

Compendium of Acquisition and Transportation Business Rules June 2008

Transportation and Acquisition Considerations in the Development of Foreign Military Sales (FMS) Cases for Iraq

A. Contract Guidance

1. Current guidance, in accordance with DoD 5105.38M, is that all Iraq FMS shipments from CONUS will be FOB origin and utilize the Defense Transportation System (DTS). (Note: DFARS 246.4506 limits the use of Government source inspections to acquisitions above \$250,000 unless mandated by a DoD regulation (DoD 5105.38M should suffice as the DoD regulation), required by a memorandum or contracting officer determinations, which are generally technically driven.)

2. Contracting activities shall review and verify the requirements with the FMS Case Manager/Country Representative and Funds Manager prior to issuing the final contract. They shall also review and verify transportation information with the PCO and/or Transportation Officer to ensure contracts include critical shipping information. This information should include, but not be limited to, requirements relating to, shipment documentation marking and freight routing, advance notification of required shipment dates, transportation priority for appropriate terminal clearances, and issuing transportation documentation. (See also Attachment 10 – Transportation Office Checklist for FMS Shipments into Iraq, which is again referenced in paragraph #5 below.) In addition, all Iraq FMS contracts should be written in accordance with applicable DoD Regulations referenced below.

NOTE: Much of this information is available from the Security Assistance Office and Implementing Agency. Some information is contained in the body of the Letter of Offer and Acceptance (LOA) or in an annex to it.

3. Transportation officers shall provide traffic management assistance throughout the acquisition cycle (see FAR 47.105 -Transportation Assistance).

NOTE: DLA does not have visibility or access to case documents nor, in most cases, to the FMS case managers. Most of DLA's FMS requirements are grouped with other requirements on a procurement contract and will only have specific FMS-unique requirements for that delivery order identified.

General

- FAR [47.301-3](#) governs use of the Defense Transportation System (DTS)
- Contractual documents shall designate a contract administration office (see FAR [42.202\(a\)](#) - **Assignment of Contract Administration**) as the contact point to which the contractor will provide necessary information.

- Contractual documents shall specify that the contractor shall not ship directly to a military air or water port terminal without authorization from the designated transportation contract administration office (see FAR [47.305-6\(f\)](#)).

4. Recommend that contracting officers, whenever possible, delegate contract administrative responsibilities to Defense Contract Management Agency (DCMA), where transportation is involved.

Contract Delegation:

- FAR 42.201, 202, Contract Administration Services
 - Secondary delegation
- FAR 42.302, Contract Administration Office Functions

5. Refer to the Transportation Office checklist for processing FMS Shipments to Iraq (Attachment 10).

6. Refer to the Surface Deployment and Distribution Command (SDDC) Operations Center Customer Advisory for surface movement

- Foreign Military Sales (FMS) Shipments to Iraq – # CA-08-03/26-0056-Amended dated March 27, 2008, (Attachment 2)
- Theater booking advisory for cargo movement to Iraq – #CA-08-01/29-0029 dated January 29, 2008 (Attachment 3)
- POC Anita Rice, COMM'L: 973-17-85-6740; DSN-318-439-6740; Email- Anita.rice@bahrain.swa.army.mil

7. Refer to U.S. Army Security Assistance Command (USASAC)/Army Air Clearance Authority (AACA) Air Clearance Procedures for air movement

- Air Clearance Procedures For DTS Deliveries of FMS Through the Air Mobility Command (AMC) Channel System – March 2008 (Attachment 4)
- POC Orris Groenenboom, COMM'L: 717-770-6843; DSN-7716843, Email- Orris.groenenboom@us.army.mil

8. Refer to DoD 4500.9-R, Defense Transportation Regulation (DTR) Part II, Cargo Movement and Appendix E.

- Compendium of special notice DTR, Part II (Attachment 5): Before using any FAR/DFAR/Local clause, the provision must be reviewed to ensure the clause is applicable to the acquisition.
- POC Orris Groenenboom, COMM'L: 717-770-6843; DSN-7716843, Email- Orris.groenenboom@us.army.mil
- DTR is available online at website: http://www.transcom.mil/j5/pt/dtr_part_ii.cfm

9. Refer to FMS Shipments - Shipper Export Declarations (SED) at Attachment 6.

10. Refer to DSP-94 Guidance - Authority to Export Defense Articles Sold Under the Foreign Military Sales Program at Attachment 7.

