

ORDER FOR SUPPLIES OR SERVICES

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

1. DATE OF ORDER 02/01/2005	2. CONTRACT NO. (If any) GS-10F-0301P	6. SHIP TO: Richard H. Williams		
3. ORDER NO. DTMA1F05037	4. REQUISITION/REFERENCE NO. PROP0500032	a. NAME OF CONSIGNEE DOT/Maritime Administration, MAR-614		
5. ISSUING OFFICE (Address correspondence to) DOT/Maritime Administration, MAR-380 400 Seventh Street, SW., Room 7310 Washington DC 20590		b. STREET ADDRESS 400 Seventh Street, SW., Room 2116		
		c. CITY Washington	d. STATE DC	e. ZIP CODE 20590
7. TO: a. NAME OF CONTRACTOR		f. SHIP VIA		
b. COMPANY NAME J.K. Hill & Associates, Inc.		8. TYPE OF ORDER		
c. STREET ADDRESS 2680 Production Road, Suite 101		<input type="checkbox"/> a. PURCHASE REFERENCE YOUR: Please furnish the following on the terms and conditions specified on both sides of this order and on the attached sheet, if any, including delivery as indicated.	<input checked="" type="checkbox"/> b. DELIVERY - Except for billing instructions on the reverse, this delivery order is subject to instructions contained on this side only of this form and is issued subject to the terms and conditions of the above-numbered contract.	
d. CITY Virginia Beach	e. STATE VA	f. ZIP CODE 23454-5256		
9. ACCOUNTING AND APPROPRIATION DATA 965 - 05 - x4303 - - - 2696 - - 70EQP0 - 160000 - - 56500561 - - - - -		10. REQUISITIONING OFFICE DOT/Maritime Administration, MAR-614		

11. BUSINESS CLASSIFICATION (Check appropriate box(es))			
<input type="checkbox"/> a. SMALL	<input type="checkbox"/> b. OTHER THAN SMALL	<input checked="" type="checkbox"/> c. DISADVANTAGED	<input type="checkbox"/> d. WOMEN-OWNED
12. F.O.B. POINT Destination	14. GOVERNMENT B/L NO.	15. DELIVER TO F.O.B. POINT ON OR BEFORE (Date) 02/01/2006	16. DISCOUNT TERMS 10 days % 20 days % 30 days % days %
13. PLACE OF			
a. INSPECTION	b. ACCEPTANCE		

17. SCHEDULE (See reverse for Rejections)

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

SEE BILLING INSTRUCTIONS ON REVERSE	18. SHIPPING POINT	19. GROSS SHIPPING WEIGHT	20. INVOICE NO.		17(h) TOT. (Cont. pages)	
	21. MAIL INVOICE TO: Ruby P. McPhaul					
	a. NAME DOT/Maritime Administration, MAR-330				\$200,000.00	17(i) GRAND TOTAL
	b. STREET ADDRESS (or P.O. Box) 400 Seventh Street, SW., Room 7325					
c. CITY Washington		d. STATE DC	e. ZIP CODE 20590			

22. UNITED STATES OF AMERICA BY (Signature) 	23. NAME (Typed) Erica L. Williams TITLE: CONTRACTING/ORDERING OFFICER
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**ORDER FOR SUPPLIES OR SERVICES
SCHEDULE - CONTINUATION**

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

DATE OF ORDER 02/01/2005	CONTRACT NO. GS-10F-0301P	ORDER NO. DTMA1F05037
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ITEM NO. (a)	SUPPLIES OR SERVICES (b)	QUANTITY ORDERED (c)	UNIT (d)	UNIT PRICE (e)	AMOUNT (f)	QUANTITY ACCEPTED (g)
0001	Logistics Support Labor IAW C.1 and C.2 <i>Delivery Date</i> 02/01/2006 Reference Requisition: PROP0500032	1.00	NTE	1,966,728.520	1,966,728.52	
0002	Engineering Analysis and Procurement Research Labor IAW C.5 and C.7 <i>Delivery Date</i> 02/01/2006	1.00	NTE	602,157.600	602,157.60	
0003	Warehouse Support Labor IAW C.3, C.6, and C.8 <i>Delivery Date</i> 02/01/2006 Reference Requisition: PROP0500032	1.00	NTE	140,518.860	140,518.86	
0004	Cost Reimbursable Categories <i>Delivery Date</i> 02/01/2006	1.00	NTE	0.000	0.00	
0004AA	Travel <i>Delivery Date</i> 02/01/2006	1.00	NTE	996,363.350	996,363.35	
0004AB	Materials <i>Delivery Date</i> 02/01/2006	1.00	NTE	11,588.770	11,588.77	
0004AC	Other Direct Costs <i>Delivery Date</i> 02/01/2006	1.00	NTE	157,063.090	157,063.09	

TOTAL CARRIED FORWARD TO 1ST PAGE (ITEM 17i) ⇒ \$3,874,420.19

**ORDER FOR SUPPLIES OR SERVICES
SCHEDULE - CONTINUATION**

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

DATE OF ORDER 02/01/2005	CONTRACT NO. GS-10F-0301P	ORDER NO. DTMA1F05037
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ITEM NO. (a)	SUPPLIES OR SERVICES (b)	QUANTITY ORDERED (c)	UNIT (d)	UNIT PRICE (e)	AMOUNT (f)	QUANTITY ACCEPTED (g)
0005	OPTIONAL Purchasing Support	1.00	NTE	0.000	0.00	
OPTION YEAR	<i>Delivery Date</i> 02/01/2006					
0005AA	Labor	1.00	NTE	223,142.400	223,142.40	
OPTION YEAR	<i>Delivery Date</i> 02/01/2006					
0005AB	Materials	1.00	NTE	0.000	0.00	
	<i>Delivery Date</i> 02/01/2006					
0005AC	Other Direct Costs	1.00	NTE	5,388.520	5,388.52	
	<i>Delivery Date</i> 02/01/2006					

TOTAL CARRIED FORWARD TO 1ST PAGE (ITEM 17i) ⇒ \$228,530.92

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SECTION C -- DESCRIPTIONS AND SPECIFICATIONS

C.1 LOGISTICS OVERHAUL MANAGEMENT SERVICES

The Ready Reserve Fleet (RRF) is the high readiness component of the Maritime Administration's (MARAD) National Defense Reserve Fleet (NDRF), established to support the rapid deployment of U.S. military forces. A key element of strategic sealift, the RRF is tasked with the rapid deployment of military forces to ports and locations throughout the world. Approximately 15% of the RRF ships are moored at the three reserve fleet sites in Virginia, Texas, and California, while the remaining ships are berthed at various ports throughout the United States and overseas.

RRF vessels are maintained in different states of readiness. Those vessels that require the fastest activation (4 and 5 days) are maintained in Reduced Operational Status (ROS-4 and ROS-5, respectively). These ships are manned by small crews that perform vessel maintenance while in ROS and serve as the ship's crew when the vessel is activated.

All other RRF vessels are maintained in lesser states of readiness. Vessels in "deep lay-up" must be fully mission capable within 10 or 20 calendar days (RRF-10 and RRF 20, respectively) of a notice to activate. The purpose of this contract is to provide logistics support services to the RRF and the Division of Logistics Support (MARAD).

The contractor will be tasked to provide the following services:

C-1.1 Logistics Overhaul Management Services. The contractor will provide all management, planning, supervision, labor, material, supplies and equipment necessary to accomplish shipboard logistics overhauls and upgrades. The specific activities that constitute a normal overhaul or upgrade are described in paragraphs C-2.0 through C-2.6. Overhauls will be conducted on the following general types of vessels moored at locations throughout the United States, overseas and underway:

- " RRF vessels (vast majority of work will occur on these vessels)
- " National Defense Reserve Fleet (NDRF) vessels
- " Government-owned barges and small watercraft
- " Federal and state-owned school ships

C-1.1.1 Material Inventory Services. This service must include the inventory of spare parts, equipment, outfitting, lashing gear, Chemical Biological Radiological - Defense (CBR-D) supplies, Accountable Property and any other shipboard material or equipment stored onboard MARAD vessels and shore facilities and the entry of inventory and configuration data into MARAD Logistics Support System (MLSS). These services are discussed more fully in C-2.0 (inventory services provided onboard ships) and C-3.0 (inventory services provided at shore facilities).

C-1.1.2 Installed Equipment Validation Services. This service must include the validation, identification, labeling and inventory of equipment installed on board vessels listed in C.1.1 and the entry of equipment validation data into MARAD MIS. These services are discussed more fully in C-2.5.1.

C-1.2 Logistics Training. This service must include the training of RRF personnel and Government contractors in MARAD logistics support procedures and are discussed more fully in C-4.0.

C-1.3 Engineering Analysis and Procurement Research. (Also referred to as "provisioning"). This service must include logistics support and engineering analysis of marine equipment and systems to identify items necessary to support MARAD vessels for a period of 180 days at sea, or for other periods as directed by MARAD. These services are discussed more fully in C-5.0.

C-1.4 Warehouse Logistics Support Services. When directed by MARAD this service must include warehouse labor, support and inventory services. These services are discussed more fully in C-6.0.

C-1.5 System Planning, Analysis and Technical Support. Beyond that necessary to maintain an environment of continuous improvement, the MARAD may request, and the contractor must provide, written logistics related system plans, reviews and analyses. These services are discussed more fully in C-7.0

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C-1.6 Shipping and Receiving Services. The contractor must establish and operate a facility to ship, receive and stage Government property. These services are discussed more fully in C-8.0.

C-1.7 Optional Purchasing Services. At the option of MARAD, the Government may request optional purchasing services. These services are discussed more fully in C-9.0

C-1.8 Contract Personnel. The location and skills of Key Contract Personnel are discussed in C-10.0.

C-1.9 Special Invoice Processing Requirements.

C-1.9.1 Program Elements. The Government will provide, and the contractor will track by fiscal year, the Program Element that funds each MARAD tasking. The contractor will segregate and total by fiscal year and Program Element. If an invoice addresses more than one contract, fiscal and program element, these costs will be listed separately on the invoice.

