the vessel (see section 5.3).
- c. Supervise the receipt, protection, control, accountability, use, and distribution of all outfitting material.
- d. Submit Surveys (DOT Form 4410) and request disposition instructions for excess property, as necessary.

### **5.2.3 Maritime Academy Custodial Responsibilities**

The Maritime Academy Property Custodians will:

- a. Maintain the Accountable Property database contained in NS5, when installed.
- b. Conduct an annual inventory of all state and federal Accountable property on board the vessel each September (see paragraph 5.3.4 and 5.3.5).
- c. Supervise the receipt, protection, control, accountability, use, and distribution of all federally owned outfitting materials.
- d. Submit Surveys (DOT Form 4410) and request disposition instructions for excess property, as necessary.

### **5.2.4 Maintenance of RMS Accountable Property Database**

Except as provided for in paragraph 5.2.6 below, the maintenance of the RMS Accountable Property database is the responsibility of the Ship Manager or school ship Property Custodian. The inventory standard for Accountable Property is 100%.

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<sup>2</sup> Maritime Administration Policy Directive 10-02, June 28, 2010.



### 5.2.5 New Accountable Property

Accountable Property that has been purchased by the Ship Manager for the Government or transferred from another Government activity will be documented in RMS within ten (10) working days of the item's receipt on board the vessel.

### 5.2.6 Removing Accountable Property

Ship Managers and school ship custodians will not delete any item of Accountable Property from the vessel's RMS Accountable Property database. That responsibility is reserved for MARAD Area logistics representatives.

### 5.2.7 Labeling of Government Property

An official label will be securely affixed to all Accountable Property<sup>3</sup> in the custody of a Ship Manager or maritime academy.<sup>4</sup> To ensure that state and federal property can be clearly distinguished, all state property on board RRF vessels will be marked in accordance with state property regulations.

MARAD Accountable Property labels will contain the following information:

- a. The assigned barcode for the item
- b. The phrase "Accountable Property-MARAD"

Other information, such as manufacturer, location, serial number and a detailed description are optional.

## 5.3 Required Inventory of Accountable Property

### 5.3.1 Annual Inventory by Ship Managers

An inventory of all Accountable Property will be conducted annually by the Ship Manager within thirty days (30) of the anniversary of the Ship Manager's Notice to Proceed (NTP).<sup>5</sup> This also applies to ROS-5 and crewed RRF-10 day vessels.

During this inventory the Ship Manager will physically locate, sight, and count each item of Accountable Property listed in RMS.

A signed statement verifying that a physical inventory of Accountable Property was completed along with a list of discrepancies must be forwarded to the Area SOMO, with a copy to the Area LMO and posted to the J4 Deliverables in RMS within 30 days of completing the inventory.

The Area will initiate a follow-up letter to the Ship Manager if certification from the Ship Manager is not received within thirty (30) days of the anniversary of the contract NTP.

### 5.3.2 Return from Activation

The Ship Manager must conduct a physical inventory of all Accountable Property immediately following deactivation of a vessel. This requirement includes sea trials. This is an additional requirement *beyond the required annual inventory*. A signed statement verifying that a physical inventory of Accountable Property was completed along with a list of discrepancies must be forwarded to the Area SOMO, with a copy to the Area LMO and posted to the J4 Deliverables in RMS within thirty (30) days of completing the inventory. The Area will initiate a follow-up letter to the Ship Manager if certification is not received within thirty (30) days of the deactivation. This requirement does not apply to school ships.

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<sup>3</sup> Federal Acquisition Regulations (FAR), Subpart 52.245-1, Identification.

<sup>4</sup> Federal Acquisition Regulations (FAR) Subpart 52.245-1, Identification.

<sup>5</sup> Federal Acquisition Regulations (FAR) Subpart 52.245-1, Reporting Results of Inventories.



### **5.3.3 Capitalized Assets**

The Ship Manager will conduct a physical inventory of all Capitalized Assets quarterly. Inventories are to be conducted during the first ten (10) calendar days of March, June, September and December. New RMS Accountable Property labels will be printed out and affixed to each capitalized asset. Since labels print out with the current date, their presence on the item constitutes proof that the inventory was conducted.

### **5.3.4 Annual Inventory by Maritime Academies**

Maritime academies will inventory *all state and federal property* held aboard Maritime Administration owned vessels at least once a year in September. A copy of this inventory will be forwarded to the Area SOMO with a copy to the Operating Area Division LMO.

### **5.3.5 Reconciliation of Accountable Property Inventories**

Physical inventories of Accountable Property will be compared to the official record in RMS. An attempt will be made to reconcile all inventory differences (e.g., overages or shortages) by conducting a re-inventory of the material and researching associated records/documentation.

Shortages that cannot be reconciled will be reported on a DOT Survey Form 4410 within five (5) working days from the date the loss was discovered. (Note: Guidelines for preparing this form are provided in Chapter 7.) *Under no circumstances will an Accountable Property record be deleted or removed from RMS by the Ship Manager.* Overages will be added to RMS with appropriate remarks.



### Sensitive Items

Aerial Lifts, Motorized (*also motorized platforms*)  
Barometers, aneroid and recording  
Binoculars  
Cameras (*all types*)  
Chronometers, Marine (*excludes common wall clocks*)  
Compasses (*including diving compasses*)  
CPUs (*not keyboards, mice or speakers*)  
Copy Machines (*all types*)  
Defibrillators, Automatic External  
Draggable Reeves Sleeve (Orange) and Spine Board  
DVD Players or Recorders  
Fax Machines  
Fire Fighters Bunker Gear (jacket, trouser, helmet, etc.) as a set  
Forklifts  
Force Protection Gear (*as a complete set*)  
Gas Lithium PID Datalog  
Gauges (*including scuba depth gauges*)  
Guns, Line-throwing (*only - not weapons*)  
Historical Artifacts (*such as brass navigational instruments, etc.*)  
Microscopes  
Monitors, Computer and Video  
Motors, Outboard  
Self Contained Breathing Apparatus (SCBA)  
Multi-gas Detectors  
PDAs (*Personal Digital Assistants*)  
Portable Foam Applicator (Bronze Nozzle)  
Printers  
Radios, Handheld (*Transceivers, handheld*)  
Radiological Survey and Monitoring Equipment  
Recorders, Portable (*tape or wire*)  
Regulators and Gauges (*scuba and safety equipment*)  
Safety Equipment – Spare Parts Kit  
Scuba Gear (*diving equipment, all types*)  
Sweepers, Motorized  
Sextants (*all types*)  
Sights (*including night vision and hand-held*)  
Stadimeters  
Telephones, Cellular  
Telescopes (*Bore sights*)  
Optical Equipment (*Telescopes, Monoscopes, Range Finders, etc.*)  
Televisions  
Timers, Stop and Ordnance  
Video Cassette Recorders (VCRs)  
Watches, Pocket, Comparing and Navigation  
Watches, Wrist (*conventional and underwater*)  
Welding Equipment, Portable

**Table 5-1:** List of Sensitive Items

# Chapter 6: Configuration Management

## 6.0 Shipboard Configuration Management

The objective of shipboard configuration management is to maintain the accuracy of a vessel's installed equipment database such that spare parts necessary to support the vessel for 180 days at sea can be obtained.

### 6.1 Equipment Mission Criticality

Each system, equipment and component on board an RRF vessel has been assigned a Mission Criticality Code (MCC) to denote its importance to the mission of the vessel. MAR-614 also uses these codes to prioritize the procurement of centrally funded spare parts. MCCs range from A (most critical) to D (least critical). A complete list of Equipment Mission Criticality Codes is provided in Table 6-1.

Alternatives for Mission Accomplishment			Impact If Alternatives Fail
I	II	III	
B	A	A	Total loss of mobility
C	B	A	Severe Degradation of mobility or a total loss of a primary mission
D	C	B	Severe degradation of a primary mission
D	D	C	Total loss or severe degradation of a secondary mission
D	D	D	Minor mission impact

**Notes:**

Alternative I: Redundant systems, equipment or components available.

Alternative II: Alternatives (excluding redundancies) available.

Alternatives III: Neither redundancies nor other alternatives available.

**Table 6-1:** Equipment Criticality Matrix

Changes to the Equipment Criticality codes are best made jointly by the Chief Engineer, the Port Engineer and the MARAD Surveyor to ensure consistency within each Class.

## 6.2 Configuration Management Database

### 6.2.1 Requirement to Maintain the Vessel's Installed Equipment Database

The Ship Manager's Chief Engineer, or the Chief Engineer of a school ship, are required to update the installed equipment database contained in RMS within five (5) working days<sup>1</sup> of the removal, modification or installation of shipboard equipment. Aside from change-outs due to equipment failure, most configuration changes are planned evolutions developed through the annual Resource Management Board (RMB) budget review process.

<sup>1</sup> Federal Acquisition Regulations (FAR) Subpart 52.245-1, Identification



### 6.2.2 Procurement of New Spare Parts in Conjunction with the Installation of New Equipment

Contracts initiated by Ship Managers and MARAD Surveyors for new equipment must include spare parts and technical manuals needed to meet MARAD's 180-day at sea mission sustainability requirement.<sup>21</sup>

**Contracts initiated by Ship Managers and MARAD Surveyors for new shipboard equipment must include spare parts and technical manuals needed to meet MARAD's 180-day at sea sustainability goal.**

### 6.2.3 Requirement to Review Critical Spares and Maintain the Vessel's Spare Parts Support

To support MARAD's stated goal of 180-day sustainability, Ship Managers will review critical spares for MCC Code "A" equipments and, as necessary, make changes and recommend additions to spare parts support. Section 6.3 covers the various types of Spare Parts situations possible.

## 6.3 Management of Shipboard Allowances

Spare parts held in the ship's inventory are based on a number of factors contributing to decisions regarding on board spare part allowances. These factors include, but are not limited to:

- a. Observations and recommendations by the Chief Engineer, such as the identification of Critical Spare Parts.
- b. Ship Manager's business and maintenance plans
- c. Parts usage information gathered from maintenance history.
- d. Manufacturer's recommendations
- e. Changes in equipment configuration.
- f. Programmed efforts to standardize shipboard allowances.
- g. Other adjustments necessary to assure 180-day mission sustainability.

With the implementation of RMS came the ability to identify critical spares on the Part Record. Critical Spares are defined as those spare parts supporting Criticality Code "A" and "B" equipments. Once identified in RMS, Ship Managers are responsible for follow-on management. For consistency within each Class, MAR-614 recommends close participation of the Port Engineer in this evolution. The Ship Manager is free to adjust existing spare part allowances when required.

## 6.4 Provisioning

### 6.4.1 Ship Managers are Responsible for Provisioning RRF Vessels

It is the primary responsibility of the Ship Manager to identify and purchase spare parts to sustain RRF vessels for 180 days at sea. Within the restrictions set forth in Section 6.3 above, the Ship Manager will identify spare part allowances that need to be adjusted. Enter the appropriate changes in RMS, and subject to the availability of funds, procure the required spare parts.

**It is the primary responsibility of Ship Managers to identify and purchase spare parts to sustain RRF vessels for 180 days.**

<sup>21</sup> Maritime Administration Policy Decision Memo 97-5, August 12, 1997



#### **6.4.2 MAR-614 Provisioning Packages**

To assist the vessel, MARAD may initiate a technical review of the spare parts support for a specific piece of equipment installed on an RRF vessel. This review, also called "provisioning," normally leads to the establishment of revised spare part allowances and the procurement of additional spare parts by MAR-614. However, before MAR-614 initiates parts allowance changes, a "provisioning package" will be prepared and forwarded to the vessel for review.

**Ship Managers or Surveyors may request MAR-614 provision a specific system or equipment.**

#### **6.4.3 Review of Provisioning Packages**

The Ship Manager must review recommended allowances listed in MARAD provisioning packages prior to submission to MAR-614. Appendix F lists those types of equipments that are designated non-validation worthy due to their non-critical nature or ease of replacement.

