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7510
N2006-NFA000-0009.001
16 Feb 06

MEMORANDUM FOR COMMANDER, MILITARY SEALIFT COMMAND

Subj: **CHARTERED CRUISE SHIPS (AUDIT REPORT N2006-0015)**

Ref: (a) SECNAV Instruction 7510.7E, "Department of the Navy Internal Audit"
(b) NAVAUDSVC memo N2006-NFA000-0009.001, dated 30 September 2005

1. **Introduction.** In accordance with reference (a) and as announced in reference (b), we have completed the subject audit. We did not find control weaknesses that we considered material. However, the audit did find opportunities to improve the administration of preoccupancy inspections and invoice certification.

2. **Objectives.** The objective was to verify that Military Sealift Command's (MSC) contract awards for time-chartered cruise ships requested by Federal Emergency Management Agency (FEMA) were in accordance with Federal Acquisition Regulations, and Department of Defense (DOD) and Department of the Navy (DON) policies.

3. **Background.** On 29 August 2005, Hurricane Katrina devastated the Gulf Coast states of Louisiana, Mississippi, Alabama, and Florida with Category IV winds and torrential rains. By 9 September 2005, the Congress had passed legislation that provided more than \$62.3 billion to the Department of Homeland Security (DHS). FEMA, in turn, tasked other Federal departments and agencies through Mission Assignments. Initial FEMA mission assignments totaled just over \$7 billion, more than \$6 billion of which went to DoD and the Army Corps of Engineers. In addition, some departments and agencies, including DoD, received direct appropriations for Hurricane Katrina relief related activities.

The Federal Government, through FEMA, initiated various disaster relief efforts. To ensure the proper accountability and intended use of these funds, senior Navy management tasked the Naval Audit Service with providing appropriate audit oversight of the Navy's role in the recovery effort, to include reviewing the award and administration of major contracts. We have initiated several audits to provide oversight of the funds that are being spent directly by DON and other Federal department and agencies involving DON activities. This audit addresses the Military Sealift Command (MSC) contract award and administration for time-chartered cruise ship services for the Hurricane Katrina disaster relief efforts on behalf of FEMA.

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On 1 September 2005, FEMA requested and authorized the Military Sealift Command to contract for cruise ship services for the Hurricane Katrina disaster relief efforts. The request addressed the compelling and urgent requirement for immediate delivery between 2-10 September 2005, to provide housing, food, and basic medical care for Hurricane Katrina victims and rescue personnel. In response to FEMA’s request, on 2 September 2005, MSC competitively awarded four firm-fixed price contracts totaling \$202.2 million for chartered cruise ships to Carnival Cruise Lines (3 contracts), and Scotia Prince Cruise Lines (1 contract), each with a 6-month performance period (see Figure 1) and an option to extend the performance period for an additional 3 months. All four contracts provided for up to an additional \$46.8 million for reimbursable items, such as but not limited to, fuel, dry dock, additional insurance, and waste removal. In addition, the Government will reimburse the contractors for costs in excess of their normal vessel operating costs, to include but not limited to expenses for additional insurance premiums, extraordinary supplies delivered, and removal and/or disposal of waste streams.

Contractor/Ship	Contract No.	Period of Performance	Contract Award (Firm-Fixed Price)	Contract Reimbursable	Total Contract Amounts
Scotia Prince	N00033-05-C-5610	9/02/05-3/02/06	\$10,100,000	\$2,900,000	\$13,000,000
Carnival Sensation	N00033-05-C-5611	9/05/05 – 3/05/06	\$76,320,000	\$14,813,000	\$91,133,000
Carnival Ecstasy	N00033-05-C-5612	9/05/05 – 3/05/06	\$68,400,000	\$14,313,000	\$82,713,000
Carnival Holiday	N00033-05-C-5613	9/08/05 – 3/08/06	\$47,340,000	\$14,813,000	\$62,153,000
Total			\$202,160,000	\$46,839,000	\$248,999,000

Figure 1. Chartered Cruise Ships Contracts

MSC’s mission is to provide efficient sea transportation, combat-ready logistics forces and reliable special-mission ships for DoD in peacetime and wartime. One of MSC’s national security roles is to provide disaster relief and humanitarian assistance. Traditionally, MSC provides ocean transportation of equipment, fuel, supplies, and ammunition to sustain U.S. forces worldwide during peacetime and in war for as long as operational requirements dictate. MSC also provides a wide variety of other ocean transportation services.