11. Other Useful Websites (Recommend reviewing the following for useful information and instructions):

- **Damaged Cargo.**
 - The Transportation Discrepancy Report (TDR) was created to document loss of or damage of government material to support the filing of claims against carriers for Government reimbursement. The rules can be found in the Defense Transportation Regulation (DTR), Chapters 209, 210, C.6. And 211.
Website: http://www.transcom.mil/j5/pt/dtrpart2/dtr_part_ii_210.pdf
 - See also SDDC Operations Center Customer Advisory for Processing a TDR - #CA-06-11/27-0239 dated November 27, 2006 (**Attachment 8**)
and
 - SDDC Operations Center Customer Advisory for use of the Electronic Transportation Acquisition system - #CA-06-07/27/0143 dated July 27, 2006 (**Attachment 9**)
- **Defense Procurement & Acquisition Policy (DPAP) Program Acquisition and Contingency Contracting/Program Acquisition**
Website: <http://www.acq.osd.mil/dpap/pacc/pa/index.html>
Website: <http://www.acq.osd.mil/dpap/dars/index.html>
- **The Transportation Regulations, guidelines and instructions that must be utilized as a guide for FMS Shipments are as follows:**
 - Federal Acquisition Regulation (FAR), Part 47, "Transportation"
Website: <http://farsite.hill.af.mil/VFDFARA.HTM>
 - DoD 4500.9-R, Defense Transportation Regulation (DTR), Part II, "Cargo Movement" and Part V DoD Customs and Border Clearance Policies and Procedures
Website: http://transcom.mil/j5/pt/dtr_part_ii.cfm
 - DTR Part II, Appendix E - Security Assistance Program (SAP) Shipments: Foreign Military Sales (FMS) and Grant Aid
 - DTR Part II, Appendix L - Transportation Control Number (TCN)
 - DoD 5105.38-M, Security Assistance Management Manual (SAMM),
Website: <http://www.dsca.osd.mil/samm>
 - DoD 4000.25-8-M, Military Assistance Program Address Directory (MAPAD)
 - Chapter 2 -- FMS Construction and Use of Address Codes for FMS Shipments
 - AP 1.5.1 -- Delivery Term CodesWebsite: <http://www.dla.mil/j-6/dlms0/eLibrary/Manuals/MAPAD/mapad.asp>

- **Funding For The Security Assistance Program**
 - DoD 7000.14-R -- DoD Financial Management Regulation
Website: <http://www.disam.dsca.mil/pubs/DR/12%20Chapter.pdf>
 - DoD 4500.9-R -- Defense Transportation Regulation Part II, Attachment V7
Website: http://www.transcom.mil/j5/pt/dtrpart2/dtr_part_ii_app_v_7.pdf
- **Helpful Websites For FMS Transportation Guidance:**
 - Defense Institute of Security Assistance Management (DISAM)
Website: <http://disam.dsca.mil/pubs/publications.asp>
 - Military Standard Requisition and Issue Procedures for Foreign Military Sales
Website: <http://www.disam.dsca.mil/pubs/2007%20MILSTRIP.pdf>
 - Defense Security Cooperation Agency
Website: <http://www.dsca.osd.mil>
 - GRD-Logistics
Website: https://www.rebuilding-iraq.net/portal/page?_pageid=95,77321&_dad=portal&_schema=PORTAL
- **Rebuilding Iraq:**
Website: www.rebuilding-iraq.net
- **Packaging Information:**
 - MIL STD 129-P, DoD Standard Practice Military Marking for Shipment and Storage
Website: <http://www.acq.osd.mil/log/rfid/MIL-STD-129PCH4.pdf>
 - Performance Oriented Packaging Program for Hazardous Materials
Website: <https://dfdod.ddc.dla.mil/pop>
- **DoD Government Charge Card Guidebook, Appendix C - Government Purchase Card Guide to Overseas (OCONUS) Shipments**
Website: <http://www.acq.osd.mil/dpap/pcard/pcardguidebook.pdf>

12. Hazardous Material Shipment Regulations, including, but not limited to the following:

When shipments contain Hazardous Material the various Hazardous Material Regulations should be considered.

- CFR Title 15, Chapter 1, Part 30 commerce and Foreign Trade - Foreign Trade Statistics
- CFR Title 19, Customs Duties, 10.101, 10.102, and Part 142
- CFR Title 22, Chapters I- II, Parts 120 - 130, Foreign Relations

- CFR Title 49, Chapter I Parts 100 - 185, Other Regulations Relation to Transportation
<http://www.access.gpo.gov/nara/cfr/cfr-table-search.html#page1>
- AFJMAN 24-204, Preparing Hazardous Materials for Military Air Shipment
- Bureau of Explosives 6000
- International Air Transport Association (IATA) Dangerous Goods Regulations (DGR) Guide
<http://www.iata.org/ps/publications/dgr>
- Pipeline and Hazardous Materials Safety Administration
<http://hazmat.dot.gov/regs/rules.htm>
 - Emergency Response Guidebook
<http://hazmat.dot.gov/pubs/erg/guidebook.htm>
- IMDG - International Maritime Dangerous Goods Code
http://www.imo.org/publications/mainframe.asp?topic_id=427
- DOD 5100.76-M, Physical Security of Sensitive Conventional AA&E
<http://www.dtic.mil/whs/directives/corres/pdf/510076m.pdf>
- Hazardous Materials Information Resource System(HMIRS)
<http://www.dlis.dla.mil/hmirs/>