### **6.5 Accounting for Technical Documentation**

#### **6.5.1 Ship Managers are Accountable for Maintaining Technical Manuals and Drawings**

It is the primary responsibility of the Ship Manager to maintain their inventory of Technical Manuals and Drawings which support the Configuration Management of the vessel. Inventories of both types of property are in NS5 and it is the responsibility of the Ship Manager to maintain these inventories. If, for some reason, a Tech Manual or Drawing Inventory was not performed during a Logistics Overhaul, inform the assigned Inventory Specialist and an inventory will be scheduled.

The minimum inventory standard for maintaining Tech Manuals and Drawings is the same as Repair Parts, 95%. Master copies of Tech Manuals and Drawings should be maintained in locked spaces or file cabinets, if possible. MAR-614 also recommends establishing a Checkout Log to identify who may have checked out a particular Tech Manual or Drawing.

## Chapter 7: Reporting Shipboard Excess Material

### 7.0 Management of Shipboard Excess Material

This chapter discusses the management and reporting of Accountable Property, Spare Parts, Equipment and scrap metal onboard RRF vessels that is no longer required to support shipboard operations or maintenance.

#### 7.1 Reporting Serviceable Items

Serviceable (still usable) spare parts, outfitting material, and equipment that are no longer required onboard RRF vessel are considered to be “excess.” To reduce fleet maintenance costs, these items are to be reported to the Area LMO on an RMS Transfer Order for redistribution to Shore-Based Spares, distribution to other RRF vessels, or disposal, as appropriate. An example of a Transfer Order is provided as Fig. 7-1. *Please note that excess material is not to be sent to the Area SBS warehouse without the prior approval of the Area LMO. See RMS Transfer Order and Warehouse Management Procedures Guide, Section 1.*

#### 7.2 Reporting Unserviceable Items

Unserviceable items are also considered “excess material”. Where possible and economical, Ship Managers are to make every effort to conserve unserviceable or scrap material for reuse or resale by the General Services Administration (GSA). Table 7-1 provides guidance to users in selecting the correct form to report excess material. Not included in Table 7-1 are items disposed of via a Certificate of Destruction. In many cases it may not be possible, appropriate or economical for the Government to sell an item of excess. These items are normally destroyed on location or at an SBS warehouse facility. The destruction of these items will be reported and coordinated with the Area Division LMO, and documented on a MARAD Certificate of Destruction (MA-1029). The Ship Manager will provide the required information to the LMO and the LMO will provide a Certificate of Destruction for the excess item.

##### 7.2.1 Items Damaged by the Ship’s Crew

Accountable Property damaged or destroyed while in the custody of the Ship Manager or maritime academies must be reported to MARAD within five (5) working days on a Report of Survey DOT Form 4410. *(This requirement does not apply to normal “wear and tear.”)* Damaged or destroyed items will, where possible and safe, be segregated and held onsite until the Area LMO provides disposition instructions.

Special care will be taken when preparing a Report of Survey. The Ship Manager or maritime academy must:

- a. Submit all survey forms promptly
- b. Use the electronic DOT Forms 4410;
- c. Provide a *detailed* description of how the loss or damage to Government property occurred
- d. Attach the survey to the RMS Part Record,
- e. Forward the signed hardcopy survey to the vessel’s Port Engineer
- f. Once reviewed, Port Engineer will forward to the LMO, with a copy to the Ship’s Surveyor and MAR-614.

A copy of DOT Form 4410 is provided as Fig. 7-2. Basic instructions for the preparation of a DOT Form 4410 are provided in Fig. 7-3.

##### 7.2.2 Unserviceable Accountable Property

Accountable Property that has become unserviceable due to “normal wear and tear” must be reported to the Area LMO on a Transfer Order (TO) for disposal.



Item to be Disposed	Form to be Prepared
Serviceable equipment, spare parts or Accountable Property.	Report to Area LMO to initiate an RMS Transfer Order (TO).
Items that have been lost, damaged or destroyed. <i>(Excludes normal wear and tear)</i>	Report circumstances of loss or damage on DOT Form 4410.1 to PE, then to LMO & MAR-614.
Excess or worn Accountable Property	Report to Area LMO to initiate an RMS TO.
Recyclable metals or items with commercial resale value.	Report to Area LMO to initiate an RMS TO.
Non-recyclable items with no residual or commercial resale value.	None. Dispose of in a safe manner consistent with local, state and federal environmental protection regulations.

**Table 7-1:** Forms for Reporting Excess Material.

### 7.2.3 Scrap Metal

Scrap metal that can be recycled must be accumulated and reported to the Area LMO. *Unlike Accountable Property, a pallet load is normally considered the minimum reportable quantity for scrap metal.* GSA maintains contracts with local scrap dealers in most geographic areas. These contracts allow the Area LMO to request the pick-up of valuable metals directly from the pier. Unless the Surveyor has determined that it is not economically feasible, Ship Managers must collect scrap metals and request authorization to ship these items to the Area LMO for disposal; if approved, LMO will create an RMS Transfer Order.

The following metals are to be retained and reported as scrap:

- a. Gold
- b. Silver
- c. Aluminum
- d. Tin
- e. Steel
- f. Copper
- g. Titanium
- h. Brass
- i. Bronze



- j. Lead
- k. Nickel
- l. Zinc
- m. Magnesium

#### **7.2.4 Non-recyclable Items with Commercial Resale Value**

Many non-recyclable items still possess commercial value and can be sold by GSA. Examples include unserviceable electronic, computer and copier equipment. Excess material that falls into this category will be reported to the Area LMO to initiate an RMS TO for disposal.

#### **7.2.5 Non-recyclable Items with No Residual Commercial Resale Value**

Unserviceable spare parts and equipment that have *no commercial resale or scrap value* do not need to be reported to the Area LMO. They must, however, be disposed of in a safe manner consistent with local, state and federal environmental protection regulations.

### **7.3 Reporting Lost Government Property**

As discussed in Chapter 5, all Accountable Property, and all spare parts and equipment with a original purchase price of greater than \$100.00, that is lost while in the custody of the Ship Manager or maritime academy will be reported to the appropriate MARAD LMO, copy to MAR-614, on a DOT Form 4410.<sup>1</sup> The Report of Survey will be forwarded to MARAD within five (5) working days of the discovery of the loss. The DOT Form 4410 is to be typed and a thorough justification provided when reporting of lost Government property.

### **7.4 Contracts to Include the Removal and Disposal of Obsolete Equipment and Spare Parts**

When a subcontractor is replacing RRF equipment, the contract must include the removal and disposal of the obsolete equipment and associated spare parts as a part of the contract. If the disposal of the excess equipment and associated spare parts is not accomplished concurrent with the installation of the new equipment, then the item(s) must be reported to the Area LMO for disposal.

### **7.5 Hazardous Material**

The management and disposal of hazardous materials is not within the scope of this manual. When disposing of excess hazardous material, please refer to existing MARAD, DOT and EPA hazardous materials management regulations. DO NOT send hazardous material to any MARAD SBS warehouse.

### **7.6 Use of Defense Logistics Agency Disposition Services**

RRF vessels are authorized to use Government DLA Disposition Services. However, Ship Managers are not to forward items to these activities without first obtaining approval from the Area LMO. The Area LMO and MAR-614 will assemble the required DLA disposal documentation and forward it to the vessel for further processing of the material.

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<sup>1</sup> Federal Acquisition Regulations (FAR) Subpart 52.245-1, Records and reports of Government property.



## 7.7 Sale, Donation or Loan of RRF Property

Except as provided for in Section 7.4, the sale, donation, or loan of any piece of RRF property by the Ship Surveyor or Ship Manager is *not authorized*. The General Services Administration (GSA) is the only activity authorized to sell Government personal property. All requests to donate RRF property should be forwarded to the Area LMO. The written approval of the Maritime Administrator, the Director of the Office of Ship Operations, or the SOMO must be obtained before any RRF property can be *loaned* to any commercial or state activity.<sup>2</sup>

## 7.8 Removal of Equipment and Government Property from NDRF Vessels

When RRF vessels are no longer needed for current RRF Operations and are transferred to National Defense Reserve Fleet (NDRF) berths in one of three locations, James River, VA, Beaumont, TX, or Suisun Bay, CA. Since these vessels may be recalled to active RRF operations, the approval process applies to both Retention and Non-Retention vessels. The documentation process will differ depending on whether the ship is Retention or Non-Retention.

To provide a means for Port Engineers, Chief Engineers, MARAD Surveyors and other Ship Manager personnel to request for the removal of Equipment and Government property from NDRF vessels. A New NDRF database will be posted to the Ship Manager E-Room on an annual basis, in January of each year. This Equipment and Parts data is for information only and is not intended to be used for requisitioning without first requesting approval from the MAR-612 assigned Program Analyst for Fleet Facility Operations.

### 7.8.1 Documentation for Removing Equipment and Government Property from NDRF Vessels

The first step in the process for Ship Managers is for their Chief Engineer or Port Engineer to forward the removal request to the applicable MARAD Surveyor, who is the COTR on RRF contracts. The request must be in writing, via e-mail, with a complete listing of the parts or equipment to be removed from the vessel. If the MARAD Surveyor agrees with the request, the second step in the process is the Surveyor will forward the request to MAR-612. Others who need to be included on this request as “CC” are:

- MAR-614
- Applicable SOMO
- Applicable LMO

The requestor should expect to provide the labor to remove any equipment. The requestor should also expect to provide the labor for parts requests expected to take more than two (2) hours. For parts removals from Retention vessels, an Area Inventory Management Specialist will be present for the parts removal to re-seal the drawer. For Non-Retention vessels, an Area Inventory Management Specialist is not required. For equipment removals from both Retention and Non-Retention vessels, an Area MARAD Surveyor will be present to ensure the correct equipments is removed safely. For Retention vessels, MAR-612 will need to obtain approval from MAR-610 for each vessel’s removal request. For Non-Retention vessels, only the first request requires MAR-610 approval; follow-on requests for the same vessel still need to be coordinated through MAR-612.

Within ten (10) days of receiving the request, the MAR-612 Program Analyst will present the removal request to MAR-610 for approval/disapproval. The MAR-612 PA will inform all parties immediately when the request has been approved/disapproved. For an approved request, MAR-612 will coordinate the removal with the applicable NDRF fleet Manager.

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<sup>2</sup> Maritime Administrative Order 330-13, dated July 28, 2008.



The respective Area SOMO will assign a Surveyor to oversee the removal of, and will provide a list of equipments removed to the Area LMO.

The respective LMO will assign an Inventory Management Specialist to assist in the parts removal, if required, and to prepare a Transfer Order for the parts and equipments.

For ships without an NS5 database, the Reserve Fleet will prepare an MA-10 Property Transfer Notice (PTN) shipping document listing all the parts and equipments removed. The Ship Manager will arrange for pickup of the materials and pay the shipping costs; all materials will shipped by traceable means. The Reserve Fleet will include a copy of the Transfer Order or PTN with the shipment and will inform the Chief Engineer that the shipment is in transit.

The receiving ship’s Chief Engineer will take delivery of the Transfer Order or will reconcile the material on the PTN in NS5.

Below is a table matrix of roles and responsibilities.

<b>Participant</b>	<b>Roles</b>	<b>Responsibilities</b>
Ship Manager (SM)	Initiates Removal Request (CHENG/PE/SM); Performs cost/benefit analysis.	Forwards request to Surveyor; provides removal labor and technical assistance; pays for shipping costs.
Surveyor	Reviews the request for costs and benefits, and ensures SM has verified SBS non-availability.	Disapproves request or forwards to MAR-612 PA
MAR-612 PA	Reviews request and obtains input from MAR-612 and MAR-614.	Briefs request to MAR-610
MAR-610	Reviews recommendation from MAR-612 PA	Approves or Disapproves; may impose additional constraints
MAR-612 PA	Informs ALCON of approval/disapproval within two (2) weeks.	Coordinates Reserve Fleet services to be provided*
SOMO	SOMO in Reserve Fleet Area where <u>equipment removal is taking place.</u>	Provide a Surveyor to oversee <u>equipment removal</u> process and provide final equipment removed list to LMO.
LMO	LMO in Reserve Fleet Area where <u>parts removal</u> is taking place	Provide an Inventory Specialist to assist SM or Fleet staff in issuing parts and sealing drawers.
Inventory Specialist	Assist in parts removal; may actually perform some parts removals.	Document equipment and parts removals in NS5 and initiate Transfer Order to receiving ship(s).
Reserve Fleet*	On-site Coordination and Safety	Performs some parts removals, conducts safety briefs, prepares PTN, informs CHENG of shipment.
CHENG	Takes material into stock	Takes delivery of NS5 Transfer Order or performs reconciliations.