4. Scope and Methodology. We performed a limited-scope audit of MSC’s contract award and contract administration for four chartered cruise ships contracts requested by FEMA. We also reviewed Federal Acquisition Regulations applicable to the contract award and administration process. We examined contracts, requests for proposals, market research documentation, source selection criteria, price analyses, and other contract documentation related to the four cruise ships contracts. We held discussions with MSC personnel involved with the contract award and administration of the chartered cruise ship contracts.

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We performed this audit from 30 September 2005 to January 2006 in accordance with Generally Accepted Government Auditing Standards. During the audit, we met with and communicated with the DHS Inspector General auditors to discuss our audit objective and scope, and to provide information relating to the audit objective and scope of audits they were conducting.

5. Summary of Audit Results. Our limited review of the contract process used to award and administer four contracts involving chartered cruise ships to support Hurricane Katrina's relief efforts showed that MSC met the requirements of the Federal Acquisition Regulations (FAR), and DoD and DON policies. We did not find any material control weaknesses. The audit did, however, disclose opportunities to improve methods in which MSC administers vessel preoccupation inspections and invoice certification. MSC took actions to improve its methods in these areas during the audit.

Contract Award Process

Interagency Acquisition Requirements

MSC received proper authorization and was provided sufficient information to initiate interagency acquisition for the chartered cruise ship services in accordance with FAR. FAR 17.5, "Interagency Acquisitions Under the Economy Act," provides that: (1) the agency needing supplies or services (the requesting agency, FEMA) can obtain them from another agency (in this case, the servicing agency, MSC); and (2) the requesting agency is responsible for furnishing other assistance that may be necessary, such as providing information or special contract terms that may be needed to comply with any condition or limitation applicable to the funds of the requesting agency. On 1 September 2005, a FEMA contracting officer sent an electronic mail to an MSC contracting officer authorizing MSC to award contracts for chartered cruise ship services, to include special requirements for these ships. This order request included:

- A brief mission need statement;
- A description of the services required;
- Delivery requirements, and
- A funds citation.

FEMA also provided additional information to MSC during the contract award process to address special contract requirements that were needed to comply with the funding requirements. Consistent with the FAR policy and procedures for interagency acquisitions, FEMA's contracting officer had the authority to contract for chartered cruise ship services.

Further, MSC possesses the capabilities or expertise as required by FAR to enter into a contract for such services. FAR 17.5, "Interagency Acquisitions Under the Economy Act," provides that the servicing agency must have the capabilities or expertise to enter into a contract when the capabilities or expertise are not available within the requesting agency. MSC's mission is to provide efficient sea transportation, combat-ready logistics forces, and

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reliable special mission ships for DoD in peacetime and wartime. This mission includes providing disaster and humanitarian relief. As such, MSC possesses the capability, knowledge, and expertise for providing ocean transportation and ship chartering services to the U.S. military and Federal Government. We believe FEMA made the right decision in requesting MSC to address this Hurricane Katrina disaster relief requirement.

Market Research

FAR Part 10, "Market Research," requires that market research be conducted to arrive at the most suitable approach to acquiring supplies and services. Market research allows the Government to determine how many contractors are capable of fulfilling the Government requirement, as well as promoting more competition for the requirement. Such promotion for competition is especially true of commercial services for which many contractors are available to meet the requirements of the Government. We found that MSC conducts market research on a continuing basis to meet their mission requirements to provide sufficient sea transportation. As such, MSC was already in position with a list of potential vendors to meet FEMA's urgent requirement. MSC maintains this vendor list, entitled "Master Vendor List," on their website. This allows vendors to register for receipt of an electronic notification when MSC issues a solicitation. The list is updated continually as contractors add or remove their names from the list.

Competition Requirements

MSC provided for full and open competition through use of competitive procedures for the four time-chartered cruise ship contracts, as required. FAR Part 6, "Competition Requirements," provides various procedures available for use in fulfilling the requirement for full open competition. These procedures are: (1) sealed bid; (2) competitive proposals; (3) combination of competitive procedures; and (4) other competitive procedures. MSC selected the competitive proposal procedure to award the chartered cruise ship contracts. To illustrate, on 1 September 2005, MSC issued and posted a request for proposals (RFP), Solicitation No. N00033-05-R-5610, addressing FEMA's urgent request for assistance and the requirements for chartered cruise ship services. MSC sent out the solicitation to all ship contractors registered on the MSC's Master Vendor List. Within its solicitation, MSC referred contractors back to its website for the detailed proposal and other relevant information. MSC received offers for 13 vessels from 7 contractors. Despite the short turnaround time of 19.5 hours (from 1530 hours on 1 September to 1100 hours on 2 September 2005), we believe MSC fully demonstrated compliance with the FAR requirement for full and open competition.