C-1.9.2 Invoicing. The contractor is authorized to bill the Government twice monthly. See G.6 for specific invoice preparation and submission instructions.

C-1.10 Tasking by MARAD. During the term of the contract MARAD will issue formal tasks to the contractor in the form of technical directives, in the format described below:

C-1.10.1 Issuing Technical Directives (TD). Each TD issued by MARAD to the contractor will:

- " Direct the contractor to accomplish work within in the scope of the contract
- " Be issued in writing (to include email) from the COTR or other MARAD employee(s) specifically authorized in writing to issue such tasks.
- " List a "Control Number" for reference and tracking purposes
- " Reference the applicable TD
- " Reference the Fiscal year and Program Element that funds the TD
- " Provide a sufficiently detailed statement of the work to allow the work be performed
- " Provide a required completion date for accomplishment of the TD
- " Identify the format and content of any deliverables to be provided by the contractor
- " Provide a MARAD POC and phone number

C-1.10.2 Logistics Support Overhaul and Upgrade Taskings. Tasks directing the contractor to conduct an overhaul or upgrade of a vessel will be addressed as a separate Task Order by MARAD. A new Task Order will be prepared for each successive overhaul or upgrade and will include a Statement of Work directing the contractor to provide one or more of the services listed in C-2.0 through 2.6.

C-1.10.3 Task Modifications. MARAD reserves the right to cancel, suspend, limit or modify any task within the scope of the contract.

C.2 LOGISTICS SUPPORT OVERHAULS

The contractor will provide all management, planning, supervision, labor, material, supplies and equipment necessary to accomplish the following:

C-2.1 Overhaul Planning.

C-2.1.1 MARAD Ship Overhaul and Upgrade Priorities. MARAD will prioritize in writing those vessels that have been selected by MARAD to undergo logistics overhauls or upgrades. MARAD will also determine the scope of the overhaul or upgrade.

C-2.1.2 Pre-Overhaul Brief. Prior to the start of the overhaul, the contractor must attend a "Pre-Overhaul Brief" hosted by MARAD. During this briefing MARAD, the contractor, the Ship Manager and MARAD region representatives will discuss issues and concerns pertinent to the logistics overhaul. At that time MARAD will provide the logistics contractor with a Special Overhaul Instructions (SOI) described in C-2.1.3.

C-2.1.3 Special Overhaul Instructions. Generated by the MARAD Headquarters and the Region Logistics Management Officer (LMO) the Special Overhaul Instructions will identify the general location of spare parts to be included in the overhaul or upgrade,

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provide guidance on collocating similar or related spare parts, and equipment or systems that will be installed, changed-out or removed by the Ship Manager during the period of the overhaul.

C-2.1.4 Overhaul Out-Brief. Prior to final acceptance of the material inventory and equipment validation, the contractor must attend a "Overhaul Out-Brief" hosted by MARAD. During this outbriefing MARAD, the contractor, the Ship Manager and MARAD region representatives will discuss issues and concerns pertinent to the completion of the logistics overhaul.

C-2.2 Cost Estimates. The contractor must provide the following:

C-2.2.1 Overhaul and Upgrade Cost Estimates. No more than sixty days after having being tasked and prior to beginning work, the contractor must provide MARAD with a detailed cost estimate of the logistics overhaul or upgrade. These cost estimates must be in the format provided in Exhibit I. The contractor must request approval from MARAD before exceeding the estimated cost or any overhaul or upgrade by more than 10% of the total cost, including per diem.

C-2.2.2 Annual Logistics Overhaul and Upgrade Budget Plan. No later than July 15th of each year contractor will provide MARAD with a logistics overhaul budget plan for the next fiscal year based cost estimates developed in C-2.2.1 above, ship priorities and annual funding estimates provided by MARAD.

C-2.3 Procedures. Thirty days after the "Notice to Proceed" has been given by the MARAD PCO, the logistics contractor will develop and provide to MARAD for approval, a copy of the contractor's proposed overhaul procedures. These procedures will describe how the contractor will accomplish overhaul and upgrade activities described in C-2.0 through C-2.6. These written procedures will, at a minimum, address the following:

- " Team working hours while onboard RRF vessels
- " PC-SAL/RMS training for team members
- " Forklift safety, use and training
- " Shipboard safety training
- " Team and Ship Manager communication
- " Equipment validation
- " Spare parts inventory and technical manual validation
- " Standard nomenclature conventions
- " Technical manual inventory and validation
- " Drawings inventory and validation
- " Relocation and collocation of spare parts
- " Bar-code labeling
- " Quality control
- " General shipboard safety and security
- " Use and cleanliness of shipboard spaces
- " Emergency suspension of overhaul activities
- " Data entry of spare part and equipment relationships

C-2.4 Overhaul Management Reports. The contractor will develop and maintain Overhaul Management Reports (OMR) to track costs and productivity. The OMRs will be provided to MARAD by the 15th of each month for activity during the previous month. The OMR must include the following:

C-2.4.1 Overhaul Cost Report. The contractor must use Generally Accepted Cost Accounting Standards promulgated by the Cost Accounting Standards Board (CASB) to develop overhaul cost performance targets and track the contractor's progress towards these targets. This information will be provided in the format shown below:

(Vessel Name) Overhaul Cost Report for the Period _____		
Cost Driver	Actual Performance	Target Performance
Travel and per diem costs		
Per diem days		
Travel labor hours		
Shipboard equipment validation costs		
Shipboard technical manual inventory costs		
Shipboard spare parts inventory		

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Non-shipboard labor
Average Overhaul Team Size
Costs associated with ship non-availability

C-2.4.2 Overhaul Productivity Report. The contractor will develop and maintain productivity performance targets and track the contractor's progress towards these targets. This information will be provided in the format shown below:

(Vessel Name) Overhaul Productivity Report for the Period _____

Number Onboard the Vessel	Number Inventoried/ validated this month	Cumulative Number Inventoried/ Validated to date	Productivity Target	Quality Assurance check by MARAD complete
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Spare Parts
Equipment
Technical Manuals
Drawings

C-2.4.3 Variance Analysis. The contractor will provide a brief written analysis of variances of more than 10% from productivity and cost performance targets.

C-2.4.4 GANT Charts. As part of the OMR the contractor will provide a current GANT chart, produced in Microsoft Project, for each vessel undergoing and overhaul or upgrade.

C-2.5 Weekly Overhaul Reports. The contractor must provide Weekly Overhaul Reports (does not include cost data which will be reported monthly), by vessel. These reports, must as a minimum, include productivity information in the format shown below:

(Vessel Name) Weekly Overhaul Report

check by	Number Onboard the Vessel	Number Inventoried/ validated this month	Cumulative Number Inventoried/ Validated to date	Quality Assurance MARAD
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Spare Parts
Equipment
Technical Manuals
Drawings

C-2.5 Overhaul Statement of Work.

C-2.5.1 Equipment Validation. At the conclusion of the overhaul the vessel's PC-SAL/RMS equipment database must accurately list all shipboard equipment that meets the validation criteria set forth in Appendix H, Volume I of the RRF Logistics Management Manual (RRF LMM), dated 15 May 2004 (Technical Exhibit I)

C-2.5.1.1 Equipment Database Fields. The following equipment database fields must be completed in PC-SAL/RMS in accordance with the PC-SAL 4.0 User Guide (Technical Exhibit II):

- " Equipment Name †
- " Manufacturer†
- " Number of equipments installed
- " MARAD Equipment Number
- " Model Number
- " Type

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- " National Stock Number (NSN)
- " Equipment description
- " Technical Manual Reference
- " Location
- " Serial Number
- " Specifications
- " Criticality Code†‡
- " System Application Code†‡

† Formatted and entered in accordance with MARAD nomenclature and data abbreviation conventions.

‡ Data is to be entered using MARAD logistics codes.

C-2.5.1.2 Related Equipment. The vessel's PC-SAL/RMS database must reflect the reasonable and proper equipment relationships of all validation worthy equipment installed on the vessel in accordance with the contractor's procedures.

C-2.5.1.3 Bar-coded Tags. All validation worthy equipment as listed in Appendix H of the RRF LMM, dated 15 May 2004 and recorded in PC-SAL/RMS must have a metal (or other material as determined by MARAD) bar-coded tag affixed to it, or to an appropriate visible location nearby. This bar-code must utilize the 3 of 9 bar-coding system.

C-2.5.1.4 Equipment Validation Accuracy Standard. At the conclusion of the equipment validation process the database contained in the vessel's PC-SAL/RMS must be no less than 98% accurate. To be accurately listed in PC-SAL/RMS each equipment listing must meet the requirements of C-2.5.1.1, C-2.5.1.2 and C-2.5.1.3.

C-2.5.2 Material Inventory:

C-2.5.2.1 PC-SAL/RMS Database. The vessel's PC-SAL/RMS database must accurately list spare parts stored in the following areas:

- " Loose spare parts stored in the vessel's spare parts storerooms
- " Bulkhead mounted spares located throughout the vessel
- " Repair parts stored in spare parts boxes, lockers and designated Vidmar® cabinet drawers
- " Other items specifically identified by MARAD in the SOI

C-2.5.2.2 Spare Parts Database Fields. The following spare parts database fields must be completed in PC-SAL/RMS in accordance with the PC-SAL 4.0 User Guide:

- " Name†
- " Manufacturer†
- " Description†
- " Part Number
- " National Stock Number (NSN)
- " Unit Price
- " Cost Source Code (CSC)†‡
- " Unit of Issue†‡
- " Location
- " Quantity
- " Condition†‡
- " Manufacture Date
- " Shelf Life (mos.)
- " Expiration date
- " Shelf Life Code†‡
- " Supported Equipment
- " Technical Manual Reference

† Formatted in accordance with MARAD nomenclature and data abbreviation conventions

‡ Data is to be entered using MARAD logistics codes. For example, the unit of issue code for EACH is "EA."

C-2.5.2.3 Technical Manual Referencing. All spare parts listed in PC-SAL/RMS must be researched for a technical reference using the vessel's existing shipboard technical documentation. If found, the reference will be recorded in PC-SAL/RMS. As a minimum,

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the references documented or recorded in PC-SAL/RMS must list the MARAD number of the technical manual, the page, figure, drawing or table where the spare part is shown.

