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*(Revised August 20, 2010)*

### **247.001 Definitions.**

#### **247.001 Definitions.**

For definitions of "Civil Reserve Air Fleet" and "Voluntary Intermodal Sealift Agreement," see Joint Pub 1-02, DoD Dictionary of Military and Associated Terms. See additional information at [PGI 247.001 \(DFARS/PGI view\)](#) for the Voluntary Intermodal Sealift Agreement program.

### **SUBPART 247.1--GENERAL**

*(Added June 29, 2012)*

### **247.101 Policies.**

#### **247.101 Policies.**

(h) *Shipping documents covering f.o.b. origin shipments.*

(i) Procedures for the contractor to obtain bills of lading are in the clause at [252.247-7028](#), Application for U.S. Government Shipping Documentation/ Instructions.

(ii) The term "commercial bills of lading" includes the use of any commercial form or procedure.

## **SUBPART 247.2--CONTRACTS FOR TRANSPORTATION OR FOR TRANSPORTATION-RELATED SERVICES**

*(Revised June 28, 2019)*

### **247.200 Scope of subpart.**

### **247.206 Preparation of solicitations and contracts.**

### **247.207 Solicitation provisions, contract clauses, and special requirements.**

### **247.270 Stevedoring contracts.**

### **247.270-1 Scope of section.**

### **247.270-2 Definitions.**

### **247.270-3 Technical provisions.**

### **247.270-4 Contract clauses.**

### **247.271 Contracts for the preparation of personal property for shipment or storage or for performance of intra-city or intra-area movement.**

### **247.271-1 Policy.**

### **247.271-2 Procedures.**

### **247.271-3 Solicitation provisions, schedule formats, and contract clauses.**

### **247.200 Scope of subpart.**

This subpart does not apply to the operation of vessels owned by, or bareboat chartered

by, the Government. See additional guidance at [PGI 247.200 \(DFARS/PGI view\)](#) for procurement of transportation or related services.

### **247.206 Preparation of solicitations and contracts.**

Consistent with FAR 15.304 and [215.304](#), consider using the following as evaluation factors or subfactors:

- (1) Record of claims involving loss or damage; and
- (2) Commitment of transportation assets to readiness support (e.g., Civil Reserve Air Fleet and Voluntary Intermodal Sealift Agreement).

### **247.207 Solicitation provisions, contract clauses, and special requirements.**

(1) Use the clause at [252.247-7003](#), Pass-Through of Motor Carrier Fuel Surcharge Adjustment to the Cost Bearer, in solicitations and contracts, including solicitations and contracts using FAR part 12 procedures for the acquisition of commercial items, that are for carriage in which a motor carrier, broker, or freight forwarder will provide or arrange truck transportation services that provide for a fuel-related adjustment.

(2) Use the clause at [252.247-7028](#), Application for U.S. Government Shipping Documentation/Instructions in solicitations and contracts, including solicitations and contracts using FAR part 12 procedures for the acquisition of commercial items, when shipping under Bills of Lading and Domestic Route Order under FOB origin contracts, Export Traffic Release regardless of FOB terms, or foreign military sales shipments.

### **247.270 Stevedoring contracts.**

#### **247.270-1 Definitions.**

(a) "Commodity rate" is—

(1) The price quoted for handling a ton (weight or measurement) of a specified commodity; and

(2) Computed by dividing the hourly stevedoring gang cost by the estimated number of tons of the specified commodity that can be handled in one hour.

(b) "Gang cost" is—

(1) The total hourly wages paid to the workers in the gang, in accordance with the collective bargaining agreement between the maritime industry and the unions at a specific port; and

(2) Payments for workmen's compensation, social security taxes, unemployment insurance, taxes, liability and property damage insurance, general and administrative expenses, and profit.

(c) "Stevedoring" is the—

(1) Loading of cargo from an agreed point of rest on a pier or lighter and its storage aboard a vessel; or

(2) Breaking out and discharging of cargo from any space in the vessel to an agreed point of rest dockside or in a lighter.

#### **247.270-2 Technical provisions.**

(a) Because conditions vary at different ports, and sometimes within the same port

it is not practical to develop standard technical provisions covering all phases of stevedoring operations.

(b) When including rail car, truck, or intermodal equipment loading and unloading, or other dock and terminal work under a stevedoring contract, include these requirements as separate items of work.

#### **247.270-3 Evaluation of bids and proposals.**

As a minimum, require that offers include—

(a) Tonnage or commodity rates that apply to the bulk of the cargo worked under normal conditions;

(b) Labor-hour rates that apply to services not covered by commodity rates, or to work performed under hardship conditions; and

(c) Rates for equipment rental.

#### **247.270-4 Contract clauses.**

Use the following clauses in solicitations and contracts for stevedoring services as indicated:

(a) [252.247-7000](#), Hardship Conditions.

