

APTAC Body of Knowledge Competency Guide

C. Basics of Contracting with Government Entities

C.10 Transportation and Shipping

Description

Part A: Background and Definitions

FAR Part 47 gives guidance on transportation related matters to contracting officers and contractors. The five important Sub-parts are:

- 47.1 General
- 47.2 Contracts for Transportation or Transportation Related Services
- 47.3 Transportation in Supply Contracts
- 47.4 Air Transportation by US Flag Carriers
- 47.5 Ocean Transportation by US Flag Vessels

Also, there are over 68 different clauses that can be incorporated by the contracting officer in solicitations. The solicitation will include those clauses that are relevant from clauses numbered 52.247-1 through 52.247-68.

Transportation and Shipping are important to government contractors because in many supply contracts and contracts under GSA Schedules, the government contractor has to bear the shipping costs as well as any costs due to damage during shipment. Shipping and delivery has an impact on:

- Decision to bid (pre-award)
- Contractor's cost (contract fulfillment)
- Contractor's performance rating (post award)
- Differentiation attribute that can be used by the contractor (marketing)

Some important terms are:

FOB (Free on Board) destination, means that the shipping charges are included in the price and that the shipped item becomes the legal responsibility of the government when it reaches its destination. This is very commonly used in government solicitations and means that the contractor is expected to pay all shipping and transportation costs up to the destination point specified in the solicitation. (See also FAR Part 47.303-6 and Clause 52.247-34)

FOB (Free on Board) **origin** indicates that the price for the product includes delivery at the government's expense to a specified location at which time the title for the shipment passes from contractor to the government. The contractor is still responsible for loading the shipment and correct packing and marking. (See also FAR Part 47.303-1 and Clause 52.247-29)

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CONUS is a term meaning the 48 contiguous states and the District of Columbia. CONUS excludes the states of Alaska and Hawaii.

OCONUS is the same terminology with addition of O for outside, thus Outside of Contiguous United States.

Part B: References

FAR Part 47 <https://www.acquisition.gov/far/html/FARTOCP47.html>

FAR Part 52 clauses numbered 247.1 through 247.68
<https://www.acquisition.gov/far/html/FARTOCP52.html>

Freight matrix <http://www.nd.gov/spo/legal/docs/freightmatrix082007.pdf>

US DOT Hazardous Information Center <http://www.phmsa.dot.gov/hazmat/info-center>

Glossary of terms-general <http://cscmp.org/digital/glossary/glossary.asp>

Glossary of Maritime Shipping Terms http://www.marad.dot.gov/documents/Glossary_final.pdf