Source Selection

MSC identified and selected capable sources for time-chartered cruise ship services in accordance with requirements of FAR Part 12, "Acquisition of Commercial Items" and FAR Part 15. FAR Part 12 states that contracting officers shall use policies unique to the acquisition of commercial items as prescribed in Part 12 in conjunction with the policies and procedures for solicitation, evaluation, and award prescribed in FAR 15. Specifically, FAR 15.1, "Source Selection Processes and Techniques," provides that an agency may use

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one or a combination of source selection approaches to obtain the best value in negotiated acquisitions. The source selection approaches include the tradeoff process; the lowest price, technically acceptable process; and oral presentations.

MSC used the lowest priced, technically acceptable process in selecting the contractors to meet FEMA’s requirement. We believe this was the appropriate approach given FEMA’s urgent need to put contracts in place for chartered cruise ship services and MSC’s practice of using this selection process for shorter-term charters. In conducting the source selection, MSC focused on whether the contractors were able to meet FEMA’s availability requirement between 2-10 September 2005 and the 1,000-berth minimum requirements. These requirements were clearly stated in the solicitation as required by FAR 15.1. MSC received 13 offers from 7 contractors. Based on MSC’s technical evaluation of the 13 proposals, only 5 proposals and ships from 3 companies were technically acceptable or susceptible to being made acceptable. Of the three companies, only Carnival and Scotia Prince cruise lines were able to fully meet FEMA’s availability and 1000-berth-minimum requirements. Carnival Cruise Lines provided three ships, and Scotia Prince Cruises provided one ship. The four ships provided a total of 8,116 berths (see Figure 2) and were available at some point during 2-10 September 2005.

Contractor	No. of Berths
Carnival Ecstasy	2,634
Carnival Holiday	1,848
Carnival Sensation	2,634
Scotia Prince	1,000
Total	8,116

Figure 2. Berths Per Chartered Cruise Ships

Proposal Analysis

MSC performed a price analysis of the proposed prices for chartered cruise ship services as required by FAR 12.209, “Determination of price reasonableness,” in conjunction with FAR 15.404. According to FAR 15.404, the Government may use various price techniques and procedures to ensure a fair and reasonable price. Some examples of such techniques include, but are not limited to, comparison of:

- Proposed prices received in response to the solicitation (normally, adequate price competition establishes price reasonableness);
- Previously proposed prices and previous (Government and commercial contract prices with current proposed prices for the same or similar items); and
- Proposed prices, with prices obtained through market research for the same or similar items.

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MSC elected to compare the awardees' daily berth prices (see Figure 3) to prices obtained from three independent sources (see Figure 4). Also, MSC executed a post-award market survey on 6-7 September 2005 to gather pricing and availability data for additional cruise ships.¹ MSC used the prices obtained during that survey to provide affirmation that the awardees' prices were both fair and reasonable (see Figure 4).

Vessel	Price/Day/ Berth (Excluding Reimbursables)
Carnival Ecstasy	\$144.27
Carnival Sensation	\$160.97
Carnival Holiday	\$142.32
Scotia Prince	\$55.00

Figure 3. Price Per Day Per Berth of Successful Offers

Historical Prices Based on Two Previously Chartered Cruise Ships	Unsuccessful Offers	Official Travel Per Diem Rates for New Orleans & St. Bernard Parish	Post Award Market Survey Prices
\$360.37 (Cunard Princess) & \$74.37 (Britanis) (adjusted for inflation)	\$101-\$144 per day/per berth (excluding reimbursables)	\$192 per day (includes lodging, meals, and incidentals)	\$149-\$181 per day/per berth (excluding reimbursables)

Figure 4. Prices Compared to Successful Offers

The objective of proposal analysis is to ensure that the final agreed-to price is fair and reasonable. We believe MSC achieved the objective by evaluating the reasonableness of the offered prices.