(b) [252.247-7002](#), Revision of Prices, when using negotiation.

(c) [252.247-7007](#), Liability and Insurance.

#### **247.271 Contracts for the preparation of personal property for shipment or storage or for performance of intra-city or intra-area movement.**

##### **247.271-1 Policy.**

(a) *Annual contracts.* Normally—

(1) Use requirements contracts to acquire services for the—

(i) Preparation of personal property for shipment or storage; and

(ii) Performance of intra-area movement.

(2) Award contracts on a calendar year basis.

(3) Provide for option years.

(4) Award contracts, or exercise option years, before November 1 of each year, if possible.

(b) *Areas of performance.* Define clearly in the solicitation each area of performance.

(1) Establish one or more areas; however, hold the number to a minimum consistent with local conditions.

(2) Each schedule may provide for the same or different areas of performance. Determine the areas as follows—

(i) Use political boundaries, streets, or any other features as lines of demarcation.

Consider such matters as—

(A) Total volume;

(B) Size of overall area; and

(C) The need to service isolated areas of high population density.

(ii) Specifically identify frequently used terminals, and consider them as being included in each area of performance described in the solicitation.

(c) *Maximum requirements-minimum capability.* The contracting officer must—

(1) Establish realistic quantities on the Estimated Quantities Report in DoD 4500.9-R, Defense Transportation Regulation, Part IV;

(2) Ensure that the Government's minimum acceptable daily capability—

(i) Will at least equal the maximum authorized individual weight allowance as prescribed by the Joint Federal Travel Regulations; and

(ii) Will encourage maximum participation of small business concerns as offerors.

#### **247.271-2 Procedures.**

Follow the procedures at [PGI 247.271-2 \(DFARS/PGI view\)](#) for contracting for the preparation of personal property for shipment or storage.

#### **247.271-3 Solicitation provisions, schedule formats, and contract clauses.**

When acquiring services for the preparation of personal property for movement or storage, or for performance of intra-city or intra-area movement, use the following provisions, clauses, and schedules. Revise solicitation provisions and schedules, as appropriate, if using negotiation rather than sealed bidding. Overseas commands, except those in Alaska and Hawaii, may modify these clauses to conform to local practices, laws, and regulations.

(a) In solicitations and resulting contracts, the schedules provided by the

installation personal property shipping office. Follow the procedures at [PGI 247.271-3\(c\) \(DFARS/PGI view\)](#) for use of schedules.

(b) In addition to designating each ordering activity, as required by the clause at FAR 52.216-18, Ordering, identify by name or position title the individuals authorized to place orders for each activity. When provisions are made for placing oral orders in accordance with FAR 16.504(a)(4)(vii), document the oral orders in accordance with department or agency instructions.

(c) The clause at [252.247-7014](#), Demurrage. See additional information at [PGI 247.271-3\(c\)\(1\) \(DFARS/PGI view\)](#) for demurrage and detention charges.

(d) The clause at [252.247-7016](#), Contractor Liability for Loss and Damage.

(e) The clauses at FAR 52.247-8, Estimated Weight or Quantities Not Guaranteed, and FAR 52.247-13, Accessorial Services--Moving Contracts.

## **SUBPART 247.3--TRANSPORTATION IN SUPPLY CONTRACTS**

*(Revised September 13, 2019)*

### **247.301 General**

#### **247.301-70 Definition**

#### **247.301-71 Evaluation factor or subfactor**

#### **247.305 Solicitation provisions, contract clauses, and transportation factors**

#### **247.305-10 Packing, marking, and consignment instructions**

#### **247.370 DD Form 1384, Transportation Control and Movement Document**

#### **247.371 DD Form 1653, Transportation Data for Solicitations**

#### **247.372 DD Form 1654, Evaluation of Transportation Cost Factors**

### **247.301 General.**

See [PGI 247.301 \(DFARS/PGI view\)](#) for transportation guidance relating to Government Purchase Card purchases.

### **247.301-70 Definition.**

"Integrated logistics managers" or "third-party logistics providers" means providers of multiple logistics services. Some examples of logistics services are the management of transportation, demand forecasting, information management, inventory maintenance, warehousing, and distribution.

### **247.301-71 Evaluation factor or subfactor.**

For contracts that will include a significant requirement for transportation of items outside the contiguous United States, include an evaluation factor or subfactor that favors suppliers, third-party logistics providers, and integrated logistics managers that commit to using carriers that participate in one of the readiness programs (e.g., Civil Reserve Air Fleet and Voluntary Intermodal Sealift Agreement).

### **247.305 Solicitation provisions, contract clauses, and transportation factors.**

### **247.305-10 Packing, marking, and consignment instructions.**

Follow the procedures at [PGI 247.305-10 \(DFARS/PGI view\)](#) for preparation of consignment instructions.

