

**UNITED STATES TRANSPORTATION COMMAND
(USTRANSCOM)**

Contract Number F11626-01-D-0036

Passenger Service

Previously released under FOIA
Information being withheld pursuant
To 5 U.S.C. 552(b)(6).

AWARD/CONTRACT		1. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 350)	RATING	PAGE OF PAGE 1 64
2. CONTRACT (Proc. Inst. Ident.) NO. F11626-01-D-0036		3. EFFECTIVE DATE 01/Oct/2001	4. REQUISITION/PURCHASE REQUEST/PROJECT NO. See Schedule	
5. ISSUED BY HQ AMC/DOYAI 402 Scott Dr., Unit 3A1 Scott AFB, IL 62225-5302 Agnes K. Womble (618) 229-4791	CODE FA4428	6. ADMINISTERED BY (If other than Item 5) HQ AMC/DOYMA 402 Scott Dr., Unit 3A1 Scott AFB, IL 62225-5302		

7. NAME AND ADDRESS OF CONTRACTOR (No., street, city, county, State and ZIP Code) DHL AIRWAYS P.O. BOX 75122 CINCINNATI, OH. 452755122		8. DELIVERY <input type="checkbox"/> FOB ORIGIN <input checked="" type="checkbox"/> OTHER (See below)
9. DISCOUNT FOR PROMPT PAYMENT		10. SUBMIT INVOICES (4 copies unless otherwise specified) TO THE ADDRESS SHOWN IN: ITEM SEE SECTION G

CODE OYETL	FACILITY CODE	11. SHIP TO/MARK FOR CODE	12. PAYMENT WILL BE MADE BY DFAS-OM/FPB-CRAF P.O. Box 7020 Bellevue, NE 680051920
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13. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION: <input checked="" type="checkbox"/> 10 USC 2304(c)(3) <input type="checkbox"/> 41 USC 253(c)()	14. ACCOUNTING AND APPROPRIATION DATA Will be cited on Delivery Orders
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15A. ITEM NO.	15B. SUPPLIES/SERVICES	15C. QUANTITY	15D. UNIT	15E. UNIT PRICE	15F. AMOUNT
	FY02 Request for Final Proposal Revisions with attachments is incorporated by reference.				(ESTIMATED)
15G. TOTAL AMOUNT OF CONTRACT					\$421,240.00

(X)	SEC.	DESCRIPTION	PAGE(S)	(X)	SEC.	DESCRIPTION	PAGE(S)
PART I - THE SCHEDULE				PART II - CONTRACT CLAUSES			
X	A	SOLICITATION/CONTRACT FORM	1	X	I	CONTRACT CLAUSES	7
X	B	SUPPLIES OR SERVICES AND PRICES/COST	7	PART III - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACH.			
X	C	DESCRIPTION/SPECS./WORK STATEMENT	19	X	J	LIST OF ATTACHMENTS	1
	D	PACKAGING AND MARKING		PART IV - REPRESENTATIONS AND INSTRUCTIONS			
X	E	INSPECTION AND ACCEPTANCE	3	X	K	REPRESENTATIONS, CERTIFICATIONS AND OTHER STATEMENTS OF OFFERORS	By Ref
X	F	DELIVERIES OR PERFORMANCE	4		L	INSTRS., CONDS., AND NOTICES TO OFFERORS	
X	G	CONTRACT ADMINISTRATION DATA	4		M	EVALUATION FACTORS FOR AWARD	
X	H	SPECIAL CONTRACT REQUIREMENTS	18				

CONTRACTING OFFICER WILL COMPLETE ITEM 17 OR 18 AS APPLICABLE

17 <input checked="" type="checkbox"/> CONTRACTOR'S NEGOTIATED AGREEMENT (Contractor is required to sign this document and return 1 copies to issuing office.) Contractor agrees to furnish and deliver all items or perform all the services set forth or otherwise identified above and on any continuation sheets for the consideration stated herein. The rights and obligations of the parties to this contract shall be subject to and governed by the following documents: (a) this award/contract, (b) the solicitation, if any, and (c) such provisions, representations, certifications, and specifications, as are attached or incorporated by reference herein. (Attachments are listed herein.)	18 <input type="checkbox"/> AWARD (Contractor is not required to sign this document.) Your offer on Solicitation Number including the additions or changes made by you which additions or changes are set forth in full above, is hereby accepted as to the items listed above and on any continuation sheets. This award consummates the contract which consists of the following documents: (a) the Government's solicitation and your offer, and (b) this award/contract. No further contractual document is necessary.
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19A. NAME AND TITLE OF SIGNER (Type or print)	20A. NAME OF CONTRACTING OFFICER MARIE PENDERGAST MARIE.PENDERGAST@SCOTT.AF.MIL (618) 229-4318
19B. NAME OF CONTRACTOR	20B. UNITED STATES OF AMERICA
19C. DATE SIGNED 9/14/01	20C. DATE SIGNED 17/Sep/2001
BY (Signature of person authorized to sign)	BY Marie T. Pendergast (Signature of Contracting Officer)