\*Reserve Fleet services include engineering and logistical consultation, coordination, scheduling, safety briefs, permits, lift, lighting, escorts, limited labor, administration, and PTN documentation.



<b>Transfer Order (TO) No.: 9500005</b>		<b>Fiscal Effective Date: 12/13/2006</b>		Printed On: 12/27/2006	
Location: MARAD WAREHOUSE - CR Account No.: [040-002] Warehouse Project No.: MAR-CR-WHSE			Location: CAPE KENNEDY Account No.: [010-008] Ship Support Project No.: KEY-KEN-07-1008		
Ship To: CAPE KENNEDY DOT MARITIME ADMINISTRATION, POLAND AVE WHARF, BERTH #3, DOOR 38, NEW ORLEANS, LA 70117 Ship Via: TRACEABLE MEANS Expected Delivery:			Contact: CHRIS KEEFE Tel.: (504) 944-6300 Total Cost: 60.00 Expedite:		
SOURCE (MARAD WAREHOUSE - CR)		UNIT COST	QUANTITY	DESTINATION (CAPE KENNEDY)	
S: BELT, 91626-04 P No.: EQ: Parts ST: AC: 040-002 PJ: MAR-CR-WHSE MI:- BELT, 91626-04		23.0000	2.00	S: BELT P No.: EQ: DEHUMIDIFIER, (NO.1) ST: AC: 010-005 PJ: KEY-KEN-07-1005 MI:- BELT	
S: FILTER, 95007-32 P No.: EQ: Parts ST: AC: 040-002 PJ: MAR-CR-WHSE MI:- FILTER, 95007-32		14.0000	1.00	S: FILTER P No.: EQ: DEHUMIDIFIER, (NO.1) ST: AC: 010-005 PJ: KEY-KEN-07-1005 MI:- FILTER	

Figure 7-1: RMS Transfer Order.

Clear Form Save Form Print Form



**U.S. Department of Transportation**  
Office of the Secretary of Transportation

### REPORT OF SURVEY FOR LOST, DAMAGED, OR DESTROYED PERSONAL PROPERTY

*(Submit a separate report for each category--lost, damaged, or destroyed)*

Date Prepared  
[Redacted]

Survey Case Number  
[Redacted]

---

Primary Organization Unit *(Dept. Element)*  
[Redacted]

Office or Station Reporting *(Org. Symbol)*  
[Redacted]

Location  
[Redacted]

---

STOCK NUMBER AND DESCRIPTION	QUANTITY	UNIT PRICE	TOTAL COST
[Redacted]	[Redacted]	[Redacted]	0.00
[Redacted]	[Redacted]	[Redacted]	0.00
[Redacted]	[Redacted]	[Redacted]	0.00
[Redacted]	[Redacted]	[Redacted]	0.00
[Redacted]	[Redacted]	[Redacted]	0.00
[Redacted]	[Redacted]	[Redacted]	0.00
[Redacted]	[Redacted]	[Redacted]	0.00
[Redacted]	[Redacted]	[Redacted]	0.00
<b>GRAND TOTAL</b>			<b>\$ 0.00</b>

---

Explain the circumstances causing this report to be filed. Attach additional pages, statements, or exhibits as necessary.

---

The information given above is true and correct to the best of my knowledge and belief.

*Signature of Property Custodian  
(or person preparing the report.)*

*Typed Name, Title and Date*

---

**SUPERVISOR'S STATEMENT.**

I have reviewed the information above and the supporting statement(s) and have nothing further to offer.

I have an additional statement *(attached)*.

*Signature of Supervisor*

*Typed Name, Title and Date*

---

**PROPERTY MANAGEMENT OFFICER'S STATEMENT.**

I have reviewed the information in this report; the description and pricing is correct; a survey report case number has been assigned and recorded; and the following actions have been taken to correct the circumstances reported above. *(Attach pages as necessary)*.

Referred to Survey Officer/Survey Board on [Redacted] (date).

*Signature*

*Typed Name, Title and Date*

Form DOT F 4410.1 (6-90)
Report of Survey for Lost, Damaged, or Destroyed Personal Property

Figure 7-2: Report of Survey, DOT Form 4410.



## Chapter 8: Ship Manager Turnover and Inventory Accuracy

### 8.0 Inventory Standards and Methodology

The inventory of repair parts on board an RRF vessel is a valuable national asset. The accuracy or “validity” of a vessel’s RMS database is an indicator of the quality of that asset. This chapter discusses the inventory accuracy standards to be maintained by the Ship Manager and the methodology used in determining a vessel’s inventory accuracy.

### 8.1 Acceptance and Termination Inventories

#### 8.1.1 Acceptance Inventory

During the Ship Manager turnover, and after a formal “Notice to Proceed” (NTP) has been issued by the Maritime Administration, a survey of the vessel’s spare parts inventory and logistics database must be conducted. This survey, called a Logistics Inventory Validation (LIV), consists of the following actions:

- a. A 100% inventory of the vessel’s Accountable Property.
- b. A statistically random sampling of ALL the vessel’s spare parts contained in boxes, cabinets, drawers and bulk locations (unsealed).
- c. A 10% random sampling of the vessel’s drawings and technical documentation.

The size of the spare parts sample to be obtained will be determined by using Appendix G of this manual, or as determined by the Property Administrator. The results of the LIV will then be documented on an MA-1013C (see Figure 8-1) by the Area LMO. The region will forward a copy of the MA-1013C to the Property Administrator.

#### 8.1.2 Termination Inventory

At the conclusion of the Ship Manager’s contract, another LIV will be conducted in accordance with FAR 52.245-1. The results of this LIV will be documented on an MA-1013C by the Area LMO. The Area LMO will forward a copy of the MA-1013C to the Property Administrator.

#### 8.1.3 Use of Previous Inventory Samples

Under no circumstance will the results of inventories gathered before the NTP (i.e., during a previous LMR) be used in place of the contractually required sampling provided for in Sections 8.1.1 and 8.1.2 above.

#### 8.1.4 Waiver of Required Acceptance and Termination Inventories

In accordance with FAR 52.245-1, requests to waive start-up and termination inventories should be forwarded to MAR-614, the Property Administrator of the Ship Manager’s contract. MAR-614 will review the request and forward a recommendation to MAR-380, the Procurement Contracting Officer, for final determination.

### 8.2 Management of Shipboard Inventory

Beginning on the sixty-first day after the NTP, the Ship Manager must maintain an inventory of no less than 95% for spare parts stored in boxes, drawers and cabinets that have NOT BEEN SEALED BY THE GOVERNMENT. This would include storage locations that are currently open, secured with a padlock or sealed with a “temporary” seal applied by the Ship Manager. This standard applies to all Phase “O”, ROS-5 and crewed RRF-10 vessels.

**The Ship Manager must maintain an inventory validity of *not less than 95%* for spare parts.**



### 8.3 Inventory Errors

An inventory error occurs when a material difference exists between the RMS database and the results of the physical inventory of a spare part line item. Material differences include:

- a. Storage location(s)
- b. Quantity
- c. Part number
- d. Nomenclature or name (Description)
- e. RMS Label

Regardless of the number of differences noted, a single line item can produce no more than one (1) error. (For additional examples, see Table 8-1.)

### 8.4 Computing Inventory Accuracy

Inventory accuracy is calculated by dividing the total number of correct line items by the total number of line items inventoried (i.e., physically inspected) as shown below:

$$\% \text{ Accurate} = \frac{\# \text{ of Line Items Correct}}{\# \text{ of Line Items Counted}}$$

For example:

- a. One hundred (100) line items are sampled, and three (3) line items are found to have material differences. Therefore, the inventory accuracy of the sample would be 97% (97 divided by 100).
- b. One line item is inspected, and is found to be correct. However, an extra line item is found in the location with the line item inspected. The accuracy rate would be 50% (one correct item divided by two inspected items).

The second example shows how undocumented items can cause errors.

#### 8.4.1 Line Items with a Balance of Zero

Frequently, line items with a zero balance will be assigned locations in RMS. Line items with a zero balance will not be used in calculating a vessel's inventory accuracy *unless undocumented items are located during the inventory*.

## Chapter 8: Ship Manager Turnover and Inventory Accuracy

Examples of Possible Inventory Errors				
RMS Database		Inspection Findings <i>(Characteristics Data from Label)</i>		Error Count
<b>Nomenclature</b>	Bearing, Ball	<b>Nomenclature</b>	Bearing, Ball	Quantity Error: Counted as 1 Error
<b>Part Number</b>	6306 ZZ	<b>Part Number</b>	6306 ZZ	
<b>Manufacturer</b>	SKF	<b>Manufacturer</b>	SKF	
<b>Location</b>	EM-33	<b>Location</b>	EM-33	
<b>Quantity</b>	3	<b>Quantity</b>	2 ←	
<b>Nomenclature</b>	Bearing, Ball	<b>Nomenclature</b>	<i>Part Not Found</i>	Quantity/Location Error: Counted as 1 Error
<b>Part Number</b>	6306 ZZ	<b>Part Number</b>		
<b>Manufacturer</b>	SKF	<b>Manufacturer</b>		
<b>Location</b>	EM-33	<b>Location</b>		
<b>Quantity</b>	3	<b>Quantity</b>	0 ←	
<b>Nomenclature</b>	Bearing, Ball	<b>Nomenclature</b>	Wheel ←	Nomenclature and Quantity Error: Counted as 1 Error
<b>Part Number</b>	6306 ZZ	<b>Part Number</b>	6306 ZZ	
<b>Manufacturer</b>	SKF	<b>Manufacturer</b>	SKF	
<b>Location</b>	EM-33	<b>Location</b>	EM-33	
<b>Quantity</b>	3	<b>Quantity</b>	4 ←	
<b>Nomenclature</b>	<i>Item Not Listed In RMS</i>	<b>Nomenclature</b>	Bearing, Ball	Location Error: Counted as 1 Error
<b>Part Number</b>		<b>Part Number</b>	6306 ZZ	
<b>Manufacturer</b>		<b>Manufacturer</b>	SKF	
<b>Location</b>		<b>Location</b>	EM-33	
<b>Quantity</b>		<b>Quantity</b>	3 ←	
<b>Nomenclature</b>	Bearing, Ball	<b>Nomenclature</b>	Bearing, Ball	Quantity Error: Counted as 1 Error
<b>Part Number</b>	6306 ZZ	<b>Part Number</b>	6406 ZZ ←	
<b>Manufacturer</b>	SKF	<b>Manufacturer</b>	SKF	
<b>Location</b>	EM-33	<b>Location</b>	EM-33	
<b>Quantity</b>	3	<b>Quantity</b>	3	

**Table 8-1:** Examples of Possible Inventory Errors



Clear Form Save Form Print Form



Logistics Inventory Validation Report
To be completed within 60 days after Notice To Proceed

Instructions

This form shall be used to document the condition of RRF vessels when custody is transferred. The form will be completed jointly by representatives of the Maritime Administration (MARAD) and the Ship Manager who is assuming or transferring custody. All blocks on the form will be completed. If a block is not applicable, enter "N/A" in the block. Enter the date(s) of the validation on each page.

Both the MARAD representative and the Ship Manager's senior representative must sign the form on page 4. When different sections of the validation are conducted by different representatives, the responsible representative will sign his or her name in the "Comments" block for the section.

If space for comments is insufficient, continue comments in Section VII (Overall Acceptance of Logistics Condition of Vessel) on page 4, or attach a separate sheet of paper.

Part I: General Information

Form section for Part I: General Information, including fields for MARAD Contract Number, Vessel Name, Date, Ship Manager, Operating Areas (DAO, DGO, DPO), and various NS5 computer and manual inventory questions.