B. Contract Clauses (Recommend consideration of the following clauses :)

1. Inspection and Acceptance:

- [FAR 52.212-4](#) Contract Terms and Conditions - Commercial Items Inspection: Origin (As prescribed in [12.301\(b\)\(3\)](#))
- [FAR 52.246-2](#) Inspection of Supplies—Fixed-Price. (As prescribed in [46.302](#))
- In addition to citing the clause by reference, shipments must include a printed receiving report from Wide Area Workflow (WAWF), a DD Form 250, Material Inspection and Receiving Report/DD Form 1348-1A, Issue Release/Receipt Document, as applicable. Recommend the equivalent prescription, for each clause, be included for reference. For FMS Iraq shipments that are commercial items, recommend the Inspection and Acceptance language of this clause be included in the contract in full text.
- [DFARS 252.232.7002](#) Progress Payments for Foreign Military Sales Acquisitions (DEC 1991) (As prescribed in [232.502-4-70\(a\)](#))
- [DFARS 252.232.7003](#) Electronic Submission of Payment Requests and Receiving Reports (MAR 2008). (As prescribed in [232.7004](#))

2. Deliveries and Performance

- [FAR 52.247-29](#) F.O.B. Origin (As prescribed in [47.303-1\(c\)](#))
- [FAR 52.247-52](#) Clearance and Documentation Requirements -- Shipments to DoD Air or Water Terminal Transshipment Points (As prescribed in [47.305-6\(f\)\(2\)](#))
- [FAR 52.225-8](#), Duty Free Entry (As prescribed in [25.1101\(e\)](#))
- [DFARS 252.242-7003](#) Application for US. Government Shipping Instructions

NOTE: There are FAR prescriptions and clauses that must also be reviewed and/or used before one can reference this DFARS clause.

- [DFARS 252.246-7000](#) Material Inspection and Receiving Report (As prescribed in [246.370](#))

3. Acquisitions for Foreign Military Sales:

(NOTE: This guidance does not apply to FMS made from inventories or stocks; Acquisitions for replenishment of inventories or stocks; or Acquisitions made under DoD cooperative logistic supply support arrangements.)

- [DFARS 225.73](#) Acquisitions for Foreign Military Sales

4. Invoicing and Payment Information (Manual Invoice)

(NOTE: Include FAR Part 12 invoice clause if a commercial item. FAR 515.212-4 does not allow tailoring of the invoice portion, so if it doesn't provide what is needed, a separate FMS-Iraq invoice clause should be created.)

- If not using WAWF, a proper invoice is required and should contain the following information:
 - Contractor Name and Address
 - Invoice Date and Invoice Number
 - Contract Number
 - Military Voyage Document Number

- *Defense Transportation Regulation (DTR)* POE/POD codes
 - Military Booking Number Port Call File Number (PCFN)
 - Contractor Booking Number
 - Contractor Bill of Lading Number
 - Description, quantity, unit of measure, unit price and extended price of services performed. The invoice must provide sufficient detail so as to enable verification and certification by the Government.
 - ◆ Size and Type of Container or type of cargo, Breakbulk
 - ◆ Pieces, Weight and cubic feet for Breakbulk
 - ◆ Sail Date
 - ◆ TCN (Van TCN for container shipments)
 - ◆ Container Number with Alpha Prefix (required only for container shipments)
 - ◆ Services should be broken down by Contract Line Item (CLIN), i.e., drayage, linehaul, ocean transportation, etc., and the specific service. Example: Drayage, Norfolk, Zone 2: Drayage, Norfolk to Newport News
 - ◆ For One Time Only (OTO) shipments, a reference to the relevant modification number
 - Name and address of contractor official to whom payment is to be sent (must be the same as that in the contract or in a proper notice of assignment)
- Attaching evidence of receipt (i.e., a copy of military manifest or a Receiving Report conforming to FAR [32.905\(c\)](#) that also includes the military booking reference number and Van TCN, container number and alpha prefix for containers or Shipment TCNs and number of pieces for breakbulk) is encouraged to expedite processing.

C. Special Instructions – Special care should be applied to ensure clear and concise instructions are included in all FMS contracts for Iraq.

(NOTE: There needs to be prescriptions for use, when special instructions are expected to be in the contract.)

1. **FMS Shipping Instruction**: (Each solicitation/contract for FMS-Iraq should include this clause (or substantially the same if allowed to be tailored)).