(b)(6)

(b)(6)

c-73

NOTE REGARDING CLIN NUMBERING

The CLINs on the following page(s) identify the services to be performed under this contract. Delivery orders may use different and/or multiple CLIN numbers for these services due to data system complexities and the number of routes involved. This will not affect performance or payment under the contract.

CONTINUATION SHEET

REFERENCE NO OF DOCUMENT BEING CONTINUED

F11626-01-D-0036

PAGES

B-2

NAME OF OFFEROR OR CONTRACTOR
DHL AIRWAYS

ITEM NO.	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0001	CRAF AIRLIFT SERVICES				
0001AA	CONTINGENCY ALERT The Government may implement Contingency Alert prior to activation of the Civil Reserve Air Fleet (CRAF). Defined in Section C, paragraph 17.	TBD			TBD
0001AB	CRAF ACTIVATION The Government may unilaterally increase the airlift and related support services to be performed hereunder up to and including the full capacity of all aircraft listed in Attachment 8 as described in Attachment 9 entitled CRAF. (Also see Section C, para 1 and 19).	TBD			TBD
0002	REIMBURSABLES				
0002AA	Applicable US Taxes, Customs, Immigration, Federal Inspection Services Fees, Excess Baggage (Section B, para 2b(1)); Demurrage (See Section B, para 2b(1)); and Eurocontrol for Combi Aircraft Only (See para 2b(1)). Extraordinary Insurance Costs (must be approved by Contracting Officer, see Section B, para 2c(1)). Fuel Adjustment (Section B, para 2b(2)). Other costs not listed above as reimbursables which the Contracting Officer may determine appropriate and authorize on a case-by-case basis prior to Contractor incurring the costs. (For example, Government-directed Contractor care of passengers to include billeting and transportation during noncontrollable delays).	Estimated 1	LOT	\$20,000.00	Estimated \$20,000.00
0002AB	Attendance of two Contractor representatives at annual Mobilization Representative (MOBREP) conference. (See Atch 9, Chap 2, Sec B, para 2.26 and Section B, para 2.b.(3)).	NTE 1	LOT	\$1,240.00	NTE \$1,240.00
0003	PEACETIME AIRLIFT SERVICE--(FIXED REQUIREMENTS)	Estimated 1	LOT	\$0.00	Estimated \$0.00
0004	PEACETIME AIRLIFT SERVICE--(LONG TERM EXPANSION)	Estimated 1	LOT	\$0.00	Estimated \$0.00
0005	PEACETIME AIRLIFT SERVICE (EXPANSION)	Estimated 1	LOT	\$400,000.00	Estimated \$400,000.00

PEACETIME AIRLIFT SERVICE (EXPANSION) - Continued

CONTRACTOR ENTITLEMENT BY CATEGORY

CAT B CARGO	
Narrow Body	0.24%
Wide Body	0.23%
CAT B PASSENGER	
Narrow Body	0%
Wide Body	0%
CAT B COMBI	
	0%
SHORT RANGE	
Passenger	0%
Cargo	32.27%

2. PRICING

a. CLIN 0001 shall be priced as follows:

(1) CLIN 0001AA is priced as a NOT-TO-EXCEED amount which the Contractor shall not exceed without the Contracting Officer's price concurrence. The intent of this provision is to fairly compensate for services performed which will not be compensated through the award of a mission. The Contractor shall submit complete documentation to support all costs identified on their invoice for services performed. The Contracting Officer will evaluate the Contractor's submission for reasonableness, allowability, and allocability consistent with the Federal Acquisition Regulation and negotiate with the Contractor as needed. Potential loss of revenue from commercial business is not an allowable cost. (See Section B, CLIN 0001AA, Section C, para 17, and Section G, para 2.f.)