### **247.370 DD Form 1384, Transportation Control and Movement Document.**

The transportation office of the shipping activity prepares the DD Form 1384 to accompany all

shipments made through a military air or water port, in accordance with DoD 4500.9-R, Defense Transportation Regulation, Part II, Chapter 203. A link to this document is available in [PGI 247.370 \(DFARS/PGI view\)](#).

#### **247.371 DD Form 1653, Transportation Data for Solicitations.**

The transportation specialist prepares the DD Form 1653 to accompany requirements for the acquisition of supplies. The completed form should contain recommendations for suitable f.o.b. terms and other suggested transportation provisions for inclusion in the solicitation.

#### **247.372 DD Form 1654, Evaluation of Transportation Cost Factors.**

Contracting personnel may use the DD Form 1654 to furnish information to the transportation office for development of cost factors for use by the contracting officer in the evaluation of f.o.b. origin offers.

### **SUBPART 247.5--OCEAN TRANSPORTATION BY U.S.-FLAG VESSELS**

*(Revised February 15, 2019)*

#### **[247.570 Scope.](#)**

#### **[247.571 Definitions.](#)**

#### **[247.572 Policy.](#)**

#### **[247.573 General.](#)**

#### **[247.574 Solicitation provisions and contract clauses.](#)**

#### **247.570 Scope.**

This subpart—

(a) Implements—

(1) The Cargo Preference Act of 1904 ("the 1904 Act"), 10 U.S.C. 2631, which applies to the ocean transportation of cargo owned by, or destined for use by, DoD;

(2) Section 1017 of the National Defense Authorization Act for Fiscal Year 2007 (Pub. L. 109-364), which requires consideration, in solicitations requiring a covered vessel, of the extent to which offerors have had overhaul, repair, and maintenance work performed in shipyards located in the United States or Guam; and

(3) Section 3504 of the National Defense Authorization Act for Fiscal Year 2009 (Pub. L. 110-417), which addresses requirements that apply to riding gang members and DoD-exempted



individuals (see [252.247-7027](#)(c)) who perform work on U.S.-flag vessels under DoD contracts for transportation services documented under chapter 121, title 46 U.S.C.

(b) Does not specifically implement the Cargo Preference Act of 1954 ("the 1954 Act"), 46 U.S.C. 1241(b). The 1954 Act is applicable to DoD, but DFARS coverage is not required because compliance with the 1904 Act historically has resulted in DoD exceeding the 1954 Act's requirements; and

(c) Does not apply to ocean transportation of the following products, in which case FAR Subpart 47.5 applies:

(1) Products obtained for contributions to foreign assistance programs.

(2) Products owned by agencies other than DoD, unless the products are clearly identifiable for eventual use by DoD.

### **247.571 Definitions.**

As used in this subpart—

(a) "Components," "foreign flag vessel," "ocean transportation," "supplies," and "U.S.-flag vessel" have the meaning given in the clause at [252.247-7023](#), Transportation of Supplies by Sea.

(b) "Reflagging or repair work" has the meaning given in the clause at [252.247-7025](#), Reflagging or Repair Work.

(c) "Covered vessel," "foreign shipyard," "overhaul, repair, and maintenance work," "shipyard," and "U.S. shipyard" have the meaning given in the provision at [252.247-7026](#), Evaluation Preference for Use of Domestic Shipyards - Applicable to Acquisition of Carriage by Vessel for DoD Cargo in the Coastwise or Noncontiguous Trade.

### **247.572 Policy.**

(a) In accordance with 10 U.S.C. 2631(a), DoD contractors shall transport supplies, as defined in the clause at [252.247-7023](#), Transportation of Supplies by Sea, exclusively on U.S.-flag vessels unless—

(1) Those vessels are not available;

(2) The proposed charges to the Government are higher than charges to private persons for the transportation of like goods; or

(3) The proposed freight charges are excessive or unreasonable.

(b) Contracts must provide for the use of Government-owned vessels when security classifications prohibit the use of other than Government-owned vessels.

(c) In accordance with 10 U.S.C. 2631(b)—

(1) Any vessel used under a time charter contract for the transportation of supplies under this section shall have any reflagging or repair work, as defined in the clause at [252.247-7025](#), Reflagging or Repair Work, performed in the United States or its outlying areas, if the reflagging or repair work is performed—

(i) On a vessel for which the contractor submitted an offer in response to the solicitation for the contract; and

(ii) Prior to acceptance of the vessel by the Government.

(2) The Secretary of Defense may waive this requirement if the Secretary determines that such waiver is critical to the national security of the United States.