Part II: Spare Parts Inventory

Form section for Part II: Spare Parts Inventory, including fields for Number of parts inventoried, Number of quantity discrepancies, Inventory Validity (%), and MARAD Comments.

Form section for Ship Manager's Comments, featuring a large text area for input.

Figure 8-1: MA-1013C page 1 of 4



Vessel Name		Date	
<b>Part III: Accountable Property Inventory</b>			
Number of Accountable Property items inventoried: <input type="text"/>		MARAD Comments:	
<input type="checkbox"/> Accountable Property database has been reconciled:			
<input type="checkbox"/> Accountable Property Inventory is attached.			
<hr/>			
<b>Part IV: Equipment Validation</b>			
Number of Equipment Validated: <input type="text"/>		MARAD Comments:	
Number of Equipment Discrepancies: <input type="text"/>			
Validation Validity %: <input type="text"/>			
<hr/>			
Ship Manager's Comments:			

Figure 8-1: MA-1013C page 2 of 4



Vessel Name <input type="text"/>		Date <input type="text"/>	
<b>Part V: Technical Documentation</b>			
<input type="checkbox"/> Technical Manual Sample (%): <input type="text"/>	MARAD Comments: <input type="text"/>		
<input type="checkbox"/> Drawing Sample (%): <input type="text"/>			
Ship Manager's Comments: <input type="text"/>			
<b>Part VI: Security of Government-Furnished Property (GFP)</b>			
All storerooms, cages, spare parts boxes, etc. are locked, sealed, or otherwise secured, except as noted below. Identify any spare part boxes, lockers, or storerooms that cannot be properly secured at the time of vessel turnover. Provide requisition numbers for any transfer of Weapons or Ammunition off an RRF vessel, if applicable.			
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
MARAD Comments: <input type="text"/>			
Ship Manager's Comments: <input type="text"/>			

Figure 8-1: MA-1013C page 3 of 4



Vessel Name		Date	
<b>Part VII: Overall Acceptance of Logistics Condition of Vessel</b>			
MARAD Comments:			
Ship Manager's Comments:			
<b>Personal Property Transferred by MARAD Representative:</b>		<b>Personal Property Accepted by Ship Manager's Representative:</b>	
<hr/>		<hr/>	
Print Name		Print Name	
<hr/>		<hr/>	
Title		Title	
<hr/>		<hr/>	
Signature & Date		Signature & Date	

Figure 8-1: MA-1013C page 4 of 4

## Chapter 9: MCDS and OPDS

### 9.0 Specialized Outfitting

The following chapter discusses two types of specialized outfitting managed by the RRF: Modular Cargo Delivery Station (MCDS), which is used to transfer cargo between ships; and Offshore Petroleum Discharge System (OPDS), which transfers petroleum products to units on the shore. These systems are supported by unique outfitting items that are subject to tailored supply procedures, different from other RRF property.

### 9.1 Modular Cargo Delivery System (MCDS)

The Modular Cargo Delivery Station (MCDS) enables RRF vessels to participate in an underway replenishment (UNREP). This replenishment occurs by means of a highline that connects the MCDS vessel with another vessel. Most MCDS capable ships are also capable of vertical replenishment (VERTREP) when equipped with a helicopter deck and special outfitting.

This section deals with the supply management responsibilities for MCDS specialized equipment, spare parts and outfitting.

The following items make up the MCDS/VERTREP systems:

- a. Installed MCDS Equipment
- b. MCDS Spare Parts
- c. Underway Replenishment (UNREP) Locker Outfitting
- d. Helicopter Crash/Rescue Outfitting
- e. Connected Replenishment (CONREP) Material Handling Equipment (MHE)/UNREP Ordnance Handling Equipment (OHE).

MCDS capable ships are identified in the monthly National Defense Reserve Fleet (NDRF) Inventory list published by MAR-612.

#### 9.1.1 MCDS Organizational Support Responsibilities

The supply management responsibilities for MCDS material are shared among the Chief Engineer, the Chief Mate and, to a limited extent, the U.S. Navy Team (when embarked).

#### 9.1.2 Chief Engineer

The Chief Engineer is responsible for maintaining the configuration of MCDS equipment, and the accountability of MCDS engineering spare parts (i.e., non-outfitting items).

#### 9.1.3 Chief Mate

The Chief Mate is responsible for maintaining the accountability of MCDS outfitting. During an exercise when a Navy Cargo Afloat Rig Team (CART) is deployed with the vessel, the CART Team will be given access to all UNREP, HELLO Crash/Rescue, and CONREP outfitting items. Following the exercise, the Chief Mate will document in RMS any items that were lost, damaged, destroyed, or consumed by the Navy during the evolution.



#### **9.1.4 Separate Storage**

To avoid mixing databases, the two inventories will be stored in separate spare parts boxes or cabinet drawers. Under no circumstances will HM&E spare parts, managed by the Chief Engineer, be stored in the same box or cabinet drawer with MCDS outfitting items managed by the Chief Mate.

### **9.2 Off-Shore Petroleum Discharge System (OPDS)**

The Off-Shore Petroleum Discharge System (OPDS) gives the RRF the capability to pump petroleum products and other liquids from an RRF vessel to ground forces on the shore.

The following items make up the OPDS system:

- a. Installed OPDS Equipment
- b. OPDS Spare Parts
- c. OPDS Outfitting
- d. OPDS Utility Boat (OUB) Outfitting
- e. OUB Spare Parts

OPDS capable ships are identified in the monthly NDRF Inventory list published by MAR-612.

#### **9.2.1 OPDS Organizational Support Responsibilities**

The day-to-day shipboard supply management responsibilities for OPDS equipment, outfitting and spare parts are shared among the Chief Engineer, the Chief Mate and, when embarked, the U.S. Navy detachments (see Appendix H). The Chief Engineer and the Chief Mate each have been given a separate RMS to allow them to independently manage their assigned equipment, outfitting material and spare parts.

#### **9.2.2 Chief Engineer**

The Chief Engineer is responsible for maintaining the configuration of OPDS equipment, and the accountability of OPDS engineering spare parts (i.e., non-outfitting items).

#### **9.2.3 Chief Mate**

The Chief Mate is responsible for maintaining the accountability of OPDS outfitting. When a Navy detachment is onboard, they will be given access to all OPDS outfitting items. Following an OPDS exercise, the Chief Mate will document in RMS any items that were lost, damaged, destroyed, or consumed by the Navy detachment during the evolution.

#### **9.2.4 Separate Storage**

To avoid mixing databases, the two inventories will be stored in separate spare parts boxes or cabinet drawers. Under no circumstances will HM&E spare parts, managed by the Chief Engineer, be stored in the same box or cabinet drawer with OPDS outfitting items managed by the Chief Mate.

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## Appendix A: Glossary of Logistics Management Terms

**Accountable Property** Personal property with a value of \$2,500 or more and sensitive items listed in Table 5-1. Accountable Property is to be formally tracked in NS5 by the ship manager or the school ship. The term “accountable property” replaces the terms high value, control material and controlled equipment.

**Activity Phase** A formal designation applied by MARAD to RRF ships that indicates their current assigned operational status. There are now only two Activity Phases for RRF ships, “M” and “O”.

**Allowance Item** This term refers to items that appear in an authorized allowance document (i.e. SAL, BAL, or COSAL) with an allowed quantity of 1 or more. In NS5, the allowance quantity is shown as the “Minimum Level”.

**Artifact** An Item of value with unique or historic characteristics, such as engine order telegraphs, bells, wheels, and selected works of art; other marine related items of value that may be commercially marketable, such as clocks, sextants, and other navigational aids; or items of considerable value such as silver.

**Assembly** A number of parts or subassemblies, or any combination thereof, joined together to perform a specific function and are capable of disassembly. The distinction between an assembly and a subassembly is made by individual applications, i.e., an assembly in one instance may be a subassembly in another when it forms a portion of a higher level assembly.

**Builder's Allowance List (BAL)** The BAL is a document produced by the original builder of a ship that lists the equipment and components installed in the ship to perform its operational mission; the spare parts and special tools required for their operation, overhaul and repair; and allowance quantities. It is used only when a Shipboard Allowance List (SAL) is not available.

**Capitalized Asset** Capitalized Assets are items of Accountable Property whose purchase price is equal to or greater than \$25,000. Typical examples of capitalized assets are large forklifts and motorized power sweepers.

**Configuration Management** The management practices and procedures that include Configuration Identification, Configuration Change Control, Configuration Status Accounting, and provisioning.

**Configuration Record** The official repository of configuration data for the RRF. The term also refers to the individual data record for a configuration item of equipment/equipment.

**Configuration** The functional and physical characteristics of material as described in technical documents and achieved in a product.

**Configuration Identification** The selection of the documents, the documents, the data contained in the documents, supply and catalog identifiers, and the labeling affixed to the item. The documents identify and define the item's functional and physical characteristics in the form of specifications, drawings, associated lists, logic diagrams, flow charts, technical manuals, interface control documents, test and evaluation plans and reports, and documents referenced therein. The baseline, plus approved changes from that baseline, constitutes the current configuration identification.

**Configuration Baseline** A configuration identification document or a set of such documents formally designated by the Government and fixed at a specific time. The configuration baseline, plus approved changes from that baseline, constitutes the current configuration identification.

**Configuration Change** A general term that signifies that the configuration of an item has been or will be changed through the configuration control process



**Configuration Control** The systematic justification, preparation, submission, coordination, evaluation, approval, or disapproval of a proposed change and the implementation of a configuration change after formal establishment of an item's configuration identification.

**Controlled Equipage** **This term is no longer used,** see “Accountable Property.”

**Consumables** Consumables include those articles, commodities and supplies required in the maintenance and operation of the ship and the living and berthing of passengers, officers and crew, including:

- articles and commodities that are consumed in their initial use
- articles and commodities whose term of usage or life is so short that after initial use, such items can not be recovered for re-issue, or are practically valueless for sale or transfer; and
- articles and commodities of general use which after installation, lose their identity and become part of a system or a part of a larger piece of equipment.

**Coordinated Shipboard Allowance List** The COSAL is a document produced by the U.S. Navy that lists the equipment and components installed in a ship to perform its operational mission, the spare parts and special tools required for their operation, overhaul and repair, and allowance quantities. It is used only when a SAL is not available.

**Deficiency** This term, usually used as a plural "deficiencies," refers to items whose on-hand quantity is less than the allowance quantity (NS5 Minimum Level) established for the item. It is usually applied to spare parts but can be used for other items as well.

**Equipage** This term refers to those non-installed and relatively durable items that are located in operating spaces or other designated areas to support recurring operational, maintenance, or administrative functions, or to provide for the health, comfort, or safety of the crew. Equipage does not encompass installed mechanical, electrical, or electronic equipment, components, or systems. Also see “Accountable Property.”

**Equipment** The term "Equipment" refers to any functional unit of hull, mechanical, electrical, or electronic type material that is operated singly or as a component of a system and which appears in the NS5 Equipment Hierarchy.

**Expendables** Those articles that are portable, semi-portable, and detachable and are used in the normal day-to-day operation and maintenance of the ship. Such items are subject to casual or gradual deterioration and replacement, but are not readily consumed by usage and are not subject to economical repair. Examples include: hawsers, towing and mooring wire cables, hand tools and certain portable power tools, certain inexpensive test equipment, shackles, slings, cargo securing gear, linens, silverware, crockery, draperies and curtains, desks, chairs, etc.

**Form, Fit, and Function** A collective term that describes the configuration comprising the physical and functional characteristics of an item as an entity. The description does not include any characteristics or details of the internal parts making up the item.

*Form* refers to a defined configuration for satisfying mission needs.

*Fit* refers to the ability for an item to interface with or be an integral part of another item.

*Function* refers to the manner in which an item performs its mission, e.g., a vessel that is designed to carry containerized cargo.

**General Agent** Party to a General Agency (Services) Agreement. References to Ship Manager throughout this manual include General Agent.