C-2.5.2.4 Labeling of Spare Parts. All spare parts must have a bar-code label affixed to the item, its identification tag, or its packaging in accordance with the PC-SAL 4.0 User Guide and the RRF LMM. The label must be placed in such a manner as to ensure that it is bar code readable, and does not to cover or obscure any pre-existing manufacturer's labels or markings.

C-2.5.2.5 Part Nomenclature. At the conclusion of the overhaul the Description field and the Name fields for all spare parts and equipment listed in PC-SAL/RMS with an on hand balance of greater than zero, must contain the item's technical name (vice its common name), as listed in the vessel's appropriate engineering documentation, technical manual or drawing. This nomenclature will be used to produce all subsequent labels, reports and databases. For search purposes and where possible, alternate or common name(s) should may be included in the item's detail description.

C-2.5.2.6 Storage Locations. At the conclusion of the overhaul all spare parts must be placed in assigned storage locations in accordance with the vessel's SOI. All storage boxes, Vidmar® cabinets and Vidmar® cabinet drawers will be bar-code labeled in accordance with the LMM and the PC-SAL/RMS Users Guide. This bar-code must utilize the 3 of 9 bar-coding system.

C-2.5.2.7 Spare Part Receipts in the Custody of the Ship Manager. In addition to items held in the vessel's inventory, the contractor must include in the overhaul process and stow:

- " All spare parts in the custody of the Ship Manager, but not yet stowed,
- " All spare parts received by the Ship Manager prior to acceptance of the material inventory by MARAD, and
- " All spare parts destined for the vessel held off-site by the contractor

It is the responsibility of the MARAD Region to ensure that all items in the custody of the Ship Manager but not let stowed are turned over to the contractor along with each item's shipping documentation. These items will be processed into PC-SAL/RMS by the contractor and then turned over to the Region LMO for subsequent inclusion in the ship's receiving files.

C-2.5.2.8 Packaging and Preservation. All spare parts must be preserved or re-packaged in accordance with the RRF LMM, Volume I, 15 May 2004.

C-2.5.2.9 Unidentified Parts. Unidentified parts are those items that:

- " Cannot be identified by using existing shipboard reference materials;
- AND
- " Cannot be identified from existing information on the item itself or its packaging.

Unidentified spare parts must be placed in a location determined by the MARAD representative for future research, review and identification by the Chief Engineer. Items that are subsequently identified by the vessel's Chief Engineer must be placed back into an assigned location in accordance with the vessel's SOI and the PC-SAL 4.0 User Guide.

C-2.5.2.10 Spare Parts without Equipment Systems Information. When the contractor cannot directly tie an item to specific equipment after a reasonable effort, and MARAD prefers to keep the item, a consolidated Equipment Group Code (EGC) will be assigned.

C-2.5.2.11 Excess Spare Parts. Items that no longer have an application to the vessel, or are not in an acceptable condition for retention are considered "excess." With the exception of excess hazardous items (which must be turned over to the Chief Engineer for disposal), the contractor must remove all "excess" spare parts from the vessel and ship them to the nearest Shore-based Spares Warehouse using a DD1149.

C-2.5.2.12 Used Parts. In many cases spare parts will have been used and then placed back into stock by the ship. The contractor must remove these items from stock and stage them for review and research by the Ship Manager. The MARAD logistics representative will determine the location of this staging area. If MARAD or the Ship Manager determines that the item(s) are to be retained in stock, the contractor must repackage and re-label these items, update PC-SAL/RMS, and return them to the vessel's shipboard inventory in accordance with the vessel's SOI. Items that are not to be retained must be processed as "excess."

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C-2.5.2.13 Bulkhead Mounted Spare Parts. Metal embossed tags, or other tags as directed by MARAD, must be provided by the logistics contractor and affixed to all bulkhead-mounted spares or to a near by location where the bulkhead-mounted spare is or will be mounted.

C-2.5.2.14 Collocation of Spare Parts. The MARAD SOI will provide the contractor with general guidance in the placement or collocation of related spare parts. Where safety, space and packaging permit, groups of related spare parts not provided for in the SOI must be collocated.

C-2.5.2.15 Safe and Proper Storage. In all cases, spare parts must be stowed in a manner that is both safe and "Ready for Sea." Drawers must be:

- " Packed in boxes or drawers in a manner that prevents foreseeable damage from vessel movement
- " Packed no more than 80% full, unless limited storage space requires packing items more densely.

C-2.5.2.16 Storage Space Filled. For each cabinet drawer or box, the contractor must estimate and record in PC-SAL/RMS the percentage of space filled to the nearest tenth, that is: 0%, 10%, 20%, 30%, 40%, 50%, 60%, 70%, 80%, 90% or 100%.

C-2.5.2.17 Inventory Gains and Losses. At the conclusion of the spare parts inventory the contractor will provide MAR-614 and the region LMO with a complete list of inventory gains and losses resulting from the overhaul. This list will contain the following data elements:

- " Nomenclature
- " P-key
- " Quantity Overage
- " Quantity Underage
- " Price
- " Extended Price
- " Total Overage
- " Total Underage
- " Net Overage/Underage

C-2.5.2.18 MARAD Acceptance Standards. At the conclusion of the vessel's spare parts inventory the database contained in PC-SAL/RMS must be no less than 98% accurate, as determined by a statistically accurate random sampling of the inventory. Inventory errors will be determined in accordance with Chapter 8 of the RRF Logistics Management Manual.

C-2.5.2.19 Spare Parts Seals. After any portion of the inventory has been accepted by MARAD, the contractor will, where possible, seal the drawer or cabinet using unique numbered seals provided by MARAD. The contractor will also enter these same seal numbers into PC-SAL/RMS in accordance with the PC-SAL 4.0 User Guide and the RRF Logistics Management Manual

C-2.5.3 Technical Manual Inventory.

C-2.5.3.1 PC-SAL/RMS Database. The vessel's PC-SAL/RMS database must accurately list all technical manuals held onboard the vessel that reference or apply to existing shipboard equipment.

C-2.5.3.2 Technical Manual Database Fields. The following technical manual database fields must be completed in the vessel's PC-SAL/RMS in accordance with the PC-SAL 4.0 User Guide:

- " Title†
- " Manufacturer‡
- " Quantity
- " Index Number
- " Location
- " Condition Code‡

† Formatted in accordance with MARAD nomenclature and data abbreviation conventions

‡ Data is to be entered using MARAD logistics codes. For example, the unit of issue code for EACH is "EA."

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C-2.5.3.3 Labels. All technical manuals must be labeled in accordance with the RRF Logistics Management Manual and the PC-SAL 4.0 User Guide.

C-2.5.3.4 Technical Manual Sequence. All technical manuals must be placed in alphanumeric sequence by the name of the equipment manufacturer.

C-2.5.3.5 Copies of Technical Manuals. MARAD seeks to provide each vessel with two useable copies of all applicable technical manuals. To accomplish this the contractor must:

- " Provide to the region LMO with a list of manuals that could not be located; and
- " Make sufficient copies of existing and applicable technical manuals so that the vessel will possess at least two copies
- " When directed by MARAD, translate into English manuals that are in a language other than English

In view of the costs involved, the contractor will not make copies of, or translate manuals that are in a language other than English without prior approval from MAR-614. The contractor is NOT authorized to purchase replacement manuals without prior approval.

C-2.5.3.6 Replacement of Worn or Damaged Binders. The contractor will replace technical manual binders that are damaged or badly worn.

C-2.5.3.7 Excess Manuals. Technical manuals that no longer have an application to the vessel, or are unusable, must be shipped to the nearest Shore-based Spares warehouse using a DD1149 shipping document.

C-2.5.3.8 MARAD Acceptance Standards. At the conclusion of the technical manual inventory the database contained in the vessel's PC-SAL/RMS must be no less than 98% accurate, as determined by a random sampling of technical manuals.

C-2.5.4 Shipboard Drawings Inventory.

C-2.5.4.1 PC-SAL/RMS Database. The PC-SAL/RMS database must accurately list the drawings held onboard the vessel.

C-2.5.4.2 Drawing Database Fields. The following drawing database fields must be completed in the vessel's PC-SAL/RMS in accordance with the PC-SAL 4.0 User Guide:

- " Title†
- " Manufacturer†
- " MARAD Number
- " Quantity
- " Manufacturer Drawing and Revision Number
- " Ship Drawing and Revision Number
- " Location
- " Condition‡

† Formatted in accordance with MARAD nomenclature and data abbreviation conventions

‡ Data is to be entered using MARAD logistics codes. For example, the unit of issue code for EACH is "EA."

C-2.5.4.3 Labels. All drawings must be labeled in accordance with the RRF LMM, Volume I, dated 12 December 2002, and the PC-SAL 4.0 User Guide.

C-2.5.4.4 Drawing Order. All drawings must be placed in ship builder's number sequence, followed by vendor drawings in manufacturer in alphanumeric sequence.

C-2.5.4.5 Excess Drawings. Drawings that no longer have an application to the vessel must be shipped to the nearest Shore-based Spares warehouse using a DD1149 shipping document.

C-2.5.4.6 MARAD Acceptance Standard. At the conclusion of the ship's drawings inventory the vessel's PC-SAL/RMS must be no less than 98% accurate, as determined by a statistically accurate random sampling of shipboard drawings.

C-2.5.5 Preparation of a Stock Replenishment Listing

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C-2.5.5.1 SBS Restock List. The contractor must provide a list of available SBS spare parts that can be used to fill existing vessel allowance shortages. This list, called the SBS Restock List, must be developed by matching existing SBS spares with the existing vessel spare parts shortages, and must be provided to the Region LMO during the Pre-Overhaul Brief. The Region LMO will have the list reviewed by the vessel's Chief Engineer and take action as appropriate to have SBS spare parts sent to the vessel before the completion of the overhaul. The contractor is not responsible for any items received by the vessel after the completion of the overhaul.