Contract Administration Process

Pre-Occupancy Inspections

MSC did not ensure that pre-occupancy (pre-delivery) inspections of the four cruise ships were performed wholly in accordance with vessel inspection provisions of the four contracts (see Figure 5). Contract provisions provide that if an inspection is performed, it shall include, but not be limited to, the categories of items listed under the provision. Personnel stated that MSC relied on the U.S. Coast Guard certifications, which covered the ship owner's (contractor's) warranty, instead of the inspection provision of the contracts.

¹ MSC previously chartered two cruise ships (Cunard Princess, launched in 1977; and Britanis, circa 1932) for "Rest and Relaxation" for troops during Gulf War in 1991 and for military personnel in Guantanamo Bay, Cuba in 1994. The Cunard Princess provided 804 berths at \$246,321.47 (inflation-adjusted) per day, and the Britanis provided 1,396 berths at \$103,816.33 (inflation-adjusted) per day. The difference between the per-day per-berth prices of the vessels (see Figure 4) may be attributed to differences in the age of the vessels and respective accommodations.

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Contract Provisions	Methods and Frequency of Monitoring Contractor Performance (MSC/FEMA Quality Assurance Plan)	Performance Monitored and Evaluated	Contractor Performance Reported to MSC (How/Frequency)
Inspections - Condition of hull, deck plating, superstructure, divisional bulkheads	Relied on USCG COI	No	Relied on USCG COI
Inspections - General material condition and maintenance of vessel	Relied on USCG COI	No	Relied on USCG COI
Inspections - Condition, operability, and certification of required safety and firefighting equipment	Relied on USCG COI	No	Relied on USCG COI
Inspections – Bunker survey	Martin Ottaway Van Hemmen & Dolan, Inc. - performed initial inspection bunker fuel.	Yes	COTR Weekly Performance/Status Report (CWP/SR)
Inspections - Condition of all equipment required under this charter [e.g., State rooms]	Martin Ottaway Van Hemmen & Dolan, Inc. - performed initial inspection of staterooms. CO/COTR - Daily follow-ups for any possible damages, etc.	Yes	CWP/SR

Figure 5. Review of Contracts Inspection Provisions

We found that the inspections were limited and included only the staterooms, stateroom equipment, and fuel bunkers for the three Carnivals cruise ships; and no pre-delivery inspections were performed for the Scotia Prince cruise ship. Carnival Cruise Lines recommended the survey firm to perform the pre-delivery inspections. MSC considered the survey firm to be an independent third party, and therefore concurred with the recommendation and will pay Carnival Cruise Lines on a reimbursable basis for the inspections. Government representatives did not participate in or witness the inspections. We addressed these weaknesses with MSC contracting officials, and they agreed that the inspections could have been more comprehensive and performed on all ships. MSC indicated, however, that inspecting, or monitoring the inspection of, those areas indicated by a “No” in Figure 5 above is not their customary practice. Instead, MSC relies on the U.S. Coast Guard and a recognized classification society to perform these inspections and to ensure that each vessel has a Certificate of Inspection (COI). According to MSC, since port authorities will not allow a vessel into port without a valid COI, MSC accepts a vessel based on its acceptance under the classification society’s inspection.

The contract provisions provide for Government inspection prior to delivery. Because the inspections were limited or not performed in accordance with the contract provisions, MSC may not have sufficient knowledge of the cruise ships’ conditions when received to dispute potentially inappropriate claims by the contractors for damages that may have occurred prior to delivery to the Government.

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MSC received reports from the contracting officers' technical representatives (COTRs) identifying damages to the cruise ships' staterooms, and recreation and other equipment. COTRs are delegated the authority to monitor the effort being performed under the contract by either the Contracting Officer or Administrative Contracting Officer. Other than the Contracting Officer, COTRs are the only Government employees who may provide direction for the contractual agreement between the Government and the contractors. Since pre-delivery inspections were performed on the staterooms, MSC is in a position to dispute claims for damages in these areas, if warranted. However, for conditions outside the staterooms in the other areas not inspected, such as recreation equipment and other ship equipment, MSC did not adequately enforce the vessel inspection provision of the contract. MSC had, however, put into place a process for the ships to report, through the contractor and COTR to MSC, any damage to vessels as it occurred, which should mitigate damage claims.

In addition to MSC not wholly administering the vessel inspection contract provisions, Carnival Cruise Lines arranged for the inspections. Thus, we believe, and MSC contracting officials agreed, that the Government should establish high standards for any damage claims in areas not inspected upon delivery. Otherwise, MSC and FEMA run the risk that the contractors may submit inappropriate claims for damages for which the Government may not be responsible. However, we do not consider this weakness as material because, to date, the contractor has not reported any occupant damages per the established post-award conference procedure, which requires the contractor to report damages as they occur. At the time of the audit, MSC contracting personnel had discussed the issue with Carnival and did not expect to receive any material claims for damage.