**High-Value Items** Also see “Accountable Property.”

**Insurance Item** Equipment normally stored in Shore-based Spares that is critical for RRF readiness and that is not normally or readily available from commercial sources (open market).

**Inventory Accuracy** The number of correct inventory records divided by the total number of line items inventoried expressed as a percentage.

**Non-expendables** Those articles and equipment that are required for the maintenance and operation of the ship but are subject to special controls or to economical repair when no longer serviceable, rather than being disposed of and replaced. Included in this category are Accountable Property items such as binoculars, chronometers, sextants, etc .

**Not-carried Items** This term refers to items that do not appear in an authorized allowance list (SAL, BAL, or COSAL).

**Not in Stock Items** This term refers to allowance items that have an onboard stock balance of zero.

**NS5** The principal software system used to manage RRF logistics data is the American Bureau of Shipping’s Nautical Systems software, Version 5, otherwise known as “NS5”.

**Outfitting Material** This term refers to all non-installed equipment and supplies, less the spare parts identified in the SAL. Outfit items include, but are not limited to maintenance and mission essential material and all items required by the U.S. Coast Guard and the American Bureau of Shipping (ABS), and any other regulatory body.

**Projected Supply Effectiveness** The percentage of line items within the total number of line items, which have no deficiencies in quantity.

**Repairables** Components, modules, assemblies, subassemblies or equipment that can be economically restored to perform their required functions by corrective maintenance.

**RMS** The RRF Management System (RMS) consists of a number of information systems used by MARAD to support agency business processes. The principal system used by MARAD to manage RRF logistics data is NS5.

**Ship Manager** Party to a Ship Manager Contract.

**Shipboard Allowance List (SAL)** The SAL is the authoritative document aboard RRF ships that lists the equipment and components installed in a ship to perform its operational mission and the allowed spare parts and special tools required for their operation, overhaul and repair. The SAL information has now been converted into NS5..

**Spares** This term refers to any item or items, including modules and consumable-type materials that have an equipment application and which appear in a Shipboard Allowance List (SAL).

**Spare Parts** This term refers to any item or items, including modules and consumable-type materials that have an equipment application and which appear in a Shipboard Allowance List (SAL). In this manual, the terms "Spares," "Repair Parts," and "Spares and Repair Parts" are used interchangeably.

**Stock** This term refers to spare parts located in shipboard storage (as distinct from parts installed in equipment).

**Validation** The process of determining (or verifying) the physical characteristics of an equipment configuration item for the purpose of configuration identification.

## Appendix B: Acronyms

**ABS** American Bureau of Shipping  
**ACOTR** Assistant Contracting Officer's Technical Representative  
**ACR** Allowance Change Request  
**AEL** Allowance Equipage List  
**APL** Allowance Parts List  
**APO** Accountable Property Officer  
**ATR** Ammunition Transaction Report  
**BAL** Builder's Allowance List  
**CAGE** Commercial and Government Entity  
**CBRD** Chemical Biological Radiological Defense  
**CFP** Contractor-Furnished Property  
**CFR** Code of Federal Regulations  
**CM** Configuration Management  
**COSAL** Coordinated Shipboard Allowance List  
**COTR** Contracting Officer's Technical Representative  
**DAAS** Defense Automatic Addressing System  
**DLA** Defense Logistics Agency  
**DODAAC** Department of Defense Activity Address Code  
**DOT** Department of Transportation  
**EMS** Excess Material System  
**EST** Embarked Security Teams  
**FAR** Federal Acquisition Regulations  
**FEDSTRIP** Federal Standard Requisitioning and Issue Procedures  
**FPMR** Federal Property Management Regulations  
**FSC** Federal Supply Classification  
**FSCM** Federal Supply Code for Manufacturers  
**FSS** Fast Sealift Ship, also Federal Supply System  
**GFM** Government Furnished Material  
**GSA** General Services Administration  
**HM&E** Hull, Mechanical, and Electrical  
**IMS** Inventory Management Specialist  
**IOL** Initial Outfitting List  
**LIV** Logistics Inventory Validation  
**LMO** Logistics Management Officer  
**LMR** Logistics Management Review  
**MAAP** Maritime Administration Acquisition Procedures  
**MAO** Maritime Administrative Order  
**MARAD** Maritime Administration  
**MCDS** Modular Cargo Delivery Station  
**MEI** Master Equipment Index  
**MHE** Material Handling Equipment  
**MICN** MARAD Item Control Number  
**MILSTRIP** Military Standard Requisitioning and Issue Procedures

## Appendix B: Acronyms

**MIS** Management Information System  
**MQR** Management Quality Review  
**MRU** Minimum Replacement Unit  
**MSC** Military Sealift Command  
**NAR** Naval Ammunition Reclassification  
**NDRF** National Defense Reserve Fleet  
**NIIN** National Item Identification Number  
**NSN** National Stock Number  
**NS5** Nautical System's software, Version 5  
**NTP** Notice to Proceed  
**QASP** Quality Assurance Surveillance Program  
**OIS-R** Ordinance Information System Retail  
**OPDS** Offshore Petroleum Discharge System  
**PHS&T** Packaging, Handling, Storage, and Transportation  
**ROS** Reduced Operating Status  
**RMS** RRF Management System  
**RRF** Ready Reserve Force  
**RSL** Ready Service Locker  
**SAC** System Application Code  
**SAL** Shipboard Allowance List  
**SBS** Shore-Based Spares System  
**SMC** Ship Manager Contract  
**SOLAS** International Convention for the Safety of Life at Sea  
**SOMO** Ship Operations and Maintenance Officer  
**SOW** Statement of Work  
**TAR** Transportation Acquisition Regulations  
**TD&E** Tear Down and Evaluation  
**UI** Unit of Issue  
**USCG** United States Coast Guard  
**USN** United States Navy  
**USNRC** United States Nuclear Regulatory Commission  
**USNS** United States Naval Ship

# Appendix C Logistics Inspection Checklist

## QUALITY ASSURANCE SURVEILLANCE PLAN STANDARD INSPECTION PROCEDURES

### Performance Element 1-6: Logistics

**Performance Objective:**

Manage, maintain and replenish ship support material and property necessary to sustain RRF vessels for 180 days.

**Reviewing Official:**

LMO, COTR, MAR-614

**Method of Surveillance:**

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.

**Sampling Procedures:** Prior to the visiting vessels, print out random samples for the Repair Parts, Tech Manual and Drawing Inventories; print out a listing of all Accountable Property. Review NS5 for Ship Manager Deliverables, Inventory Adjustments and Spares Usage. On board vessel, conduct inventories and interview CE, PE and CM.

**Standard Inspection Procedures**

**1) Does the Ship Manager maintain the vessel's inventory accuracy at or above the levels prescribed in TE-5?**

Inspection Procedure:

- (a) Conduct a random sample of Repair Parts in Open and Temporary Sealed repair part locations and bulkhead mounted spare locations, a minimum of 20 Locations and 300 Line Items.
- (b) Note the number of Open and Temporary Sealed Locations: \_\_\_\_\_
- (c) Note the number of Repair Parts Sampled (RPS): \_\_\_\_\_
- (d) Number of Errors: \_\_\_\_\_
- (e) Check the Spares Usage Over Time and Inventory Adjustment Reports to see if errors were caused by the migration from NS5.1.3 to NS5.2. Number of Migration Errors: \_\_\_\_\_
- (f) Compute the Final Error Count (FEC): \_\_\_\_\_
- (g) Repair Part Inventory Accuracy (%) (1 – (FEC/RPS)): \_\_\_\_\_%
- (h) Inventory Accuracy 98% - 100% = Exceeds Standard.  
Inventory Accuracy 95% - 97.9% = Meets Standard.

Inspection Tools:

- NS5 Seal Log.
- Parts Inventory By Location printouts.
- Spares Usage Over Time reports.
- Inventory Adjustment Report.

Remarks:

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**2) Is the Ship Manager maintaining the vessel's technical documentation?  
Note the number of unaccounted for Technical Manuals.**

Inspection Procedure:

- (a) Conduct a random sample of at least fifty (50) Technical Manuals.
- (b) Note the number of Technical Manuals Sampled (TMS): \_\_\_\_\_
- (c) Number of Errors: \_\_\_\_\_
- (d) Check the Inventory Adjustment Report to see if errors were caused by the migration from NS5.1.3 to NS5.2. Number of Migration Errors: \_\_\_\_\_
- (e) Note: Normally, a ship will have a "Master" and a "Working" set of TMs and should have a Tech Manual Checkout Log. LMOs are to use judgment to allow ships to correct errors in the "Working" TM set.
- (f) Compute the Final Error Count (FEC): \_\_\_\_\_
- (g) Tech Manual Inventory Accountability (%) ( $1 - (\text{FEC}/\text{TMS})$ ): \_\_\_\_\_%
- (h) TM Inventory Accountability 98% - 100% = Exceeds Standard.  
TM Inventory Accountability 95% - 97.9% = Meets Standard.

Inspection Tools:

- TM Listing (Printout)
- TM Checkout Log
- Inventory Adjustment Report.

Remarks:

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**3) Is the Ship Manager maintaining the vessel's technical documentation?  
Note the number of unaccounted for Drawings.**

Inspection Procedure:

- (a) Conduct a random sample of at least fifty (50) Drawings.
- (b) Note the number of Drawings Sampled (DS): \_\_\_\_\_
- (c) Number of Errors: \_\_\_\_\_
- (d) Check the Inventory Adjustment Report to see if errors were caused by the migration from NS5.1.3 to NS5.2. Number of Migration Errors: \_\_\_\_\_
- (e) Compute the Final Error Count (FEC): \_\_\_\_\_
- (f) Drawing Inventory Accountability (%) ( $1 - (\text{FEC}/\text{DS})$ ): \_\_\_\_\_%
- (g) Drawing Inventory Accountability 98% - 100% = Exceeds Standard.  
Drawing Inventory Accountability 95% - 97.9% = Meets Standard.

Inspection Tools:

- Drawing Listing (Printout)
- Drawing Checkout Log
- Inventory Adjustment Report.

Remarks:

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**4) Is the Ship Manager actively reviewing consumed items for stock replenishment in accordance with the Ship Manager's Property Control System?**

Inspection Procedure:

- (a) Review Inventory Adjustment Report for Repair Parts consumed on Work Orders.
- (b) Number of Repair Parts consumed on Work Orders: \_\_\_\_\_
- (c) Number of Zero Balance Items: \_\_\_\_\_
- (d) Zero Balance %: \_\_\_\_\_
- (e) Review requisitions over three (3) Months Old; also check with CHENG for Outstanding Requisition validation documentation.
- (f) All Requisitions over three (3) Months old Validated = Exceeds Standard.  
All Requisitions over six (6) Months old Validated = Meets Standard.

Inspection Tools:

- Inventory Adjustment Report
- SM Property Control System
- NS5 Outstanding Requisitions

Remarks:

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**5) Did the SM maintain the storerooms in a neat and clean condition, and secured, when possible?**

Inspection Procedure:

- (a) Review the condition of the storerooms during the Repair Parts Inventory process.
- (b) Use a digital camera to document the conditions found.
- (c) Exceeds Standard = Storerooms are maintained in a neat and **thoroughly** clean condition **and** Storerooms that can be locked are locked,  
Meets Standard = Storerooms are maintained in a neat condition; but **not thoroughly** clean.  
Storerooms that can be locked are locked.

Inspection Tools:

- Digital Camera

Remarks:

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**6) Are Padlocks not being used, except in the case of ongoing repairs?**

Inspection Procedure:

- (a) Prior to visiting the vessel, check the NS5 Seal Log for Locations with Padlocks.
- (b) During the Repair Parts Inventory process, check for additional Locations with Padlocks.
- (c) Interview CHENG to determine which equipments have ongoing repairs.
- (d) Select one (1) to three (3) repair parts from a padlocked location, tracking the part back to its parent equipment(s).
- (e) Review Equipment Maintenance History Tab to determine if there are ongoing repairs.
- (f) Exceeds Standard = Padlocks used on zero (0) Locations, other than for Locations supporting ongoing repairs.  
Meets Standard = Padlocks used on no more than five (5) Locations, other than for Locations supporting ongoing repairs.

