

**SUBCHAPTER G—CONTRACT MANAGEMENT
PART 847—TRANSPORTATION**

Subpart 847.3 – Transportation in Supply Contracts

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| 847.303 | Standard delivery terms and contract clauses. |
| 847.303-1 | F.o.b. origin. |
| 847.303-70 | F.o.b. origin, freight prepaid, transportation charges to be included on the invoice. |
| 847.305 | Solicitation provisions, contract clauses, and transportation factors. |
| 847.305-70 | Potential destinations known but quantities unknown. |
| 847.306 | Transportation factors in the evaluation of offers. |
| 847.306-70 | Transportation payment and audit. |

AUTHORITY: 40 U.S.C. 121(c) and 48 CFR 1.301-1.304.

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SUBPART 847.3 – TRANSPORTATION IN SUPPLY CONTRACTS**847.303 Standard delivery terms and contract clauses.****847.303-1 F.o.b. origin.**

Shipments falling within this category must be shipped on a bill of lading, except as provided in 41 CFR 102-118.40. Contracting officers must comply with 41 CFR Parts 102-117 and 102-118. Contact the Traffic Manager for assistance in determining when to issue the applicable bill of lading (VA Commercial Bill of Lading for domestic use or Government Bill of Lading for international shipments and domestic off-shore shipments) and for all freight estimates.

847.303-70 F.o.b. origin, freight prepaid, transportation charges to be included on the invoice.

(a) The delivery terms will be stated as “f.o.b. origin, transportation prepaid, with transportation charges to be included on the invoice,” under any of the following circumstances:

(1) When it is determined that an f.o.b. origin purchase or delivery order will have transportation charges that do not exceed \$250 and the occasional exception does not exceed that amount by more than \$50.

(2) Single parcel shipments via express, courier, small package, or similar carriers, regardless of shipping cost, if the shipped parcel weighs 70 pounds or less and does not exceed 108 inches in length and girth combined.

(3) Multi-parcel shipments via express, courier small package, or similar carriers for which transportation charges do not exceed \$250 per shipment.

(b) Orders issued on VA Form 90-2138, Orders for Supplies or Services, must identify shipping instructions on the reverse side of the form. When VA Form 90-2138 is not used, the vendor must do the following:

(1) Consistent with the terms of the contract, pack, mark, and prepare shipment in conformance with carrier requirements to protect the personal property and assure the lowest applicable transportation charge. Follow package specifications found in the National Motor Freight Classification 100 Series.

(2) Add transportation charges as a separate item on the invoice. The invoice must include the following certification: “The invoiced

transportation charges have been paid and evidence of such payment will be furnished upon the Government's request."

(3) Not include charges for insurance or valuation on the invoice unless the order specifically requires that the shipment be insured or the value be declared.

(4) Not prepay transportation charges on the order if such charges are expected to exceed \$250. Ship collect and annotate the commercial bill of lading, "To be converted to VA Commercial Bill of Lading." Contact the VA Traffic Manager for routing instructions and freight estimate.

(c) Each contracting officer is responsible for:

(1) Obtaining the most accurate estimate possible of transportation charges.

(2) Using the authority in paragraph (a) of this section only when consistent with the circumstances in that paragraph.

(d) When, in accordance with FAR Subpart 28.3 and FAR 47.102, a shipment must be insured or the value declared, the contracting officer will specifically instruct the vendor to do so on the order when a written order is used. If the order is oral, the vendor must annotate all copies of the purchase request to show that the insurance/declared value was specifically requested.

847.305 Solicitation provisions, contract clauses, and transportation factors.

847.305-70 Potential destinations known but quantities unknown.

When the VA National Acquisition Center contracts with multiple bidders to provide items directly to VA field installations on an f.o.b. origin basis, the evaluation of bids must follow specific procedures. To place each bid on an equal basis, even though specific quantities required by each facility cannot be predetermined, the contracting officer must use an anticipated demand factor in proportion to the number of hospital beds or patient workload. The clause prescribed in 852.247-70 must be used in these instances.

847.306 Transportation factors in the evaluation of offers.

847.306-70 Transportation payment and audit.

Transportation payments are audited by the Traffic Manager to ensure that payment and payment mechanisms for agency transportation are uniform and appropriate in accordance with 41 CFR Part 102-118.

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