C-2.5.5.2 Stowing of SBS Restock Items. If received prior to the conclusion of the overhaul, SBS restock items must be inventoried and stowed by the logistics contractor.

C-2.5.6 Management of the Vessel's PC-SAL/RMS Database during a Logistics Overhaul.

C-2.5.6.1 Refresh of PC-SAL/RMS. The contractor must submit the most current PC-SAL/RMS database to MARAD or to MARAD's representatives at the conclusion of the overhaul.

C-2.5.6.2 MLSS Updates. When the contractor actively manages the vessel's PC-SAL/RMS, a copy of the vessel's most recent PC-SAL/RMS database must be transmitted to MARAD or to MARAD's representatives MLSS at least once every 30 days. Upon request, the contractor will also provide a copy of the vessel's current overhaul database to the region LMO.

C-2.5.6.3 Equipment Numbers. The contractor will assign equipment numbers to newly validated equipment within three months after MARAD's acceptance of the ship's inventory.

C-2.5.7 Management of Shipboard Activity

C-2.5.7.1 Emergency Suspension of Overhaul Activities. MARAD reserves the right to suspend, modify or scale back an ongoing overhaul at any time. When directed to suspend an ongoing overhaul, the contractor must:

- " Make all spare parts boxes and/or cabinets, and loose storeroom items "Ready for Sea."
- " Return all spare parts, drawings and technical manuals to a location recorded in a "temporary " PC-SAL/RMS database,
- " Assemble and turn-over to the vessel's Chief Engineer a "temporary", but functional copy of the vessel's PC-SAL/RMS database
- " Clean any spaces used by the Overhaul Team
- " Depart the vessel within 96 hours

C-2.5.7.2 Overtime. All overtime requests, with appropriate justification, must be submitted the MARAD COTR for approval.

C-2.5.7.3 Working Hours. The working hours of the logistics contractor must not significantly interfere with the day-to-day work of the ship's crew. To avoid conflicts between the schedule of the vessel and the overhaul team, the contractor must obtain approval from the region LMO before working on any MARAD vessel during the following periods:

- " Before 8:00 AM or after 5:00 PM on weekdays
- " On Saturdays and Sundays
- " During any Federal holiday
- " Any day between December 21 and 5 January

The contractor must obtain approval from the MARAD COTR before working during any of the following periods:

- " Any day a vessel is underway
- " Any day of, or the day before, a vessel's departure,
- " Any day of, or the day the immediately after a ship has returned from activation
- " Any hours that will result in a member of the ship's crew having to work overtime outside of 8:00 AM or 5:00 PM.

C-2.5.7.4 Travel.

C-2.5.7.4.1 Minimizing Travel Costs. The contractor must minimize travel costs to ensure that only essential work is conducted by Overhaul Teams while on travel.

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C-2.5.7.4.1 Work Accomplished in Hotels. It may be advantageous for Overhaul Team members to accomplish some limited work in support of an overhaul or upgrade at the team's hotel. When this becomes necessary the contractor will notify the Region LMO in advance. This requirement does not apply to Team Leaders, supervisors, provisioners, or other Program Management staff.

C-2.5.7.5 Security Badges. While onboard MARAD vessels, all members of the overhaul team members must display contractor-issued security badges.

C-2.5.7.6 Working Areas. MARAD will assure the availability of sufficient working space onboard the vessel to enable the efficient and safe conduct of the overhaul. This space will include a "break" area, power outlets for computers, restroom facilities and access to a small copier. Use of the ship's copier should be judicious and should not interfere with the needs of the ship's crew. Where reasonable and cost effective, overhaul teams should use local commercial copier services.

C-2.5.7.7 Cleanliness. The contractor will keep spaces, break areas and heads (restrooms) used by the Overhaul Team neat and clean at all times.

C-2.5.7.8 Authority of the Ship Manager. While onboard any RRF vessel the Overhaul Team must comply with all safety and security orders, instructions and directives issued by the vessel's Port Engineer, Ship Master, Chief Engineer or their representatives in the exercise of their legal authority.

C-2.5.8 Miscellaneous:

C-2.5.8.1 Fabrication and Placement of Equipment Tags. The contractor must provide and physically attach bar-coded metal tags for installed equipment and bulkhead mounted spares no later than nine (9) months after the acceptance of the spare parts inventory by MARAD COTR.

C-2.5.8.2 Excess Metal Storage Boxes. Empty spare part storage boxes must be staged for pick-up by the GSA scrap contractor or shipped to the Region SBS warehouse, as determined by the region LMO.

C-2.5.8.3 Hazardous Material. The contractor will identify and segregate all items that appear to be hazardous. If the item does not have an MSDS, the contractor will obtain two copies of the item's MSDS. One copy will be attached to the item and the second copy will be given to the vessel's Chief Engineer. The region LMO will review all hazardous material before they are returned to stock. Hazardous material that is not to be returned to stock must be turned over to the Chief Engineer for disposal. **UNDER NO CIRCUMSTANCES WILL THE CONTRACTOR DISPOSE OR REMOVE FROM THE SHIP ANY HAZARDOUS MATERIAL WITHOUT MARAD APPROVAL.**

C-2.5.8.4 Safety Apparel. The contractor must review and be knowledgeable of the safety hazards that exist onboard RRF vessels and provide Overhaul Team members with appropriate safety apparel. As a minimum, this will include safety goggles, safety shoes, gloves and a hard hat. Team members must have these items in their possession or in their workspace at all times.

C-2.6 Performance Standards. MARAD will base its evaluation of the contractor's performance (which will be reported to the NIH Contractor Performance System) on the following standards:

- " Quality of the overhaul work as judged by the contractor's compliance with contract standards and the contractor's work procedures (45%)
- " Cost control, analysis, reporting and invoicing (35%)
- " Contractor flexibility and responsiveness (10%)
- " Communications with Ship Manager, region and MAR-614 staff (10%)

C.3 INVENTORY OF MARAD SHORE FACILITIES

C-3.1 Inventory Types. When directed, provide all management, planning, supervision, labor, material, supplies and equipment necessary to accomplish either of the following types of inventories at facilities designated by MARAD:

C-3.1.1 Wall to Wall Physical Count. The contractor must conduct a physical count of Government spare parts, equipment, technical manuals, drawings or artifacts stored in a warehouse, storage building, shipyard or other facility as designated by MARAD;

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C-3.1.2 Statistical Sampling. The contractor must obtain a statistically random sample of spare parts, equipment, technical manuals, drawings or artifacts stored in MARAD Warehouses, storage facilities, shipyards or other facilities as designated by MARAD.

C-3.2 Pre-Inventory Requirements. MARAD will identify and prioritize in writing those facilities that have been selected by MARAD for an inventory. MARAD will also identify the type of inventory (physical count or statistical sampling) and the scope of the inventory (wall to wall or by item type- i.e., parts, equipment drawings, etc.) to be conducted. The following are required for both physical counts and statistical sampling inventories:

C-3.2.1 Cost Estimates. Thirty days prior to beginning work, the contractor must provide MARAD with a cost estimate of the work requested. The contractor must request approval from MARAD before exceeding this cost estimate by more than 10%. This estimate will be provided in the format shown in Technical Exhibit I.

C-3.2.2 Pre-Inventory Brief. Prior to the start of the overhaul, the contractor must attend a "Pre-Inventory Brief" hosted by MARAD. During this briefing MARAD will discuss issues and concerns pertinent to the inventory.

C-3.3 Warehouse Inventory Statement of Work for Wall to Wall Physical Counts. When directed by MARAD, the contractor must conduct a physical count of MARAD owned property, or property in the custody of MARAD, in locations, buildings and working areas identified by MARAD. This inventory will include the following actions:

C-3.3.1 Database Validation. During the inventory the contractor will validate and revise the following inventory data fields:

- " Pkey (Primary Key)
- " Location
- " Box-ID
- " Name†
- " Part Number
- " Serial Number
- " Model Number
- " Manufacturer†
- " National Stock Number (NSN)
- " Quantity
- " Condition‡
- " Unit of Issue ‡
- " Box Seal Number

† Formatted in accordance with MARAD nomenclature and data abbreviation conventions

‡ Data is to be entered using MARAD logistics codes. For example, the unit of issue code for EACH is "EA."

C-3.3.2 Replace Existing Box Seals. Box seals broken during the inventory process will be replaced. The contractor will record the serial number of the new box seal in MLSS-LMO.

C-3.3.3 Collocate Similar Items. During the inventory the contractor will co-locate similar items in accordance with the SOI.

C-3.3.4 Common Packing and Preservation. During the inventory process the contractor will ensure that all items are properly packed and preserved using the following common methods of packing and preservation. Items that require specialized packing beyond the techniques identified above will be identified prior to the inventory by MARAD.

C-3.3.5 Bar code Labeling. The contractor must replace all worn or missing bar coded labels or tags on storage aids, parts and equipment using the 3 of 9 bar coding system.

C-3.3.6 Data Entry. The contractor will be responsible for all data entry EXCEPT changes in quantity. Changes in quantity will be referred to the region LMO.

C-3.3.7 Inventory Standards. At the conclusion of a physical count the warehouse database must be no less than 98% accurate, as determined by a statistically accurate random sampling of the inventory. Inventory errors is will be determined in accordance with Chapter 8 of the RRF Logistics Management Manual.

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C-3.3.8 Inventory Results. At the conclusion of the inventory MARAD will be provided with a complete list of irreconcilable gains and losses in the format provided in C-2.5.2.17. MARAD will be responsible for posting any changes to the inventory.

C-3.4 Inventory Sampling Statement of Work. When directed by MARAD, the contractor must obtain and report the results of a statistically random sample of one or more of the following sets of items stored in MARAD Warehouses, storage facilities, shipyards or other facilities as designated by MARAD.

- " Spare Parts
- " Equipment
- " Technical Manuals
- " Drawings
- " Artifacts

C-3.4.1 Deliverables. The contractor will report the results of the sampling forty-five days after the completion of the inventory sampling effort.

C-3.4.2 Sampling Standards. The sample obtained must be selected completely at random (100%) and recorded and analyzed in accordance with Statistical Sampling Guidelines contained in the RRF LMM.