Inspection Tools:

- NS5 Seal Log

Remarks:

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**7) Did the SM update the vessel's configuration for all new equipment purchased or old equipment removed/replaced?**

Inspection Procedure:

- (a) Prior to visiting the vessel, check the Ship Cost Details by Account Report for potential configuration changes.
- (b) Prior to visiting vessel, check the Inventory Adjustment Report for Transfer Order (TO) transactions which might indicate offload of an equipment and its excess parts.
- (c) Ask the CHENG to provide TO and any DD-1149 documentation.
- (d) Exceeds Standard = SM had **Zero (0) major** discrepancies **and** all new equipments are procured with 180 days of repair parts support.  
Meets Standard = SM had only **One (1) major** discrepancy **and** Five (5) or less minor discrepancies.

Inspection Tools:

- Ship Cost Details By Account Report
- Issued Purchase Orders Menu
- Inventory Adjustment Report

Remarks:

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**8) Did the Ship Manager report Accountable Property inventories accurately and timely?**

Inspection Procedure:

- (a) Prior to visiting the vessel, check the Ship Manager Deliverables in NS5 to see when the Annual Accountable Property inventory was delivered.
- (b) Prior to visiting vessel, check the operational history of the vessel to see if the vessel was deactivated during the reporting period and check to see if an Accountable Property inventory was provided within thirty (30) days of deactivation.
- (c) Exceeds Standard = 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 thirty-three (33) working days after a deactivation.  
Meets Standard = Accountable Property inventory reports are no more than five (5) days late, within thirty-five (35) working days after a deactivation.

Inspection Tools:

- NS5 Standard Jobs - Ship Manager Deliverables
- MARAD Readiness Reports
- E-Mail records recording receipt of Deactivation Accountable Property inventories.

Remarks:

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**9) Is the Ship Manager accurately completing and timely submitting Reports of Survey documents for missing, lost or damaged property?**

Inspection Procedure:

- (a) Prior to visiting the vessel, check the Surveys received determine if they were reported within the minimum five (5) days of the occurrence or discovery.
- (b) Check to see if the surveys, as submitted, were completed full and accurately so that the Area Survey Board will not need to seek additional information from the vessel.
- (c) Exceeds Standard = Survey is submitted within two (2) days of discovery/occurrence and survey is accurately and fully completed.  
Meets Standard = Survey is submitted within five (5) days of discovery/occurrence.

Inspection Tools:

- Mail or E-Mail records recording receipt of Reports of Survey.

Remarks:

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**10) Did the SM account for all items of Accountable Property? -**

Inspection Procedure:

- (a) Prior to visiting the vessel, check to see how many Reports of Survey were submitted. \_\_\_\_\_
- (b) Prior to visiting the vessel, check the Inventory Adjustment Report to check on inventory changes for Accountable Property items.
- (c) Interview CHENG to explain any discrepancies found during pre-QASP AP review.
- (b) Conduct, at a minimum, an inventory of the top ten (10) high dollar value items of Accountable Property. At LMO's discretion, the inventory specialist may conduct up to a 100% Accountable Property inventory.
- (c) Note the number of Accountable Property items Sampled (APS): \_\_\_\_\_
- (d) Number of Missing or Stolen items: \_\_\_\_\_
- (e) Exceeds Standard = Zero (0) Missing or Stolen items of Accountable Property.  
Meets Standard = 100% of Accountable Property accounted for.

Inspection Tools:

- Records of Reports of Survey submitted
- Inventory Adjustment Report
- NS5 Accountable Property Listing

Remarks:

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**11) Is the Ship Manager entering pricing information into NS5 IAW TE-5?**

Inspection Procedure:

- (a) Prior to visiting the vessel, check the Purchase Orders Issue menu in NS5, reviewing for Purchase Orders for Materials (Type "M") that are related to an installed equipment and that were Delivered during the current reporting period.
- (b) Open up the "Documents" tab and see if the Purchase Order started with a Work Order.
- (c) Open the "Materials" tab, noting the number of Repair Parts with Type "S" (Stock) and the Repair Parts with Type "T" (Type In).

(d)	PO No. _____	Started as W/O	<u>Y / N</u>	No. Type "S" _____	No. Type "T" _____
	PO No. _____	Started as W/O	<u>Y / N</u>	No. Type "S" _____	No. Type "T" _____
	PO No. _____	Started as W/O	<u>Y / N</u>	No. Type "S" _____	No. Type "T" _____
	PO No. _____	Started as W/O	<u>Y / N</u>	No. Type "S" _____	No. Type "T" _____
	PO No. _____	Started as W/O	<u>Y / N</u>	No. Type "S" _____	No. Type "T" _____
	PO No. _____	Started as W/O	<u>Y / N</u>	No. Type "S" _____	No. Type "T" _____
	PO No. _____	Started as W/O	<u>Y / N</u>	No. Type "S" _____	No. Type "T" _____
	PO No. _____	Started as W/O	<u>Y / N</u>	No. Type "S" _____	No. Type "T" _____
	PO No. _____	Started as W/O	<u>Y / N</u>	No. Type "S" _____	No. Type "T" _____
	PO No. _____	Started as W/O	<u>Y / N</u>	No. Type "S" _____	No. Type "T" _____
	PO No. _____	Started as W/O	<u>Y / N</u>	No. Type "S" _____	No. Type "T" _____
	PO No. _____	Started as W/O	<u>Y / N</u>	No. Type "S" _____	No. Type "T" _____
	PO No. _____	Started as W/O	<u>Y / N</u>	No. Type "S" _____	No. Type "T" _____
	PO No. _____	Started as W/O	<u>Y / N</u>	No. Type "S" _____	No. Type "T" _____
	PO No. _____	Started as W/O	<u>Y / N</u>	No. Type "S" _____	No. Type "T" _____

- (e) Number of Purchase Orders Sampled (POS): \_\_\_\_\_
- (f) Number of POs that started as Work Orders (POWO): \_\_\_\_\_
- (g) Percentage of POs that started as Work Orders (POWO/POS): \_\_\_\_\_ %
- (h) Number of Type "S" Repair Parts found (RPS): \_\_\_\_\_
- (i) Number of Type "T" Repair Parts found (RPT): \_\_\_\_\_
- (j) Total Number of Repair Parts Purchased – RPP = (RPS + RPT): \_\_\_\_\_
- (k) Percentage of Repair Part POs that started at Part Record (RPS/RPP): \_\_\_\_\_ %
- (l) Exceeds Standard = 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.  
 Meets Standard = 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.

Inspection Tools:

- Issued Purchase Orders Menu

Remarks:

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**12) Does the Ship Manager verify parts are unavailable in SBS prior to commercial purchase?**

Inspection Procedure:

- (a) Using the Repair Parts identified in #11 above, check Shore Based Spares to determine if those Repair Parts were available when the Requisition was generated.
- (b) If part is found in SBS, run the Time Phased Parts Usage Report to determine if the part was available at the time the Purchase Order was issued.
- (c) PO No. \_\_\_\_\_ REQN Create Date \_\_\_\_\_ Part Number: \_\_\_\_\_  
PO No. \_\_\_\_\_ REQN Create Date \_\_\_\_\_ Part Number: \_\_\_\_\_  
PO No. \_\_\_\_\_ REQN Create Date \_\_\_\_\_ Part Number: \_\_\_\_\_  
PO No. \_\_\_\_\_ REQN Create Date \_\_\_\_\_ Part Number: \_\_\_\_\_  
PO No. \_\_\_\_\_ REQN Create Date \_\_\_\_\_ Part Number: \_\_\_\_\_  
PO No. \_\_\_\_\_ REQN Create Date \_\_\_\_\_ Part Number: \_\_\_\_\_
- (d) Total Number of Repair Parts found available in SBS (AVSBS) : \_\_\_\_\_
- (e) SBS Availability Percentage (AVSBS/RPP): \_\_\_\_\_
- (f) Exceeds Standards: 2% or less were available in SBS  
Meets Standards: 2.1% to 5.0% were available in SBS

Inspection Tools:

- Issued Purchase Orders Menu
- Repair Parts used in #11
- Time Phased Usage Report

Remarks:

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**13) Did the SM comply fully with other TE-5 requirements not listed above?**

Inspection Procedure:

- (a) By observation or interview, did the inventory specialist discover any major violations of TE-5 not already reported above.
- (b) Examples of major violations could include (1) failure to Inventory Locations upon opening, (2) failure to Stow Repair Parts and Accountable Property in a timely manner, (3) failure to account for Government Property removed from the vessel and (4) failure to generate Material Purchase Orders when ordering spare parts.
- (c) Exceeds Standards: Zero (0) Major Discrepancies.  
Meets Standards: One (1) Major Discrepancy.

Inspection Tools:

- Objective Quality Evidence (OQE)

Remarks:

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# Appendix D: Stowage of Hazardous And Other Special Materials

## Hazardous Liquids

Certain materials with inherent hazardous or other unique properties require special stowage facilities and handling precautions, as described in the following paragraphs.

### Acid

Liquid acid will be stowed in an acid locker or other designated storage location. An acid locker is a leak-proof, lead-lined box, chest, or locker especially designed for stowing bottles or carboys of acid. Acid lockers will be kept in the Flammable Liquids storeroom; however, acid lockers that contain only medical acids may be kept in a medical storeroom. Corrosive acids are acute fire hazards and therefore should be stowed separately from oxidizing or flammable materials. Corrosive acids or vapors must not be allowed to come in contact with the skin or eyes. Personnel required to handle such material will wear rubber gloves, rubber aprons, and goggles (as necessary) to protect themselves and their clothing from acid burns.

### Alcohol

Since most commonly used alcohols have a flash point below 100 degrees Fahrenheit, all alcohol will be stowed in the Flammable Liquids storeroom. Not all alcohol is readily identifiable by name. For example, many lacquer thinners have methanol (wood alcohol), which is extremely poisonous, as the principal ingredient.

### Oxidizing Material

Many shipboard fires with resultant fatalities have been attributed to improper stowage or handling of oxidizing materials, particularly calcium hypochlorite. Nitric acid, a strong oxidizer, will be stowed in the acid locker (see paragraph 11.7). Oxygen and chlorine gases will be stowed in the same manner as calcium hypochlorite (discussed below). All other oxidizers will be stowed in a dry compartment, away from combustible materials. Calcium hypochlorite is a bleaching agent and disinfectant. On board the vessel it is used for the purification of potable water, sewage treatment and biological and chemical agent decontamination. Calcium hypochlorite itself is noncombustible; however, it is a strong oxidizing agent that will generate heat, liberate chlorine, and cause fire when stowed in contact with paints, oils, greases, detergents, acids, alkalines, antifreeze, fabrics and other organic and combustible materials. Calcium hypochlorite will normally be segregated and stored in a locked bin or locker with appropriate labeling. Bins or lockers should be located at least five (5) feet away from any heat source or surface that may exceed 140 degrees Fahrenheit, and are not subject to condensation or water accumulation. The area shall not be used to store paints, oils, greases, or combustible organic materials. Calcium hypochlorite should never be stored in any machinery space. Spills or contaminated calcium hypochlorite may be disposed of into water, flushed to the drain, or to the bilge. There is no fire hazard from dissolved calcium hypochlorite even in an oily bilge. Sweepings should be dumped immediately into the water (never in a trash can), and the broom or brush rinsed immediately. Sweepings must not be carried dry for disposal because the dust is dangerous in shipboard drafts. Calcium hypochlorite should not be used as laundry bleach. Organic chlorine laundry bleach is available for shipboard use. While less hazardous than calcium hypochlorite, under conditions of high heat and humidity it can emit fumes that could be hazardous to personnel. Store this bleach in a cool, dry place as far away as possible from conditions of high heat and humidity.