Contractor Invoices

MSC paid invoices for reimbursable fuel charges without verifying (witnessing) the quantity of fuel purchased and delivered to the cruise ships, which was contrary to their Quality Assurance Plan (QA) and MSC Instruction 7200.9C, "Certification of Goods and Services Received." MSC believed that the risk of improper fuel deliveries to Carnival should be mitigated by the contractor's comprehensive commercial process for taking on fuel, and for Carnival and Scotia Prince by their compliance with the fuel purchases reimbursement provision of the contracts. That provision requires the contractors to obtain consent from the MSC contracting officer before purchasing fuel. Further, Carnival's fuel receiving process consists of guidelines that essentially protect the contractor's interests, in that they provide the ship operators instructions on determining the grade and quantity of fuel upon delivery, and on identifying dubious practices in the fuel delivery industry. We believe this process favored the contractors and placed the government at risk of being billed for reimbursable fuel that may not have been delivered or used as intended during the contract performance period.²

² In March 2004, the Naval Audit Service issued an audit report on "Service Contracts for Chartered Tugboats (N2004-0031)" that included a similar finding that MSC was not obtaining adequate verification of service receipts (reimbursable fuel charges) from Naval activities. The report recommended that MSC require authorized personnel to certify receipt of goods and services, as required by IAW Commander MSC Instruction 7200.9C, prior to approval of final contractor invoices. MSC concurred with the finding and recommendation and stated that it would begin to process invoice payments on certification of fuel charges, and implement the certification procedure in accordance with MSC Instruction 7200.9C.

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COTRs were not observing fuel deliveries, as required by the QA plan. We asked the COTRs and MSC contracting personnel, both of whom told us COTRs had not observed fuel deliveries. Further, MSC Instruction 7200.9C states that invoices for goods and services provided to the Government may only be paid upon certification of receipt. Receipt can be certified by authorized personnel based on personal knowledge of the certifier that goods or services were received, or custody by the certifier of receiving documents signed by authorized personnel showing the date of receipt. According to MSC, witnessing fuel deliveries is not their normal practice, except in cases where fuel providers who are suspected of not being fully trustworthy are used. However, unlike other MSC charters, the four cruise ships stayed in port throughout the performance period, which would make it feasible for COTRs to witness receipt of fuel deliveries.

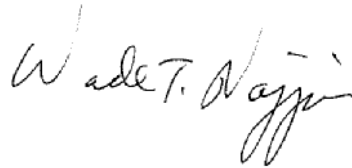
To improve surveillance in this area, we recommended to MSC during the audit that the COTRs observe fuel deliveries. MSC contracting personnel agreed, and the contracting officer directed the COTRs through the Administrative Contracting Officer (ACO) to commence fuel delivery observations. As part of the observations, which were mandated in writing, COTRs will verify receipt of reimbursable services by signing for or providing a “received” signature for deliveries as initially agreed to by the contracting officer and both contractors (Carnival and Scotia Prince cruise lines) during the post-award conference in New Orleans, LA, on 6 October 2005.

Conclusion

Overall, MSC properly awarded and administered the four “Katrina” cruise ship contracts in accordance with FAR. MSC awarded these contracts under unusual and compelling urgency to respond to the Hurricane Katrina relief effort. However, we believe MSC needed to improve their surveillance/oversight of the services being performed by the contractors. MSC did not ensure that pre-occupancy inspections of the ships were performed wholly in accordance with vessel inspection provisions of the four contracts. In addition, MSC paid invoices without proper verification as to whether the services were rendered in accordance with contract terms. As a result, MSC oversight of contractors in these areas could have been more thorough to ensure that the Government was receiving timely and quality services. MSC took appropriate corrective actions during the audit to effect our recommended improvements. Accordingly, we make no further recommendations in this report.

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6. We are most appreciative of the cooperation, courtesies, and professional assistance extended to our auditors during this effort.



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Exhibit A:

Relevant Contract - Related Documents

The chart below summarizes the results of our request to MSC for key contract information and documents that are maintained in the Military Sealift Command's files.