C-3.4.3 Sampling Results. At the conclusion of the inventory MARAD will be provided with the results of the contractors sampling in formal letter written letter addressed to the Chief of the Division of Logistics Support, with a copy to the Region LMO. A complete list of overages and underages will provided as an attachment to this letter. MARAD will be responsible for posting any changes to the inventory.

C.4 LOGISTICS TRAINING

As directed, the logistics support contractor must develop a curriculum and provide training in the following logistics systems:

C-4.1 Training Curriculum. The following training curricula apply:

- " OPDS
- " MCDS
- " Chemical, Biological, Radiological-Defense (CBR-D)
- " Other logistics related systems as directed by MARAD

C-4.2 Performance Standards. MARAD will base its evaluation of the contractor's performance (which will be reported to the NIH Contractor Performance System) on the following standards:

- " Quality of Training Presentation (70%).
- " Contractor flexibility and responsiveness (20%)
- " Effective communications with Ship Manager, region and MAR-614 staff (10%)

C.5 ENGINEERING ANALYSIS AND PROCUREMENT RESEARCH

C-5.1 Provisioning Analysis. This service must include logistics support and engineering analysis of marine equipment and systems to identify equipment and material necessary to support MARAD vessels for a period of 180 days at sea. These engineering analyses must address:

- " Spare parts
- " Equipment
- " Outfitting
- " Supplies
- " Chemical Biological Radiological Defense (CBR-D) materials
- " Force Protection Gear (FPG)
- " Lashing Gear

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- " MCDS
- " Accountable Property
- " Off-shore Petroleum Distribution System (OPDS)
- " Other associated marine equipment

C-5.1.1 Allowance Change Requests. This service must include the review, analysis and posting of MARAD Allowance Change Requests (ACRs). The contractor must provide a written response, recommendation, analysis and if appropriate, post the allowance change into MLSS within forty-five days of receipt.

C-5.1.2 Monthly ACR Report. The contractor will provide the status of ACRs under review by the contractor on a monthly basis.

C-5.2 Pre-Procurement Research. This service must include the engineering and technical research necessary to properly identify:

- " Commercial suppliers, distributors and vendors for items listed in C-5.1.
- " Defense Logistics Agency National Stock Numbers (NSNs)
- " General Services Agency (GSA) stock numbers and sources
- " Shore-based Spares (SBS) stored in MARAD in New Orleans, LA, Alameda, CA and Chesapeake, VA

C-5.2.1 Technical and Logistics Research Capability. The contractor must maintain an automated marine engineering technical research (Hull, Mechanical and Electrical) capability, to include but not limited to:

- " CD-Fische©, Haystack© or their equivalent (supplied by contractor)
- " FEDLOG (to be provided by MARAD)

C-5.2.2 Procurement Recommendations. Based on the research provided by the contractor in C-5.1 and C-5.2 above, the contractor will recommend the procurement of items listed in C-5.1 to support RRF vessels for 180 days at sea (or for other periods as directed by MARAD). The contractor must prepare and transmit three types of procurement requests, as listed below:

C-5.2.2.1 Purchase Requests. This service will include the production and accurate electronic transmission of technically accurate purchase requests sufficient for a buyer to reasonably execute a commercial purchase order. The purchase request must, at a minimum, identify:

- " Quantity
- " Unit of Issue
- " A useful stock number or part number
- " Manufacturer
- " One source of supply with current phone number
- " Accurate description or technical specification
- " Serial Number or model number of parent equipment, if available
- " Name of vessel to be supported

C-5.2.2.2 FEDSRTRIP/MILSTRIP Document Preparation. The contractor must prepare FEDSRTRIP/MILSTRIP documents for transmission into DLA/GSA directly or via MARAD.

C-5.2.3 Shore-based Spares Shipment Request. The contractor must prepare and transmit requests for items stocked in the three SBS Warehouses.

C-5.3 Erroneous Purchase Requests. The contractor must exercise due care in the submission of spare parts for purchase requests. Specifically the contractor must:

C-5.3.1 Request quantities that are consistent with the vessel's current on hand Quantity and Allowance. In view of the availability of the ship's most recent PC-SAL/RMS data, no parts must be recommended for procurement that would result in the acquisition of spare parts above the vessel's approved allowance

C-5.3.2 Request items that are consistent with the vessel's current equipment configuration. In view of the availability of the ship's most recent PC-SAL/RMS data, no parts must be recommended for procurement for equipment that:

- " Are no longer installed onboard the vessel
- " Are not the correct item

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C-5.4 Performance Standards. MARAD will base its evaluation of the contractor's performance (which will be reported to the NIH Contractor Performance System) on the following standards:

- " Quality of Provisioning (70%)
- " Contractor flexibility and responsiveness (20%)
- " Communications with Ship Manager, region and MAR-614 staff (10%)

C.6 WAREHOUSE LOGISTICS SUPPORT

C-6.1 Warehouse Labor. When directed by MARAD the contractor will provide warehouse labor and inventory management services to accomplish the following:

- " Material movement (to include driving forklifts)
- " Inventory Control
- " Packing
- " Shipping
- " Labeling
- " Receiving
- " Storage
- " Shelf-life Management
- " Data entry
- " Other warehouse related activities as directed by MARAD

C-6.2 Performance Standards. MARAD will base its evaluation of the contractor's performance (which will be reported to the NIH Contractor Performance System) on the following standards:

- " Quality of warehouse support (55%).
- " Contractor flexibility and responsiveness (35%)
- " Communications with Ship Manager, region and MAR-614 staff (10%)

C.7 SYSTEM PLANNING, ANALYSIS AND SUPPORT

C-7.1 Planning and Analysis. The contractor must be able to conduct system planning and analysis to include:

- " Logistics support system planning
- " Technical writing
- " Cost-benefit and feasibility studies
- " Development and publication of logistic support procedures and documents
- " Review and Quality Assurance testing of logistic support reports and financial data produced from MLSS
- " Business Process Analyses

C-7.2 MLSS Technical Support. The contractor will advise and provide technical support in the development of logistics support IT systems, to include MLSS, PC-SAL, the MLSS-CD ROM, RMS, LMO, EMS, the Purchasing Module and the Staging Module.

C-7.3 Quality Assurance Testing and Analysis of MARAD Financial Reports. The contractor must manage, test and assure the accuracy of MARAD financial reports with respect to MARAD personal property, equipment and spare parts. This must include:

C-7.3.1 COMPLIANCE WITH THE DOT FINANCIAL MANAGEMENT POLICIES. THE CONTRACTOR WILL REVIEW DRAFT FINANCIAL RETURNS PRODUCED FROM MLSS/RMS TO ENSURE THAT THEY COMPLY WITH THE STANDARDS SET FORTH IN THE DOT FINANCIAL MANAGEMENT MANUAL (TECHNICAL EXHIBIT III).

C-7.3.2 Accurate Reporting of Ship Inventories. The contractor must ensure that the appropriate value(s) of RRF and MARAD vessel inventories are included (or excluded) from MARAD's financial returns in accordance with the local procedures and the DOT Financial Management Manual. This includes but is not limited to:

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- " RRF ship inventories
- " NDRF inventories
- " School ship inventories
- " SBS warehouse inventories
- " Title XI Inventories
- " Inventory items of differing condition codes
- " Excess Material held onboard RRF vessels and in the SBS warehouses
- " Inventories of vessels undergoing overhauls

C-7.4 Performance Standards. MARAD will base its evaluation of the contractor's performance (which will be reported to the NIH Contractor Performance System) on the following standards:

- " Quality of Work and Review of Financial Returns (70%).
- " Contractor flexibility and responsiveness (25%)
- " Effective communications with Ship Manager, region and MAR-614 staff (5%)

C.8 SHIPPING AND RECEIVING SERVICES

C-8.1 Inspect and Receive Government Material. The contractor will properly and accurately receive spare parts, equipment and supplies procured by, or for MARAD by other contractors. These items may be purchased from commercial sources, other Government contractors, GSA or DLA. After having been inspected, the receiving contractor will prepare appropriate receiving documentation and report the result of each inspection as directed by MARAD.

C-8.2 Package and Ship Government Owned Property. The contractor will accurately label, pack and ship spare parts, equipment and hazardous material for stow onboard RRF vessels or to other locations as directed by MARAD. All shipments will be by traceable means.

C-8.3 CBRD Shelf-Life Maintenance Program. For items identified by MARAD, the contractor will provide labor and supervision necessary to maintain MARAD's CBR-D program and to maintain the shelf life of CBR-D items.

C-8.4 Procedures. Using the MARAD Logistics Management Manual as guide, the contractor will develop procedures for approval by MARAD addressing the following areas:

- " Shipping
- " Receiving
- " Non-conforming Shipments
- " Hazardous cargo
- " CBR-D shelf life management
- " GSA and DLA shipments

C-8.4.1 Use of DD-1149 to Ship MARAD GFE. Where practicable, the contractor will utilize a DD-1149 to ship and receive MARAD GFE and property. MARAD will provide, and the contract will use an appropriate numbering scheme to track and record DD-1149 documents.

C-8.5 Performance Standards. MARAD will base its evaluation of the contractor's performance (which will be reported to the NIH Contractor Performance System) on the following standards:

- " Quality of Work (50%).
- " Contractor flexibility and responsiveness (30%)
- " Communications with Ship Manager, region and MAR-614 staff (20%)

C.9 CONTRACTOR PERSONNEL

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C-9.1 Key Personnel. The contractor must designate one individual to be responsible for the functional areas:

- C-10.1.1 Program Manager
- C-10.1.2 Logistics Support Manager
- C-10.1.3 Financial Manager

C-9.2 Location of Key Personnel. The following Key Personnel must maintain an office(s) within one hour commuting distance of MARAD headquarters in Washington, DC:

- " Program Manager
- " Financial Manager
- " Logistics Support Manager

C-9.2.3 Working Hours of the Project Manager. To facilitate prompt and effective communication, and when not on travel or leave, the normal working hours of the Program Manager should closely approximate those of the COTR.