(d) In accordance with Section 1017 of the National Defense Authorization Act for Fiscal Year 2007 (Pub. L. 109-364)—

(1) When obtaining carriage requiring a covered vessel, the contracting officer must consider the extent to which offerors have had overhaul, repair, and maintenance work for covered vessels performed in shipyards located in the United States or Guam; and

(2) DoD must submit an annual report to the congressional defense committees, addressing the information provided by offerors with regard to overhaul, repair, and maintenance for covered vessels performed in the United States or Guam.

(e) In accordance with section 3504 of the National Defense Authorization Act for Fiscal Year 2009 (Pub. L. 110-417), DoD may not award, renew or extend, or exercise an option under a charter of, or contract for carriage of cargo by, a U.S.-flag vessel documented under chapter 121 of title 46 U.S.C, unless the contract contains the clause at [252.247-7027](#).

#### **247.573 General.**

(a) *Delegated authority.* Pursuant to 10 U.S.C. 2631(a) and Secretary of Defense Memorandum dated February 7, 2012, (see [PGI 247.573 \(DFARS/PGI view\)](#)) the authority to make determinations of excessive ocean liner rates and excessive charter rates is delegated to—

(1) The Commander, United States Transportation Command, for excessive ocean liner rate determinations; and

(2) The Secretary of the Navy for excessive charter rate determinations.

(b) *Procedures.*

(1) Contracting officers shall follow the procedures at [PGI 247.573\(b\)\(1\) \(DFARS/PGI view\)](#) when purchase of ocean transportation services is incidental to a contract for supplies, services, or construction.

(2) Contracting officers shall follow the procedures at [PGI 247.573\(b\)\(2\) \(DFARS/PGI view\)](#) when direct purchase of ocean transportation services is the principal purpose of the contract.

(3) Agency and department procedures relating to annual reporting requirements of information received from offerors in response to solicitation provision [252.247-7026](#), Evaluation Preference for Use of Domestic Shipyards—Applicable to Acquisition of Carriage by Vessel for DoD Cargo in the Coastwise of Noncontiguous Trade, are found at [PGI 247.573\(b\)\(3\) \(DFARS/PGI view\)](#).

(4) Procedures are provided at [PGI 247.573\(b\)\(4\)](#) to accomplish security background checks pursuant to clause [252.247-7027](#), Riding Gang Member Requirements.

#### **247.574 Solicitation provisions and contract clauses.**

(a)(1) Use the provision at [252.247-7022](#), Representation of Extent of Transportation by Sea, in all solicitations, including solicitations using FAR part 12 procedures for the acquisition of commercial items, except—

- (i) Those for direct purchase of ocean transportation services; or
- (ii) Those with an anticipated value at or below the simplified acquisition threshold.

(2) If the solicitation includes the provision at FAR 52.204-7, do not separately list [252.247-7022](#) in the solicitation.

(b) Use the basic or one of the alternates of the clause at [252.247-7023](#), Transportation of Supplies by Sea, in all solicitations and contracts, including solicitations and contracts using FAR part 12 procedures for the acquisition of commercial items, except those for direct purchase of ocean transportation services.

(1) Use the basic clause unless any of the supplies to be transported are commercial items that are—

(i) Shipped in direct support of U.S. military contingency operations, exercises, or forces deployed in humanitarian or peacekeeping operations when the contract is not a construction contract; or

(ii) Commissary or exchange cargoes transported outside of the Defense Transportation System when the contract is not a construction contract.

(2) Use the alternate I clause if any of the supplies to be transported are commercial items that are shipped in direct support of U.S. military contingency operations, exercises, or forces deployed in humanitarian or peacekeeping operations when the contract is not a construction contract.

(3) Use the alternate II clause if any of the supplies to be transported are commercial items that are commissary or exchange cargoes transported outside of the Defense Transportation System (10 U.S.C. 2643), when the contract is not a construction contract.

(c) Use the clause at [252.247-7025](#), Reflagging or Repair Work, in all time charter solicitations and contracts, including time charter solicitations and contracts using FAR part 12 procedures for the acquisition of commercial items, that are for the use of a vessel for the transportation of supplies, unless a waiver has been granted in accordance with [247.572\(c\)\(2\)](#).

(d) Use the provision at [252.247-7026](#), Evaluation Preference for Use of Domestic Shipyards—Applicable to Acquisition of Carriage by Vessel for DoD Cargo in the Coastwise or Noncontiguous Trade, in solicitations, including solicitations using FAR part 12 procedures for the acquisition of commercial items, that require a covered vessel for carriage of cargo for DoD.

(e) Use the clause at [252.247-7027](#), Riding Gang Member Requirements, in solicitations and contracts, including solicitations and contracts using FAR part 12 procedures for the acquisition of commercial items, that are for the charter of, or contract for carriage of cargo by, a U.S.-flag vessel documented under chapter 121 of title 46 U.S.C.