### Compressed Gases

Compressed gases must be stowed on the weather deck, unless the vessel has below deck stowage spaces specifically designed for such material. Compressed gas cylinders will be stowed vertically and securely (with valve protection caps in place), away from other flammable materials (especially grease and oil). When compressed gases are stowed on the weather deck, the cylinders will be protected from direct rays of the sun, or accumulation of snow and ice. When compressed gases are stowed below deck, any leaking fumes must be prevented from entering ventilation air-intakes leading to working or living spaces. Since there is usually some gas remaining in most cylinders considered to be empty, "empty" cylinders will be stowed and handled with the same precautions as full cylinders. Compressed gases, particularly the flammable and explosive gases, must be handled with extreme care. Some general rules for handling compressed gas cylinders are:

1. Take every precaution to prevent cylinders from being dropped or forcibly struck against hard surfaces



(including other cylinders). Do not tamper with the safety devices in cylinder discharge valves; and when cylinders are not in use, be sure that the valve protection caps are always securely attached. (If the valve of a compressed gas cylinder should be snapped off, the released energy would cause the cylinder to behave as a missile. For example: A cylinder that is pressurized to 2,200 pounds [psi] can travel 2,600 feet in free flight; which in a confined space could be disastrous).

2. Prevent cylinders from coming into contact with fire, sparks, or electrical circuits (an exploded steel cylinder would have the same destructive effect as an exploding bomb).
3. Do not drag or slide cylinders that are to be moved. Secure and move them in appropriately designed hand trucks, or if hand trucks are not available, tilt the cylinders and carefully roll them on the bottom edge.
4. Secure cylinders in a cradle, pallet, or rack when they are loaded or off-loaded with a crane or derrick. Never hoist cylinders with electromagnets, hooks, or lines attached to the valve protection cap.
5. Do not alter or deface the numbers, colors, or other markings on the cylinders; do not add markings without approval of the chief engineer; and do not issue cylinders if their contents cannot be identified.

### **Acetylene**

Acetylene is inherently unstable, and may explode when subjected to heat or shock, or upon contact with chlorine, certain metals (i.e., copper, silver, and mercury). Therefore, acetylene must be stowed separately from oxygen or any other materials with which it forms an explosive compound. The gas must never be allowed to escape into an enclosed area and the cylinders must be protected from flames, sparks, lightning, and static electricity. Testing for suspected leaks should be done with soapy water. In moderate concentrations, acetylene may act as an intoxicant. In higher concentrations, it will cause unconsciousness, and ultimately asphyxiation. Some grades of acetylene also contain many impurities, therefore breathing of acetylene in any concentration for any length of time must be avoided. Acetylene in cylinders is dissolved in acetone, which has a tendency to flow into the valve if the cylinders are stowed horizontally. For this reason, acetylene must only be stowed and used in an upright position, valve end up. When it is known or suspected that acetylene cylinders have been stowed on their sides, they will not be used until they have been in a vertical position for at least two (2) hours.

### **Oxygen and Chlorine**

Oxygen and chlorine are oxidizing gases that, because they can burn without an external air source, strongly support combustion. (Chlorine is also poisonous). Oxygen and chlorine cylinders must be stowed on the weather deck, or in a separate watertight storeroom that has at least one compartment between it and any space that is used for the stowage of combustibles such as flammable liquids or gases, paint, gasoline, and oil.

### **Nonflammable Gases**

Helium, nitrogen, carbon dioxide, and argon are nonflammable gases which, because of their inert characteristics, may be stowed with flammable or oxidizing gases. However, since these non-flammable gases will not support respiration (a sufficient quantity in a closed space will cause asphyxiation), they must be stored on the weather deck, or in other well-ventilated spaces. The same precautions are appropriate for halocarbon liquids because of their high vapor pressure, lack of odor, and tendency to displace air, causing suffocation. Halocarbon liquids are compounds of carbon containing any of the halogen elements (fluorine, chlorine, bromine, iodine, or astatine - i.e., monochlorodifluoro-methane).

### **Aerosol Products**

Aerosol products are liquids, solutions, or powders suspended in a gas propellant and contained in dispensers equipped with release valves. Containers of aerosol are used for the dispensing of paints, enamels, lacquers, insecticides, silicones, rust preventives, etc. The aerosol propellants may be low boiling-point halogenated hydrocarbons or other hydrocarbons such as liquified propane or isobutane. Aerosol cylinders will burst if exposed to heat sources in excess of 120 degrees Fahrenheit, and are prone to leakage if subjected to impact. Aerosol products, therefore, should be stowed in the Flammable Liquid storeroom, or in cabinets away from oxidizing materials; and mechanical ventilation will be used, when necessary, to remove accumulated vapors.



## Flammable or Combustible Material

Flammable liquids have a flash point of 100 degrees Fahrenheit or below; combustible liquids, greases, and pastes have a flash point of 200 degrees Fahrenheit or below. Items that are flammable and/or combustible include:

- gasoline, oils, kerosene, and other petroleum products
- chemicals
- stencil paints, marking inks, and printer's ink
- solvents, thinners, primers, compounds, varnishes, and lacquers
- alcohol, acetone, ether, and naphtha
- greases and pastes.

Except for drummed petroleum, flammable liquids and other flammable or combustible material will be stowed in the Flammable Liquid storeroom.

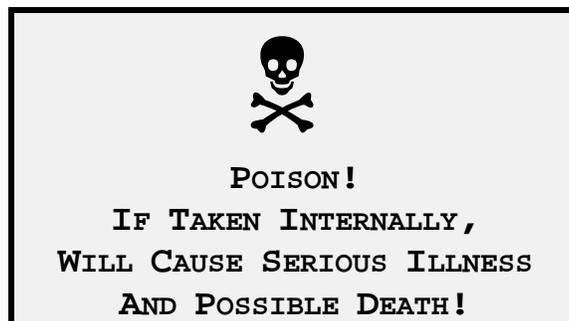
The Flammable Liquid storeroom normally will be located at either end of the vessel, below the full load waterline, and will ideally be equipped with an automatic fire alarm and CO<sub>2</sub> system. This storeroom should also have incandescent and explosion proof overhead lights (protected by lamp guards), with the switch outside the compartment; and non-sparking vent fans, with the controllers outside the compartment.

## Radioactive Material

Radioactive instruments, electron tubes, and certain other items are labeled with the conventional United States Nuclear Regulatory Commission (USNRC) radiation symbol, which must not be removed or obliterated. The radiation levels of radioactive material depend upon the type and concentration of isotopes in each unit, and the number of units stowed together. Any area used for stowage of radioactive material (or each bin if there is no designated area) will be conspicuously posted with the standard radiation symbol and the words "**CAUTION - RADIOACTIVE MATERIAL**," and as a minimum, will be monitored when initial or replenishment stocks of radioactive items are being stowed. Rubber gloves and extreme caution will be used in handling damaged or broken radioactive instruments (i.e., electron tubes, etc.), to prevent absorption of dangerous radioactive particles through skin abrasions. Any suspected radiation hazard will be promptly reported to the ship master, the cognizant MARAD marine surveyor, and the medical safety representative (as applicable).

## Toxic Substances

A toxic (poisonous) substance may cause discomfort, asphyxiation, and death if ingested/inhaled, or if absorbed through the skin. Therefore, adequate precautions must be taken to prevent such dangers when stowing or issuing toxic materials. Toxic substances will be stowed in a cool, well-ventilated area, separated from acids; and will be protected from fire hazards or impacts which may break seals or damage containers. Each case, carton, and individual container of toxic material must be labeled with a warning as shown below:





It is particularly important to ensure that containers of poisonous liquids (i.e., industrial alcohol) are clearly identified and labeled to prevent human consumption, which can be fatal.

### Miscellaneous Material

The categories of material in the following paragraphs require special storage and handling precautions:

#### Delicate Instruments

Delicate instruments, which usually are expensive and easily damaged, require especially careful handling and protective stowage. Delicate instruments will be kept in a dry atmosphere, away from magnetron tubes or other magnetic devices; and (when possible), the storeroom temperature should be 70° Fahrenheit or below.

#### Drummed Products

Whether on board drummed products are flammable liquids or non-flammable material, the drums will be stowed on end with the bung end up. An adequate identification of the contents will be legibly indicated on the side of each drum; and if stowed on the weather deck, they will be covered with a tarpaulin (when practicable). Drummed products will be inspected at least weekly to ensure that the bungs are tight and that there are no leaks or corrosion.

#### Electron Tubes

Electron tubes can easily be broken and therefore must be handled carefully and adequately packaged when being stowed or issued. Electron tubes susceptible to damage from moisture are normally packed in moisture-proof barriers, frequently with a desiccant or other dehydrating agent. Humidity indicator cards or plugs are provided for inspecting the effectiveness of the desiccant. Such indicators turn from blue to pink as moisture is absorbed; and when they become pink, the desiccant must be replaced. The cartons, cushioning, and other protective packing and packaging in which electron tubes were received will not be removed in stowage unless it is absolutely necessary because of space limitations. When an electron tube container must be reduced in size, positive identity of the tube and as much of the packaging as possible will be retained. When space is not a factor, the original pack and packaging of an electron tube will be opened only if it is reasonably certain that the packaged tube is not the one identified by the part number on the container.

1. Radioactive electron tubes. Instructions for the stowage and handling of radioactive material, including radioactive electron tubes, are provided in paragraph 11.7.
2. Magnetrons. Magnetrons are diode vacuum tubes in which the flow of electrons is controlled by an externally applied magnetic field. Special precautions will be taken to prevent magnetrons, with permanently attached magnets, from damaging magnetically sensitive instruments (i.e., compasses [electronic or mechanical], and wristwatches - which should not be worn when handling magnetrons).

#### Metals

Bar stock, sheet metal, angle iron, tubing, pipe and other metals will be kept in racks specifically designed for the stowage of such metals. The racks should be installed fore-and-aft to minimize shifting of the stowed material when the vessel is underway. Polished sheet metal and aluminum tubing are easily scratched and dented, and therefore must be carefully handled and secured in the rack. Gloves should always be worn when handling metals to protect the hands from injury, and to protect certain metals with polished surfaces from acid stains, which can be caused by perspiration. When practicable, non-corrosive, grease-proof material will be used to separate dissimilar metals that are required to be stowed together, inasmuch as direct contact between different metals may cause corrosion due to electrolysis.

Since any required re-identification of metals by chemical analysis is usually impractical (or too costly), many metals that lose their identification markings are likely to become unusable. Positive identification of metals to be used in high pressure steam systems (or other critical shipboard systems) is absolutely necessary. Correct part numbers, specification markings, manufacturer's markings, or other identification must be legibly indicated on each piece of metal in stowage, and on each piece of metal removed from stowage for use.



### **Motors and Generators**

Motors and generators will be stowed in their original containers (if available). If the original containers are not available, motors and generators will be protected from dust and humidity by enclosing them in a crate or plastic wrap, which includes an ample amount of desiccant; or (as a minimum), by coating their exposed shafts with grease and then wrapping the shafts with grease-proof paper.

### **Liquid Dielectric Capacitors**

Most liquid dielectric capacitors (especially "pyranol" types) are supplied with a piece of fine bus wire, which is attached for the purpose of grounding the capacitor prior to its use in a de-energized or disconnected circuit. This wire must not become detached in stowage, nor will it be removed by anyone other than the technician (when the capacitor is ready for use).

## Appendix E: RRF Logistics Forms

The following forms are used by MARAD to support and maintain the logistics system of vessels in the RRF:

<u>Form Number</u>	<u>Name</u>
MA-1013B (2-06)	Logistics Inventory Validation Report
DOT Form 4410.1 (6-90)	Report of Survey for Lost Damaged or Destroyed Personal Property
DD Form 1149 (7-06)	Requisition and Invoice/Shipping Document
Not Applicable	Transfer Order

## Appendix F: Non-Validation Worthy Equipment

The following equipment and components are designated non-validation worthy due to their non-critical nature, low failure rate, commonality, or ease of replacement and repairability. This list is not all-inclusive and any recommendations for additions, deletions, or changes may be submitted to MAR-614.

