IMPORTANT NOTES ABOUT PRICING

This contract is designed to seek the best in existing commercial practices for husbanding services. The items to be furnished under this contract include Husbanding Services for U.S. Navy Ships (USS), Coast Guard (USCG), Military Sealift Command Ships (USNS), and Canadian ships and vessals in ports located throughout the western seaboard of Mexico. In consideration for the Contractor's furnishing and delivering such items in compliance with the terms and conditions of this contract, the Government promises to aquire all services described below as Husbanding services, including items set out in Attachment 1, entitled "Billing/ Pricing Schedule" from the Contractor, except as follows:

(a) any supplies or services the Government may furnish within its own capabilities, or via host nation support, where applicable;

(b) any USNS ship electing to use another agent required by the provisions of its charter agreement, or for any other reason.

Offerors are notified that the estimated quantities are based upon historical usage as a "Navy" port, which is the Government's best indicator of prior port visits. The actual orders placed may vary greatly, based upon port costs, budget constraints, the awardee's performance, or other factors. Offerors assume this inherent risk of variation when they agree to propose on this RFP. All claims based on defective quantity estimates are thus waived by offerors who elect to submit an offer.

All prices shall be proposed in U.S. Dollars; billing for U.S. vessels and Canadian vessels shall be made in accordance with the prices set forth in Attachment 1, Billing/Pricing Schedule. Payment methods for support of Canadian vessels shall be negotiated directly between the Husbanding Agent and the vessel, while payment methods for U.S. vessels shall be in accordance with the terms and conditions set forth in the contract.

IMPORTANT NOTES

NOTE A:

1. The contract line items shall be either offered as port tariff items, or fixed priced items. (In addition, the contract contains provisions for ordering unpriced items; the cost of unpriced items will- be negotiated at the time delivery orders for such items are issued by the Fleet Industrial Supply Center, San Diego.) For those priced items not offered as port tariffs, enter the proposed price in the "Price" column.

2. For those items offered AS Port Tariffs, enter the letters "PT" in the price column and any applicable Discounts); OR enter the amount of the current Port Tariff if the rate/price is fixed. For port

tariff items which are NOT fixed rate, also include an explanation of how such port tariffs will be computed, i.e. formula or rate structure used to calculate costs.

NOTE B: Please note that all prices other than port tariff items are a composite rate that includes work performed during normal working hours, overtime for work performed outside normal working hours, weekend hours and holidays. Overtime rates are only applicable to those services covered under the port tariff when the tariff provides for overtime, as approved by the Contracting Officer.

NOTE C: It is the responsibility of offerors to determine which services are to be offered as Port Tariffs.

NOTE D: The prices charged for Pilots shall include ONLY the formula designated by the local Port Authority or cognizant Union/Association, which is in effect at the time each delivery order requiring port services is issued. [Formulas shall be incorporated into the contract at time of award].

NOTE E: **The Contractor shall never charge prices for any services in excess of port tariff rates or other publicly established prices.** As consideration for performance of husbanding services, the Contractor shall be paid the applicable Husbanding Fee set forth in the Billing/ Pricing Schedule, Attachment 1 to this solicitation. This payment constitutes total consideration for performance of these services, including all overhead and/or office expenses (telephone, fax, postage, etc.) and Contractor overtime. **Additional fees or charges are NOT to be added to the cost/price of any other supplies or services provided under this contract.** The only exception shall be for supplies/services ordered which are not normally available in the port. In this event, the Contractor shall facilitate competition on behalf of the U.S. Government, whenever practicable, in order to obtain fair and reasonable prices. A list of recommended sources shall be provided to the Contracting Officer, who will choose the one most advantageous to the Government, considering factors such as price, ability to meet required delivery schedules, quality, etc. An additional husbanding fee may be negotiated between the Contractor and the Contracting Officer for such supplies/services.

NOTE F: Husbanding Agent is required to make arrangements for receipt and onboard delivery of priority material in accordance with Attachment 2, Statement of Work, paragraphs A.(2)(h) and B.(13)_(b), as directed by the Contracting officer/ordering Officer. The Contractor shall IMMEDIATELY notify NAVTRANS AND the FISC San Diego Contracting Officer when a shipment is received AFTER the ship has departed the port. Verbal disposition and/or additional shipping instructions provided by NAVTRANS shall be confirmed in writing by the FISC San Diego Contracting officer/ordering Officer within 3 working days, via issuance of an amendment to the specific delivery order.

NOTE G: Definitions for the "Unit" abbreviations are as follows:

CX	collection	MN	minute
DY	day	MT	metric ton
EA	each	SG	segment
GL	gallon	TP	trip
HR	hour	TBD	to be determined
NSP	not separately priced	TBN	to be negotiated
MVMT	movement	One Gallon = 3.785 Liters	
LO	Lot		

NOTE H: The Contract Line Item Numbers (CLIN's) consist of four numeric digits; subCLINs incorporate two additional alpha characters. The first digit indicates the year/period of performance.(Example: 1XXX indicates first year, 2XXX indicates second year, and 3XXX indicates third year.) The second, third and fourth digits indicate the major category of services/supplies. (Example 011= Charter & Hire Costs; 012 = Slip Equipment, 014= Utilities, etc.) The fifth and sixth characters indicate sub-elements within each of the major categories.

NOTE I: CLINs are coded for the year of contract execution and the type of service and/or supply provided. (It is very important that CLINs are matched to their specific cost elements for billing purposes.)

NOTE J: Except for water taxi services, a contract day is defined as a calendar day (0000-2359). Any portions less than 4 (four) hours will be prorated as detailed in Attachment 2, Annex C and/or as negotiated between the Contracting Officer/Ordering Officer and the Contractor upon issuance of delivery orders which require water taxi services.

NOTE K: Payment shall be made for items accepted by the Government that have been delivered to the delivery destinations set forth in this contract and as identified on individual delivery orders. The Government will make payment in accordance with the Prompt Payment Act (31 U.S.C. 3903) and office of Management and Budget (OMB) Circular A-125, Prompt Payment. Payments under this contract may be made by the Government either by check; electronic funds transfer; the Government-wide Commercial Purchase Card (VISA); or the Automated Clearing House, at the option of the applicable payment office. In connection with any discount offered for early payment, time shall be computed from the date of the invoice. For the purpose of computing the discount earned, payment shall be considered to have been made on the date which appears on the payment check or the date on which an electronic funds transfer was made.

NOTE L: The Government will monitor all performance under this contract, in accordance with Attachment 4, Performance Evaluation Review. This monitoring process will be used to analyze all aspects of contract performance. Although it will not be the sole measure of successful performance of this contract, failure to meet and maintain the required levels of performance may result in contract deductions and/or termination action, in accordance with the terms and conditions stated herein.

NOTE M The estimated quantities presented in the billing/pricing schedule are based on historical data and represent the most accurate information currently available for U.S vessels ONLY; the estimated quantities DO NOT include Canadian vessel requirements. As set forth in the contract clauses, there is NO guarantee that the actual quantities ordered will meet or exceed estimates, and offerors are cautioned that price deviations due to variations in estimated quantities will **NOT** be allowed. For informational and/or planning purposes only, the following breakdown of anticipated port visits, by class/type of ship is provided: 80% Class I/II; 15% Class III/IV; 5% Class V. It is anticipated that the number of estimated ship visits will be fairly evenly distributed throughout the year, and that Mazatlan, Puerto Vallarta, Cabo San Lucas and Acapulco will be the most frequently visited ports.