Documents Requested	Were Documents Provided
Carnival Ecstasy Contract	Yes
Carnival Sensation Contract	Yes
Carnival Holiday Contract	Yes
Scotia Prince Contract	Yes
Cunard Contract	Yes
Britanis Contract	Yes
Post-Award Business Clearance Memorandum	Yes
Cruise Ship Synopsis of Acquisition	Yes
RFP Solicitation N00033-05-R-5610	Yes
Pre-Occupancy Reports - Carnival Ecstasy	Yes
Pre-Occupancy Reports - Carnival Holiday	Yes
Pre-Occupancy Reports - Carnival Sensation	Yes
Pre-Occupancy Reports – Scotia Prince	No
ACO/COTR Delegation Memorandums	Yes
Quality Assurance Plans (Ecstasy, Sensation, Scotia Prince)	Yes
Quality Assurance Plans (Holiday)	No ¹
Delegated ACO Performance/Status Reports (identifies COTR)	Yes
Price Analysis	Yes
Sources Solicited	Yes
Initial Bid Offers Received	Yes
Carnival & Scotia Prince Invoices	Yes
FEMA Mission Statement (Fund Document)	Yes
FEMA Katrina Disaster Responders List	Yes
MSC Vendor Master List	Yes
FEMA Requirements for cruise ships - Email from FEMA dated Oct 4, 2005	Yes
Extent of Insurance Liability - Email from MSC dated Oct 20, 2005	Yes
Carnival Occupancy - Email dated Oct 20, 2005	Yes
Explanation of MSC bill rate - Email dated Oct 27, 2005	Yes

¹ MSC/FEMA did not develop a separate Quality Assurance plan for the Carnival Holiday and instead used the plans developed for the Carnival Ecstasy and Carnival Sensation because the ships were similar.

Exhibit B:

Key Contract Provisions

The chart below summarizes the results of our review of key provisions in the contracts for all four chartered cruise ships. Specifically, the chart documents whether:

- (1) methods and frequency for monitoring contractor performance were established; and
- (2) provisions and contractor performance were monitored and evaluated by designated Government personnel (contracting officer, administrative contracting officer, and/or contracting officer technical representative (COTR) and reported to the Military Sealift Command, and if so, how often.

Contract Provisions	Methods and Frequency of Monitoring Contractor Performance MSC/FEMA Quality Assurance Plan)	Performance Monitored and Evaluated	Contractor Performance Reported to MSC (How/Frequency)
Crew list	CO/COTR - Captain/Hotel Manager provide daily headcounts, which will include the crew capacity	Yes	CWP/SR ²
Food/Landry/Housekeeping Provisions/Medical	COTR - Communicate with Hotel Manager, observe daily	Yes	CWP/SR
Certification of Port Services	COTR Communications - initial contact with Captain and crew to gain understanding of operating procedures; perform follow-ups	Yes	CWP/SR
Certification of Reimbursable Invoices	CO/COTR Communications - Initial contact with Captain/Crew to gain understanding of operating procedures. Daily observation of deliveries of fuel, portal water, garbage and off-loading of solid waste, grey/black water	Yes (No for Fuel)	CWP/SR
Invoice certification - Fuel	MSC CO approves quotes. COTR verifies/certifies receipt of fuel. PM5 certifies for payment.	Yes No Yes	Upon contractors submission
Inspections - Condition of hull, deck plating, superstructure, divisional bulkheads	Relied on USCG COI	No	Relied on USCG COI
Inspections - General material condition and	Relied on USCG COI	No	Relied on USCG COI

maintenance of vessel			
Inspections - Condition, operability, and certification of required safety & firefighting equipment	Relied on USCG COI d	No	Relied on USCG COI
Inspections – Bunker survey	Martin Ottaway Van Hemmen & Dolan, Inc, - performed initial inspection bunker fuel.	Yes	CWP/SR
Inspections - Condition of all equipment required under this charter [e.g., State rooms]	Martin Ottaway Van Hemmen & Dolan, Inc, - performed initial inspection of staterooms. CO/COTR - Daily follow-ups for any possible damages, etc.	Yes	CWP/SR
Environmental Compliance. Drug Free Workplace.	CO/COTR - Communicate with Captain/crew to determine operating procedures, review compliance, follow-up Operations Representatives - daily observe crew operations and identify potential hazards	Yes	CWP/SR

²COTR Weekly Performance/Status Report (CWP/SR) – Formally-designated ACO and/or COTR reported contractor performance and conditions in weekly performance and status reports to MSC contracting officials.