Access closures - manually operated (doors, hatches and scuttles)  
Accountable property  
AC/DC power supplies integral to equipment  
Air conditioning units, stateroom porthole type  
Amplifiers integral to an equipment  
Anchors, anchor chain, and lines  
Battery chargers, unless installed  
Batteries, portable  
Bells associated with an alarm system  
Circuit breakers, less than 100 amps  
Computers not integral to a system  
Connectors  
Cooling coils, air duct type  
Couplings, with the exception of those that are part of the main propulsion shafting, main turbines, generators, and diesel engines  
Cylinders for watertight doors  
Dial telephone sets  
Dimmers/rheostats - controlling status board lights  
Distribution boxes  
Electrical connection boxes  
Exciters, except power generator exciters  
Expansion joints and flexible pipe couplings  
Fans and brackets, open-bladed, bulkhead mounted, and portable filters  
Fuse boxes  
Gauges and meters  
Header assemblies  
Heaters for habitability spaces  
Household type washers and dryers  
Indicators, sight liquid  
Interconnecting boxes  
Junction boxes  
Lighting, with the exception of navigation, aircraft facility, special cargo installations, and searchlights  
Nozzles, firehose type  
Office equipment  
Panels, with the exception of control and monitoring panels for critical systems such as vessel's whistle, fire fighting systems, main engine controls, boiler controls, salinity indicating systems, and alarm panels  
Plotting boards - other than tactical display  
Plumbing fixtures  
Portable galley equipment  
Portable equipment, with the exception of materials

handling equipment such as forklifts  
Radio frequency filters  
Relay and relay arms - other than reverse current (type CON and CRN)  
Solenoid, valve  
Sprinkler heads  
Strainers  
Stuffing boxes  
Switch boxes  
Switches  
Tank level indicators  
Terminal boxes  
Thermometers  
Transformers - other than power distribution and lighting  
Traps  
Urinals/water closets/lavatories

Valves except for:

- Boiler safety, stop, and blow down valves
- Main engine throttle and guardian valves
- SSTG steam supply valves
- Sea valves (i.e. intake and overboard valves below the waterline)
- High pressure air valves (>580 psig)
- Valves with hydraulic, pneumatic, or electrical operators (e.g. feed water regulation valves, pressure regulator valves, dump valves, emergency shut off valves, etc. unless they are integral subcomponent of a validated equipment.
- Any other valves identified by the CE as needing individual standard jobs or parts

Ventilation motors under 3 horsepower, and associated fans, controllers, and heat exchangers; except those installed to ventilate engine rooms, machinery spaces, cargo spaces, flammable storage, battery storage, and charging rooms, and other hazardous spaces

### Appendix G: Sample Sizes at 95% Confidence Level and 5% Precision

Population Size	Sample Size						
<b>100</b>		<b>4,000</b>		<b>8,000</b>		<b>12,000</b>	
1 - 100	80	4,001 - 4,100	352	8,001 - 8,100	367	12,001 - 12,100	373
101 - 200	132	4,101 - 4,200	353	8,101 - 8,200	367	12,101 - 12,200	373
201 - 300	169	4,201 - 4,300	353	8,201 - 8,300	368	12,201 - 12,300	373
301 - 400	197	4,301 - 4,400	354	8,301 - 8,400	368	12,301 - 12,400	373
401 - 500	218	4,401 - 4,500	355	8,401 - 8,500	368	12,401 - 12,500	373
501 - 600	235	4,501 - 4,600	355	8,501 - 8,600	368	12,501 - 12,600	373
601 - 700	249	4,601 - 4,700	356	8,601 - 8,700	368	12,601 - 12,700	373
701 - 800	260	4,701 - 4,800	356	8,701 - 8,800	369	12,701 - 12,800	373
801 - 900	270	4,801 - 4,900	357	8,801 - 8,900	369	12,801 - 12,900	374
901 - 1,000	278	4,901 - 5,000	357	8,901 - 9,000	369	12,901 - 13,000	374
<b>1,000</b>		<b>5,000</b>		<b>9,000</b>		<b>13,000</b>	
1,001 - 1,100	285	5,001 - 5,100	358	9,001 - 9,100	369	13,001 - 13,100	374
1,101 - 1,200	292	5,101 - 5,200	358	9,101 - 9,200	369	13,101 - 13,200	374
1,201 - 1,300	297	5,201 - 5,300	359	9,201 - 9,300	369	13,201 - 13,300	374
1,301 - 1,400	302	5,301 - 5,400	359	9,301 - 9,400	370	13,301 - 13,400	374
1,401 - 1,500	306	5,401 - 5,500	360	9,401 - 9,500	370	13,401 - 13,500	374
1,501 - 1,600	310	5,501 - 5,600	360	9,501 - 9,600	370	13,501 - 13,600	374
1,601 - 1,700	314	5,601 - 5,700	360	9,601 - 9,700	370	13,601 - 13,700	374
1,701 - 1,800	317	5,701 - 5,800	361	9,701 - 9,800	370	13,701 - 13,800	374
1,801 - 1,900	320	5,801 - 5,900	361	9,801 - 9,900	370	13,801 - 13,900	374
1,901 - 2,000	323	5,901 - 6,000	362	9,901 - 10,000	370	13,901 - 14,000	374
<b>2,000</b>		<b>6,000</b>		<b>10,000</b>		<b>14,000</b>	
2,001 - 2,100	325	6,001 - 6,100	362	10,001 - 10,100	371	14,001 - 14,100	374
2,101 - 2,200	328	6,101 - 6,200	362	10,101 - 10,200	371	14,101 - 14,200	375
2,201 - 2,300	330	6,201 - 6,300	363	10,201 - 10,300	371	14,201 - 14,300	375
2,301 - 2,400	332	6,301 - 6,400	363	10,301 - 10,400	371	14,301 - 14,400	375
2,401 - 2,500	334	6,401 - 6,500	363	10,401 - 10,500	371	14,401 - 14,500	375
2,501 - 2,600	335	6,501 - 6,600	364	10,501 - 10,600	371	14,501 - 14,600	375
2,601 - 2,700	337	6,601 - 6,700	364	10,601 - 10,700	371	14,601 - 14,700	375
2,701 - 2,800	338	6,701 - 6,800	364	10,701 - 10,800	371	14,701 - 14,800	375
2,801 - 2,900	340	6,801 - 6,900	364	10,801 - 10,900	372	14,801 - 14,900	375
2,901 - 3,000	341	6,901 - 7,000	365	10,901 - 11,000	372	14,901 - 15,000	375
<b>3,000</b>		<b>7,000</b>		<b>11,000</b>			
3,001 - 3,100	342	7,001 - 7,100	365	11,001 - 11,100	372		
3,101 - 3,200	344	7,101 - 7,200	365	11,101 - 11,200	372		
3,201 - 3,300	345	7,201 - 7,300	365	11,201 - 11,300	372		
3,301 - 3,400	346	7,301 - 7,400	366	11,301 - 11,400	372		
3,401 - 3,500	347	7,401 - 7,500	366	11,401 - 11,500	372		
3,501 - 3,600	348	7,501 - 7,600	366	11,501 - 11,600	372		
3,601 - 3,700	349	7,601 - 7,700	366	11,601 - 11,700	372		
3,701 - 3,800	349	7,701 - 7,800	367	11,701 - 11,800	373		
3,801 - 3,900	350	7,801 - 7,900	367	11,801 - 11,900	373		
3,901 - 4,000	351	7,901 - 8,000	367	11,901 - 12,000	373		

## Appendix H: PMS325 Letter dated 25 July, 2000



DEPARTMENT OF THE NAVY  
PROGRAM EXECUTIVE OFFICE  
EXPEDITIONARY WARFARE  
2531 JEFFERSON DAVIS HIGHWAY  
ARLINGTON VA 22242-5171

IN REPLY REFER TO  
4000  
Ser 325R32/0668  
25 JULY 2000

From: Program Executive Officer, Expeditionary Warfare  
(PMS325)

To: Distribution

Subj: OFFSHORE PETROLEUM DISCHARGE SYSTEM (OPDS)  
CONFIGURATION MANAGEMENT TANKER READINESS GUIDANCE

Ref: (a) CNO ltr Ser N4222D/4U592234 of 14 Jul 94 (NOTAL)  
(b) NAVSEA ltr Ser 38532/229 of 7 Apr 95  
(c) PEO-EXW ltr Ser 38532/1068 of 29 SEP 99

Encl: (1) OPDS Configuration Management Plan (CMP) of Jul  
00  
with APPENDIX A: OPDS MATERIAL ASSESSMENT PLAN  
and APPENDIX B: OPDS OUTFITTING MATERIAL  
MANAGEMENT PLAN (Distributed electronically)  
(2) OPDS Outfitting Allowance Lists for OPDS Tanker  
Material Assessments (Distributed electronically)  
(3) OPDS Outfitting Material Management Plan Custody  
Lists (Distributed electronically)

1. Reference (a) provided guidance to NAVSEA for establishment of OPDS lifecycle management including OPDS Configuration Management. Reference (b) promulgated the OPDS Configuration Management Plan (CMP). The CMP describes the scope of OPDS including the tankers, equipment, organizational responsibilities, and procedures for implementing changes. Reference (b) further stated that the scope of the effort and organizational responsibilities could change over time, and that the document may require revision to reflect mutually agreed upon changes. Numerous upgrades and changes to the OPDS have occurred since July 1995 and have resulted in the requirement to revise the OPDS Configuration Management Plan. Reference (c) was the most recent revision to the CMP and included guidance for conducting configuration audits, establishing of OPDS allowances, and monitoring tanker readiness.

## Appendix H: PMS325 Letter dated 25 July, 2000

Reference (c) did not provide written guidance for performing tanker readiness assessments or procedures for documenting accountability of OPDS equipment, outfitting gear, and tools issued to conduct OPDS operations.

2. Enclosure (1) was provided for review and comment to CNC (N422D), MARAD (MAR611), EWTGPAC (CODE 7), NBG1, NBG2, ACB1, ACB2, UCT1, and UCT2, and revised to incorporate the comments. Accordingly, this revised plan including Appendix A (OPDS MATERIAL ASSESSMENT PLAN) and Appendix B (OPDS OUTFITTING MATERIAL MANAGEMENT PLAN) is effective the date of this letter. It will remain in effect until such time as any of the above organizations provides a

Subj: OFFSHORE PETROLEUM DISCHARGE SYSTEM (OPDS)  
CONFIGURATION MANAGEMENT TANKER READINESS GUIDENCE

written request to NAVSEA (PEO-EXW, PMS325R) to modify or cancel this plan.

3. Enclosure (2) supports Appendix A and enclosure (3) supports Appendix B and are effective the date of this letter. These enclosures shall be updated as changes occur to the OPDS equipment, outfitting gear, and tools. Revisions to these enclosures will be issued without re-issuing the basic CMP or the Appendixes.

4. Since this document with all enclosures exceeds 100 pages, it will be distributed electronically. The hard copy of this cover letter to each addressee is for record purposes.

5. The PEO-EXW point of contact is Mr. Jim Martin, PMS325R32, commercial telephone (703) 602-0920.

M. D. FINK  
By direction

## Appendix H: PMS325 Letter dated 25 July, 2000

Distribution:

CNO (N422D) (Satterly.Tom@HQ.NAVY.MIL)  
COMNAVBEACHGRU ONE (CNBG1BOX@nosc.mil)  
COMNAVBEACHGRU TWO (lmahoney@hq.cnsi.spear.navy.mil)  
PHIBCB ONE (Butrymk@acb-1.navy.mil)  
PHIBCB TWO (Stewartd@phibcbtwo.navy.mil)  
UCT ONE (Rosnerjc@2ncb.navy.mil)  
UCT TWO (Pickrellbd@thirdncb.navy.mil)  
MARAD (MAR611) (Paul.Gilmour@marad.dot.gov)  
EWTGPAC (CODE 7) (donlonse@ewtgpac.navy.mil)  
(whitegt@ewtgpac.navy.mil)  
CESO (CODE 47) (herdr@slc.navfac.navy.mil) (lutmangl@slc.navfac.navy.mil)

Copy to:

EWTGPAC (D. Hall) (dhall@electriciti.com)  
TMA (haraldsen\_leif@tmac.com)

Blind copy to:

PMS325R, C, Reading File, 3, 32 (2)

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