C.10 OPTIONAL PURCHASING SUPPORT

C-10.1 Services to be Provided Solely at the Option of MARAD. At the option of MARAD, the Government may request the contractor provide FAR-compliant purchasing services via a purchasing system subject to DCAA approval. The contractor must provide these services 30 days after "Notice to Proceed" has been given by the PCO. The contractor will continue to provide these services until directed otherwise by the Government. The following is a Statement of Work for these services:

C-10.2 Scope. The scope of these optional services includes only the services necessary to buy, receive, and inspect purchased items and make these same items available for pickup by the Government or its representatives. Items to be purchased include but are not limited to marine spare parts, equipment and services; computers and peripheral IT equipment to be used on board RRF vessels; and logistics support equipment, material and services. This service does NOT include the requisition of items from GSA and DLA, which are addressed C-5.0.

C-10.3 Administrative Lead Times (ALT). The Contractor must maintain the following Administrative Lead Times (ALT), defined as the number of days between receipt of the contract modification and date purchase order is issued by contractor.

C-10.3.1 Expedited Purchases. Expedited purchases are high priority requirements that warrant special action and monitoring to ensure items are received as expeditiously as possible. The average lead time for Expedited Purchases must be no more than five days.

C-10.3.2 Routine Purchases. Routine Purchases are requirements to support logistics readiness situations that do not warrant any special action or monitoring since contract/delivery times are less stringent. Unless otherwise specified, requisitions will normally be processed as Routine Buys, which should be approximately 95% of all requisitions. The average lead time for Expedited Purchases must be no more than fifteen days.

C-10.4 Procurement Procedures. The Contractor must develop written purchasing procedures that comply with FAR 52.244-5. These written procedures must be provided to the PCO for review no later than forty five days after the "Notice to Proceed." The contractor's procedures must address the following:

C-10.4.1 Shipping Costs for Items Obtained from Foreign Sources. For all material obtained from outside the continental United States and Canada, the contractor will identify and provide estimated air and surface freight costs and shipment time to MARAD. The mode to be used will be selected by MARAD, based on the agency's urgency of need.

C-10.4.2 Support for MARAD Small and Disadvantaged Business Goals. The contractor's procedures will list the current MARAD procurement goals for small, disadvantaged, minority/women owned and hub zones business concerns. The contractor will make a good faith effort to achieve these goals in awarding procurement contracts.

C-10.4.3 Pass Through Costs. The contractor must make every attempt to purchase from the lowest tier, to eliminate pass through costs.

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C-10.4.4 Minimum Buys. For purchases where the estimated material cost or quantity are less than the vendor's minimum order quantity, the contractor is authorized to increase the requested quantity to match the vendor's minimum order quantity, but not to exceed the guidelines provided in Figure 1.

C-10.4.5 Costs to "Tool Up". The contractor will advise MARAD of all purchases that will require the supplier "tooling up". In such cases, MARAD may authorize the contractor to increase the quantity to procure in order to establish shore-based spare assets.

C-10.4.6 Original Equipment Manufacturers (OEM). The contractor shall provide new parts from the original manufacturer or its authorized distributor. No reconditioned or after market parts are to be supplied, unless specifically authorized in writing by the MARAD COTR. If parts from a source other than original manufacturer parts are authorized, the manufacturer must provide a statement that the item complies with the fit, form, and function of the requested OEM part.

C-10.4.7 Purchase Order Control Numbers. The contractor will establish and maintain a numbering system for all purchase orders issued under this contract.

C-10.4.8 Funds Tracking and Invoicing. The Government will provide, and the contractor will record and track the funding data used by the Government to support each purchase. When invoiced, the contractor must segregate, and total separately, all items with the same funding source by FY and cost center.

C-10.4.9 Use of MLSS/RMS. The contractor will use the Purchasing Module within MLSS/RMS to initiate, record and manage purchasing actions in support of MARAD.

C-10.5 Tasking of the Contractor. The contractor will be tasked to provide purchasing services by the MARAD Contracting Officer via the optional purchasing services line item of this order. This modification will normally contain an approved MARAD Procurement Request with estimated line item prices. All work necessary to produce a Purchase Request for approval by MARAD will be conducted and invoiced separately under paragraph C-5.2 and is not a part of the Purchasing Services provided for in this section (C-9.0).

C-10.6 Costs in Excess of Approved Estimates. The contractor is authorized to exceed the estimated purchase price listed on a MARAD approved Purchase Requests without prior MARAD approval if the actual cost falls within the guidelines provided in Figure 1.

Authorized Increases to Approved Purchase Requests	
Extended Value of Line Item	Maximum Increase Authorized
Less than \$1000	The greater of 50% or \$50
\$1000 - \$5000	The lesser of 50% or \$1,000
\$5001 and up	The lesser of 20% or \$10,000

Fig. 1. Authorized increases to estimated costs

C-10.7 Problem Reports. If, as a result of discussions with possible vendors, the contractor determines that a line item on an approved Purchase Request is unworkable or will exceed the maximum authorized level provided in Figure 1, the contractor will submit to MARAD a numbered "Problem Report" that describes the problem in detail, along with a recommended solution (i.e., approve an increased price, modify the Purchase Request, cancel the line item, etc.). Problem Reports will be provided to MARAD by email.

C-10.7.1 Unworkable Purchases. Any requested purchase found to be "unworkable" will be reported to MARAD via a Problem Report. Common reasons for unworkability include:

- " Inability of the vendor to identify the requested item
- " The item is no longer required by the vessel (the equipment has been removed subsequent to the Purchase Request)
- " The production lead-time is determined to be unreasonable or excessive
- " The item has been discontinued without replacement

C-10.8 Receiving Procedures. The Contractor must develop written receiving and delivery procedures. These written procedures must be provided to the MARAD COTR for review no later than forty five days after the "Notice to Proceed". The contractor's procedures must address the following:

- " Inspection
- " Shipping damage
- " Reconciliation of Overages and Underages

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" Hazardous cargo

C-10.8.1 Receipt Inspection. The contractor will develop and provide to the MARAD COTR procedures governing the receipt and inspection of all items purchased for the Government. As a minimum the contractor will inspect each item for the following:

- " Part number
- " Description
- " Serial Number
- " Quantity
- " Condition

C-10.8.2 Preservation of Purchased Items. After having been inspected the contractor shall preserve or repackage purchased items using its original packaging, so far as practicable.

C-10.9 Returning Purchased Items No Longer Required by MARAD. On occasion, items that have been properly procured by the contractor will need to be returned. When this occurs, the circumstances surrounding the need to return the item will be documented on a Problem Report and forwarded to MARAD for action. If approved, the contractor will return the item to the vendor.

C-10.9.1 Item(s) Already Invoiced. If the Government has already been invoiced for the cost of the item, the contractor will apply the proceeds of the refund, net of any applicable re-stocking fees, re-packing and shipping costs and customs duties, to the next invoice.

C-10.9.2 Item(s) Not Yet Invoiced. If the Government has not been yet been invoiced for the item, the contractor will only bill the Government for the cost of any applicable re-stocking fees, re-packing and shipping costs and customs duties.

C-10.10 Shipments to Third Parties. MARAD may require the contractor to ship material directly to a tertiary location (also called "Drop Shipments"). In these cases, the contractor will not be able to perform the required receipt inspection. When this occurs and for the purposes of invoicing the Government, MARAD will accept as proof of receipt and transshipment, traceable receipt documentation from common package carriers such as FEDEX, DHL and UPS.

C-10.11 Retention of Receiving Records. The contractor will retain copies of "Proof of Delivery" for each line item procured by the contractor for a period of three years from delivery of material to vessel. These files will be made available to MARAD upon request.

C-10.12 Reports. The contractor will prepare, or produce from MLSS (which ever is more cost effective) the following reports:

C-10.12.1 Purchasing Activity and History Reports. The contractor will provide the following non-recurring reports upon the request of the MARAD COTR:

C-10.12.1.1 Outstanding Requirements Report. Purchasing services tasked but not yet placed on an order.

C-10.12.1.2 Material on Order Report. Items placed on a Purchase Order but not yet received and accepted by the Government.

C-10.12.1.3 Material on Hand Report. All material received but not yet accepted by the Government.

C-10.12.1.4 Procurement History Report. All material purchased and accepted by the Government by fiscal year.

C-10.12.2 Data Elements. At a minimum, the reports listed in C-9.13.1 will contain the following data elements:

- " Requisition number
- " Part number
- " Part nomenclature/description
- " Unit of Issue
- " Quantity
- " Status
- " Unit Price
- " Extended Price
- " Customs Fees

C.11 CONTRACT DATA REQUIREMENTS LIST

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See attached for the Contract Data Requirements List.

C.12 TERMS AND DEFINITIONS

TERMS AND DEFINITIONS RELATIVE TO SPECIFIC TASKS ARE LOCATED WITHIN THE DOCUMENTS ATTACHED, SEE SECTION J FOR LISTING.

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SECTION E -- INSPECTION AND ACCEPTANCE

E.1 52.246-06 INSPECTION--TIME-AND-MATERIAL AND LABOR- HOUR MAY 2001

(a) Definitions. As used in this clause-

"Contractor's managerial personnel" means any of the Contractor's directors, officers, managers, superintendents, or equivalent representatives who have supervision or direction of-

- (1) All or substantially all of the Contractor's business;
- (2) All or substantially all of the Contractor's operation at any one plant or separate location where the contract is being performed; or
- (3) A separate and complete major industrial operation connected with the performance of this contract.

"Materials" includes data when the contract does not include the Warranty of Data clause.

(b) The Contractor shall provide and maintain an inspection system acceptable to the Government covering the material, fabricating methods, work, and services under this contract. Complete records of all inspection work performed by the Contractor shall be maintained and made available to the Government during contract performance and for as long afterwards as the contract requires.

(c) The Government has the right to inspect and test all materials furnished and services performed under this contract, to the extent practicable at all places and times, including the period of performance, and in any event before acceptance. The Government may also inspect the plant or plants of the Contractor or any subcontractor engaged in contract performance. The Government shall perform inspections and tests in a manner that will not unduly delay the work.