SHIP TO:

The Contractor shall contact the cognizant transportation officer (TO), for shipping instructions prior to shipment, at the contracting activity that awarded this contract or placed the order against the contract. If contract administration responsibilities were delegated to an office other than the contracting activity that awarded the contract, contact the Point of Contact (POC) at the contract administration activity.

The Transportation Point of Contact for the contract administration office is:

POC _____
Location/Address _____

Telephone Number _____
e-mail: _____

Note: The cognizant DCMA transportation office supporting Iraq is DCMA Germany.

(Only the following Military Assistance Program Address Codes (MAPACs) are authorized into Iraq at this time.) Refer to the Transportation Office checklist for FMS Shipments to Iraq. (Attachment 10)

Refer to the MAPAD website referenced in paragraph A.11 above for the most current addresses.

Mark For:

- 1) Taji National Depot, Bldg 1061
APO AE 09378
or
- 2) Abu Ghraib
APO AE 09342
or
- 3) Umm Qasr, Warehouse Bldg No16
APO AE 09375
or
- 4) BIQP00
Iraq Ministry of Interior
Baghdad Police College
Weapons and Ammo Warehouse
Palestine Rd
Tel DSN 318-239-8299
or
BIQQ00

Iraq Ministry of Interior
Baghdad Police College Warehouse
Tel DSN 318-239-8299

2. Packaging and Marking

All FMS shipments should be packed to an A/B standard and all packaging and marking should be in accordance with MIL-STD-129. If packaging and marking requirements are part of the contract, provide the appropriate clause and the provisions that apply to that clause.

For all FMS cargo booked through the Integrated Booking System, use the SDDC Advisory Procedures of paragraph A.6 above for completing the Cargo Placard to be affixed to all sides of the shipment. For FMS air shipments, the shipper must affix military shipping labels to each individual shipping unit, and the labels must be visible on the outside of the package. Pay special attention to Military Shipping Label guidance contained in MIL-STD-129 and DTR Part II, Appendix E referenced in paragraph A.11 above, under Packaging Information.

3. Special Instructions

All FMS shipments will contain an origin and destination POC, commercial and DSN phone number and e-mail address: (Note: The origin could be the supplier, depot, or consolidation point. The destination could be the Mark For, end user FMS customer, or the US port or consolidation point.)

Origin Name _____
Phone Number _____
e-mail _____

Destination Name _____
Phone Number _____
e-mail _____

4. In-Transit Visibility

Per CENTCOM message with DTG of 041835Z Oct 07, the following policy change applies to all government of Iraq FMS and FMS-like letter of offer and acceptance (loa) documented shipments:

- Effective upon receipt, military components must utilize active Radio Frequency Identification (RFID) tags on shipments made under existing cases as well as those written in the future.
- Ref (a), DoD Under Secretary of Defense for Acquisition, Technology and Logistics memo re RFID policy dated 30 Jul 04, and ref (b), USCENTCOM Reg 700-4 re Logistics Automatic Identification Technology and In-Transit Visibility dated 23 Jan 06, require all DoD consolidated (20 or 40 foot sea vans, large engine containers and 463L pallets) sustainment, ammunition shipments and major items of equipment being shipped OCONUS to have active RFID tags written at point of origin for all activities (including vendors). This guidance does not preclude the tagging of smaller shipments which may be appropriate if they are not subsequently being consolidated in FMS pure pallets or containers. Content detail will be provided in accordance

with the current DoD RFID tag data formats as displayed in the various RFID tag write software packages.

- o Contract should state who is responsible for providing the tags.
(NOTE: U.S. Government will provide RFID tags for shipment originating at Gov't facilities; otherwise contract language tasking the contractor to provide the tags is required. Either way, the cost of the active RFID tagging will be borne by the Case.)

The TCN is a 17-character data element assigned to control and manage every shipment unit throughout the transportation pipeline. The TCN for each shipment is unique and not duplicated. Except for a misdirected shipment, a retrograde shipment will not be re-shipped using the original TCN. A new TCN will be created each time a shipment enters the transportation pipeline. (Reference DTR Part II, Appendix L)

The 2-digit code for Iraq is IQ.

SA FOREIGN MILITARY SALES (FMS)/GRANT AID SHIPMENTS

TCN <u>rp</u> 1-14	TCMD <u>rp</u> 30-43	<u>Explanation</u>
		Enter the 14 position (rp 30-43) MILSTRIP requisition document number. If the shipment unit contains multiple requisitions (permitted by Chapter 203, Paragraph B.6), use any of the document numbers, but ensure the earliest RDD (if any) is reflected on the Military Shipping Label and DD Form 1384.
15	44	Enter the suffix code; if none, enter "X".
16	45	Enter the partial shipment code (See Paragraph L).
17	46	Enter the split shipment code (See Paragraph L).

An accurate TCN number is required to execute queries in the Global Transportation Network (GTN).