(d) If the Government performs inspection or test on the premises of the Contractor or a subcontractor, the Contractor shall furnish and shall require subcontractors to furnish all reasonable facilities and assistance for the safe and convenient performance of these duties.

(e) Unless otherwise specified in the contract, the Government shall accept or reject services and materials at the place of delivery as promptly as practicable after delivery, and they shall be presumed accepted 60 days after the date of delivery, unless accepted earlier.

(f) At any time during contract performance, but not later than 6 months (or such other time as may be specified in the contract) after acceptance of the services or materials last delivered under this contract, the Government may require the Contractor to replace or correct services or materials that at time of delivery failed to meet contract requirements. Except as otherwise specified in paragraph (h) of this clause, the cost of replacement or correction shall be determined under the Payments Under Time-and-Materials and Labor-Hour Contracts clause, but the "hourly rate" for labor hours incurred in the replacement or correction shall be reduced to exclude that portion of the rate attributable to profit. The Contractor shall not tender for acceptance materials and services required to be replaced or corrected without disclosing the former requirement for replacement or correction, and, when required, shall disclose the corrective action taken.

(g)(1) If the Contractor fails to proceed with reasonable promptness to perform required replacement or correction, and if the replacement or correction can be performed within the ceiling price (or the ceiling price as increased by the Government), the Government may--

(i) By contract or otherwise, perform the replacement or correction, charge to the Contractor any increased cost, or deduct such increased cost from any amounts paid or due under this contract; or

(ii) Terminate this contract for default.

(2) Failure to agree to the amount of increased cost to be charged to the Contractor shall be a dispute.

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(h) Notwithstanding paragraphs (f) and (g) above, the Government may at any time require the Contractor to remedy by correction or replacement, without cost to the Government, any failure by the Contractor to comply with the requirements of this contract, if the failure is due to--

- (1) fraud, lack of good faith, or willful misconduct on the part of the Contractor's managerial personnel; or
- (2) the conduct of one or more of the Contractor's employees selected or retained by the Contractor after any of the Contractor's managerial personnel has reasonable grounds to believe that the employee is habitually careless or unqualified.

(i) This clause applies in the same manner and to the same extent to corrected or replacement materials or services as to materials and services originally delivered under this contract.

(j) The Contractor has no obligation or liability under this contract to correct or replace materials and services that at time of delivery do not meet contract requirements, except as provided in this clause or as may be otherwise specified in the contract.

(k) Unless otherwise specified in the contract, the Contractor's obligation to correct or replace Government-furnished property shall be governed by the clause pertaining to Government property.

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SECTION F -- DELIVERIES OR PERFORMANCE

F.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):

<http://www.arnet.gov/far/current/html/FARMTOC.html>

[Insert one or more Internet addresses]

Clause	Title	Date
52.242-15 Alt I	Stop-Work Order (Aug 1989) Alternate I	April 1984
52.242-15	Stop-Work Order	August 1989

F.2 PERIOD OF PERFORMANCE

The period of performance of this order is twelve months from delivery order award date.

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SECTION G -- CONTRACT ADMINISTRATION DATA

G.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):

<http://www.arnet.gov/far/current/html/FARMTOC.html>

[Insert one or more Internet addresses]

Clause	Title	Date
TEXT	Contractor Representative	

G.2 METHOD OF PAYMENT

(a) Payments under this contract will be made either by check or by wire transfer through the Treasury Financial Communications System at the option of the Government.

(b) The Contractor shall forward the following information in writing to DOT/Maritime Administration, Division of Accounting Operations, MAR-333, 400 7th Street, SW, Room 7325, Washington, DC 20590 not later than 7 days after receipt of notice of award.

(1) Contract or Purchase Order Number.

(2) Full name (where practicable), title, phone number, company's IRS Taxpayer ID number, and complete mailing address of responsible official(s), (I) to whom checks are to be sent, and (ii) who may be contacted concerning the bank account information requested below.

(3) The following bank account information required to accomplish wire transfers:

(i) Name, address, and telegraphic abbreviation of the receiving financial institution.

(ii) Receiving financial institution's 9-digit American Bankers Association (ABA) identifying number for routing transfer funds. (Provide this number only if the receiving financial institution has access to the Federal Reserve Communications System.)

(iii) Recipient's name and account number at the receiving financial institution to be credited with the funds.

(iv) If the receiving financial institution does not have access to the Federal Reserve Communications System, provide the name of the correspondent financial institution through which the receiving financial institution receives electronic funds transfer messages. If a correspondent financial institution is specified, also provide:

(A) Address and telegraphic abbreviation of the correspondent financial institution.

(B) The correspondent financial institution's 9-digit ABA identifying number for routing transfer of funds.

(c) Any changes to the information furnished under paragraph (b) of this clause shall be furnished to U.S. Department of Transportation, Maritime Administration, Division of Accounting Operations, MAR-333 Room 7325, 400 7th Street, S.W., Washington, DC 20590 in writing at least 30 days before the effective date of change. It is the Contractor's responsibility to furnish these changes promptly to avoid payments to erroneous addresses or bank accounts.

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(d) The document furnishing the information required in paragraph (b) and (c) must be dated and contain the signature, title, and telephone number of the Contractor official authorized to provide it, as well as the Contractor's name and contract number.

(e) Failure to submit information required by this clause could result in delay in processing of invoices for payment.

G.3 PAYMENT DUE DATE

(a) Payments under this contract will be due on the 30th calendar day after the date of actual receipt of a proper invoice in the office designated to receive the invoice.

(b) The date of the check issued in payment shall be considered to be the date payment is made.

(c) Payments under this contract will not be paid earlier than the date specified herein unless the Contractor offers a discount. Discounts will be taken by the Government only when economically justified under the provisions of Volume I, Treasury Fiscal Requirements Manual 6-8040.30.

G.4 ADDRESS OF CORRESPONDENCE

All correspondence except as otherwise specified shall be directed to the Contracting Officer at the following address:

DOT/Maritime Administration
Office of Acquisition, MAR-380
400 7th Street, Room 7310
Washington, D.C. 20590
Attn.: Erica L. Williams

G.5 CONTROL OF GOVERNMENT FURNISHED PROPERTY

Control of Government property shall be accomplished in accordance with the Government Property clause of this contract (See Section I) and Transportation Acquisition Regulations (TAR) 1245.5 "Management of Government Property in the Possession of Contractors". The designated Property Administrator for this contract is Mr. Bill Kaag..

G.6 INVOICE REQUIREMENTS

Until such time as electronic invoicing becomes available, invoices shall be submitted in an original and three copies to: U.S. Department of Transportation, Maritime Administration, Division of Accounting Operations, MAR-333 Room 7322, 400 7th Street, S.W., Washington, DC 20590. To constitute a proper invoice, the invoice must include the following information and/or attached documentation:

(a) Name of the business concern and invoice date.

(b) Contract number, or other authorization for delivery of property or services.

(c) Description, price, and quantity of property and services actually delivered or rendered.

(d) Hours expended to date by work authorization and labor category.

(e) Shipping and payment terms.

(f) Name (where practicable), title, phone number, and complete mailing address of responsible official to whom payment is to be sent.

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(g) Other substantiating documentation or information as required by the Contracting Officer.

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SECTION H -- SPECIAL CONTRACT REQUIREMENTS

H.1 TECHNICAL DIRECTIVES

Authority to develop and issue technical directives (TD) is provided to the COTR in the Contracting Officer's Letter of Appointment.

A draft TD will be written detailing the work to be accomplished, period of performance and deliverables desired and/or the results expected.

The COTR will have discussions with the contractor, informative in nature, pertaining to the technical aspects of the task and thereby providing the contractor with enough information in which to develop a cost estimate and finalize the TD. A TD will be issued only after the COTR and the contractor's Program Manager have agreed on the terms of the TD and a written cost estimate is provided by the contractor.

The COTR will prepare a procurement request, obtaining the required signatures of the Requisitioner, Approving Officer and Fund Control Officer prior to submission to the Contracting Officer. The Contracting Officer upon receipt of the signed PR with the finalized TD and cost estimate will issue a modification to the contractor applying the funds to the delivery order.

The contractor will immediately begin performing the work specified in the written TD, if funds are available.

If the contractor considers the estimated labor hours or specified work completion date to be unreasonable, the contractor shall promptly notify the COTR and Contracting Officer within 10 calendar days, stating why the estimated labor hours or specified completion is considered unreasonable.

Each technical directive will have a ceiling price which the contractor may not exceed. When the contractor has reason to believe that the labor payment and support costs for the order, which will accrue in the following thirty (30) days, will bring total costs to over 85% of the ceiling price specified in the TD, the contractor shall notify the COTR.

This clause does not change the notification requirements of clauses 52.232-20 Limitation of Cost and 52.232-22 Limitation of Funds.

TD's shall not change any terms or conditions of the contract. Where any language in the work assignment may suggest a change to the terms or conditions, the contractor will immediately notify the Contracting Officer.

H.2 INCREMENTAL FUNDING OF THE DELIVERY ORDER

It may be necessary for the Government to issue this delivery order not fully funded at the time of award.

The total amount of this delivery order is \$4,102,951.11; however, only \$200,000.00 is funded with this action. If and when funds are available, they shall be added to this order by unilateral action of the Government. The contractor is notified that the Government is not obligated to reimburse for costs exceeding the funds obligated under this order and the contractor exceeds the ceiling at his own risk. The delivery order incorporates by reference the clause 52.232-22 Limitation of Funds (APR 1984).

Until such time as this delivery order is fully funded, clause 52.232-20, Limitation of Cost shall be ineffective and clause 52.232-22, Limitation of Funds shall apply. At such time as this contract is fully funded, said clause 52.232-20 shall become fully effective and applicable in lieu of clause 52.232-22.

H.3 INFORMATION TECHNOLOGY (IT) SERVICES

The contractor shall be responsible for IT* security for all systems operated by or connected to a DOT network, regardless of location. This includes any IT resources or services in which the contractor has physical or electronic access to DOT's sensitive information that directly supports the mission of DOT (e.g., hosting DOT e-Government sites or other IT operations). If necessary, the Government

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shall have access to contractor and any subcontractor facilities, systems/networks operated on behalf of DOT, documentation, databases and personnel to carry out a program of IT inspection (to include vulnerability scanning), investigation and audit to safeguard against threats and hazards to DOT data or IT systems.

Within 30 days of contract award, the contractor shall develop and provide to the Government for approval, an IT Security Plan which describes the processes and procedures the contractor will follow in performance of this contract to ensure the appropriate security of IT resources developed, processed, or used under this contract. This Plan shall be written and implemented in accordance with applicable Federal laws including: The Computer Security Act of 1987 (40 U.S.C. 1441 et seq.), the Clinger-Cohen Act of 1996, and the Government Information Security Reform Act (GISRA) of 2000 and meet Government IT security requirements including: OMB Circular A-130, Management of Federal Information Resources, Appendix 111, Security of Federal Automated Information Resources; National Institute of Standards and Technology (NIST) Guidelines; Departmental Information Resource Management Manual (DIRMM) and associated guidelines; and DOT Order 1630.2B, Personnel Security Management.

The contractor shall screen their personnel requiring privileged access or limited privileged access to systems operated by the contractor for DOT or interconnected to a DOT network in accordance with DOT Order 1630.2B, Personnel Security Management and ensure contractor employees are trained annually in accordance with OMB Circular A-130, GISRA, and NIST requirements with a specific emphasis on rules of behavior.

The contractor shall include the above requirements in any subcontract awarded for IT services.

*IT means any equipment or interconnected system or subsystem of equipment used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information and as further defined in OMB Circular A-130 and the Federal Acquisition Regulation Part 2.

H.4 ACCESS TO SENSITIVE INFORMATION

Work under this contract may involve access to sensitive information* which shall not be disclosed by the contractor unless authorized by the contracting officer. To protect sensitive information, the contractor shall provide training to any contractor employee authorized access to sensitive information and, upon request of the Government, provide information as to an individual's suitability to have such authorization. Contractor employees found by the Government to be unsuitable or whose employment is deemed contrary to the public interest or inconsistent with the best interest of national security, may be prevented from performing work under the particular contract when requested by the contracting officer.

The contractor shall ensure that contractor employees are: (1) citizens of the United States of America or an alien who has been lawfully admitted for permanent residence or employment (indicated by immigration status) as evidenced by Immigration and Naturalization Service documentation; and (2) have background investigations in accordance with DOT Order 1630.2B, Personnel Security Management.

The contractor shall include the above requirements in any subcontract awarded involving access to Government facilities, sensitive information, and/or resources.

*Sensitive Information is proprietary data or other information that, if subject to unauthorized access, modification, loss or misuse could adversely affect national interest, conduct of Federal programs, or privacy of individuals specified in the Privacy Act, but has not been specifically authorized to be kept secret in the interest of national defense or foreign policy under an Executive Order or Act of Congress.

H.5 CONTRACTOR EMPLOYEE SECURITY SCREENING APPLICABILITY

Except as provided below, contractor employees having comparable exposure to DOT facilities, sensitive information, and/or resources shall be subject to the same investigative requirements, based on the risk level of their position as DOT employees.

High Risk Positions - All contractor employees in these positions shall be subject to a background investigation.

Moderate Risk Positions - All contractor employees in these positions shall be subject to at least a NACI investigation.

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Low Risk Positions - Except as specified below, the minimum investigative requirement for contractor employees in these positions is a fingerprint check. Depending on the extent of access to DOT facilities, sensitive information, or resources, the servicing security organization may require a more extensive investigation, up to and including an NACI.

Temporary Positions - Contractor employees in low risk positions that are intermittent, seasonal, per diem, or temporary and who do not work on the DOT contract in excess of 180 days in either a single assignment or a series of assignments are exempt from any investigative requirement.

Delivery Personnel - These contractor employees are exempt from any investigative requirement even if they are working under a DOT contract for an extended period of time. However, depending on their access at the facility, they may require and escort if they have not been investigated.

H.6 NONDISCLOSURE OF DATA AND INFORMATION

1. The Contractor, and any of its subcontractors in performance of this contract, may have need for access to and use of various types of data and information in the possession of the Government which the Government obtained under conditions which restrict the Government's right to use and disclose the data and information, or which may be of such a nature that its dissemination or use other than in the performance of this contract, would be adverse to the interests of the Government or other parties. Therefore, the Contractor and its subcontractors agree to abide by any restrictive use conditions on such data and not to:

- (a) Knowingly disclose such data and information to others without written authorization from the Contracting Officer, unless the Government has made the data and information available to the public; and
- (b) Use for any purpose other than the performance of the contract that data which bears a restrictive marking or legend.

2. Except as the Contracting Officer specifically authorizes in writing, upon completion of all work under this contract the Contractor shall return all such data and information, including all copies, modifications, adaptations, or combinations thereof, to the Contracting Officer. The Contractor shall further certify in writing to the Contracting Officer that all copies, modifications, adaptations or combinations of such data or information which cannot reasonably be returned to the Contracting Officer, have been deleted from the Contractor's (and any subcontractor's) records.

3. These restrictions do not limit the Contractor's or subcontractor's right to use and disclose any data and information obtained from another source without restriction. As used herein, the term "data" has the meaning set forth in Department of Transportation Procurement Regulations, 48 CFR 1252.227-71, "Rights in Data - General", and includes, but is not limited to, computer software, as also defined in 48 CFR 1252.227-71.

H.7 PERMIT AND WAIVER FORMS

Prior to access to any vessel, each of the contractor's personnel who require access to a MARAD vessel shall sign the appropriate permit and waiver forms provided by MARAD.

H.8 SUPERVISION

The Contractor shall provide at all times the quantity and quality of supervision necessary for the effective and efficient management of the operation. All supervisors shall have an intimate knowledge of the various tasks, equipment, and materials so as to be able to properly train and direct the workers in their individual tasks and to maintain and control an effective operation.

H.9 STANDARDS OF EMPLOYEE CONDUCT

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The Contractor shall be responsible for maintaining satisfactory standards of employee competency, conduct, and integrity, and shall be responsible for taking such disciplinary action with respect to its employees as may be necessary.

H.10 DUPLICATION OF EFFORT

The Contractor hereby certifies that cost for work to be performed under this contract and any subcontract hereunder are not duplicative of any costs charged against any other Government contract, subcontract, or other Government source. The contractor will include the provisions of this paragraph in every subcontract issued hereunder which exceeds \$2,500.00. The contractor agrees to advise the Contracting Officer, in writing, of any other Government contractor or subcontract it has performed or is performing which involves work directly related to the purpose of this contract.

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):

<http://www.arnet.gov/far/current/html/FARMTOC.html>

[Insert one or more Internet addresses]

Clause	Title	Date
52.245-05	Government Property (Cost-Reimbursement, Time-And-Materials, Or Labor Hour Contracts)	May 2004

I.2 1252.215-70 KEY PERSONNEL AND/OR FACILITIES OCTOBER 1994

(a) The personnel and/or facilities as specified below are considered essential to the work being performed hereunder and may, with the consent of the contracting parties, be changed from time to time during the course of the contract by adding or deleting personnel and/or facilities, as appropriate.

(b) Prior to removing, replacing, or diverting any of the specified individuals or facilities, the Contractor shall notify, in writing, and receive consent from, the Contracting Officer reasonably in advance of the action and shall submit justification (including proposed substitutions) in sufficient detail to permit evaluation of the impact on this contract.

(c) No diversion shall be made by the Contractor without the written consent of the Contracting Officer. The Contracting Officer may ratify, in writing, the change and such ratification shall constitute the consent of the Contracting Officer required by this clause.

The Key Personnel and/or Facilities under this Contract:

Program Manager _____

Logistics Support Manager _____

Financial Manager _____

I.3 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.

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(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.4 1252.242- DISSEMINATION OF CONTRACT INFORMATION OCTOBER 1994
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The Contractor shall not publish, permit to be published, or distribute for public consumption, any information, oral or written, concerning the results or conclusions made pursuant to the performance of this contract, without the prior written consent of the Contracting Officer. Two copies of any material proposed to be published or distributed shall be submitted to the Contracting Officer.

I.5 1252.245- GOVERNMENT PROPERTY REPORTS OCTOBER 1994
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(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.6 52.237-03 CONTINUITY OF SERVICES JANUARY 1991

(a) The Contractor recognizes that the services under this contract are vital to the Government and must be continued without interruption and that, upon contract expiration, a successor, either the Government or another contractor, may continue them. The Contractor agrees to--

(1) Furnish phase-in training; and

(2) Exercise its best efforts and cooperation to effect an orderly and efficient transition to a successor.

(b) The Contractor shall, upon the Contracting Officer's written notice, (1) furnish phase-in, phase-out services for up to 90 days after this contract expires and (2) negotiate in good faith a plan with a successor to determine the nature and extent of phase-in, phase-out services required. The plan shall specify a training program and a date for transferring responsibilities for each division of work described in the plan, and shall be subject to the Contracting Officer's approval. The Contractor shall provide sufficient experienced personnel during the phase-in, phase-out period to ensure that the services called for by this contract are maintained at the required level of proficiency.

(c) The Contractor shall allow as many personnel as practicable to remain on the job to help the successor maintain the continuity and consistency of the services required by this contract. The Contractor also shall disclose necessary personnel records and allow the successor to conduct onsite interviews with these employees. If selected employees are agreeable to the change, the Contractor shall release them at a mutually agreeable date and negotiate transfer of their earned fringe benefits to the successor.

(d) The Contractor shall be reimbursed for all reasonable phase-in, phase-out costs (i.e., costs incurred within the agreed period after contract expiration that result from phase-in, phase-out operations) and a fee (profit) not to exceed a pro rata portion of the fee (profit) under this contract.

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

J.1 ATTACHMENTS AND TECHNICAL EXHIBITS

Attachments

1. Contract Data Requirements
2. DOT Order 1630.2b

Technical Exhibits

Technical Exhibit I: RRF Logistics Management Manual (CD ROM)
Technical Exhibit II: PC-SAL 4.0 Users Guide (CD ROM)
Technical Exhibit III: DOT Financial Management Policies Manual