(2) CLIN 0001AB - Prices for airlift services during CRAF activation, Stage I, II and III and during Commander, AMC, determined periods where volunteered airlift is used in lieu of CRAF activated airlift shall be determined in the same manner as for the fixed award CLINs, except that one-way cargo and passenger missions will be priced at the percentage of the round trip rate, identified as CRAF one-way rate, in the AMC Negotiated Uniform Rates and Rules. The price for Aeromedical evacuation airlift shall be determined IAW the AMC Aeromedical Airlift Uniform Rates and Rules and para 12.2.1. of Attachment 9.

(3) For long-range international aircraft called up (See Atch 9, para 2.18) under CRAF activation Stages I, II or III, there will be a guaranteed average daily utilization of 8 hours flight time (further defined in Atch 9, para 2.18). If an aircraft fails to achieve the guaranteed utilization, the Contractor will be entitled to additional compensation due to under utilization.

(a) The equation for computing compensation for under utilization is:

(guaranteed hours - actual hours) x 500 mph x Aircraft Cabin Load (ACL) x rate
(see 3, below) = compensation.

1. Flight time (actual hours) shall include all revenue hours including paid ferry and any commercial flights operated during the CRAF activation.

2. Actual hours will be increased by 8 hours for each time an aircraft is unavailable to the Government for Contractor controllable reasons.

3. The rate will be based on the AMC Negotiated Uniform Rate minus any costs not expected to be incurred (i.e., fuel, meals, maintenance).

4. The underutilized hours will be converted to miles using an average speed of 500 mph.

EXAMPLE:

(i) Tail number N123 with an ACL of 326 PAX is activated on the 5th of the month.

(ii) The aircraft operated for 100 flight hours for the remainder of the month including 10 commercial hours.

(iii) Guaranteed utilization = 240 hours (30 days x 8 hrs)

(iv) Actual utilization = 100 hours

(v) Underutilized hours = 140 hours

(vi) $140 \text{ hours} \times 500 \text{ mph} = 70,000 \text{ miles} \times 326 \text{ ACL} = 22,820,000 \text{ seat miles} \times .045 \text{ (actual rate to be determined)} = \$1,026,900$ compensation earned for the month.

(b) The procedure for determining under utilization and compensation will be based on documentation provided by the Contractor. Contractor may report to AMC at the end of each month, at the end of the contract period or upon CRAF deactivation, total hours flown for each called up aircraft, the number of Contractor controllable delays, hours flown in commercial service, and hours flown in AMC service. Compensation for under utilization will be accomplished at the end of the contract period or upon CRAF deactivation, whichever comes first. Contractors must provide cost data to determine the rate as soon as possible.

(c) Additionally, should the long-range international aircraft called up, as defined in Attachment 9, para 2.14., not be required for the 30-day minimum guaranteed utilization period or not be required for all or a portion of the 15 days between notification and official release from call up, they will be compensated for under utilization at an amount not to exceed that calculated as provided in paragraph (3)(b) above. Carriers are obligated to make their best efforts to obtain commercial business to minimize Government costs.

(4) Prices for airlift called up under all CRAF activation Stages may be adjusted by negotiation between the Contractor and the Government pursuant to the procedures in the CHANGES clause. The Memorandum of Understanding (MOU) between the Contractor and AMC shall serve as the guideline for establishing prices and adjustments thereto. In establishing such prices, it shall be presumed, unless the Contractor presents evidence establishing that an adjustment to the rate of compensation is appropriate, that prices computed in accordance with the AMC Negotiated Uniform Rate applied to the mileage set forth in Commercial Operations Integrated System (COINS) for the shortest route over which the type of aircraft involved operated, constitutes equitable prices for such services. For the purpose of circumnavigating countries which will not grant overflight clearances, peacetime and wartime missions which operate the segments listed in paragraph 4 below, will be paid according to the special miles listed therein instead of the mileage calculated by COINS.

Consideration will be given, but not limited to evidence so presented by the Contractor for aircraft called up which reflect reasonable incurred cost outside the peacetime rate associated with call-up aircraft under CRAF activation. Examples of such costs are:

1. Additional per diem expenses incurred to relocate personnel required to assist in the flow of CRAF activated aircraft.

2. Additional security expenses for the safety of aircraft and crew.

(5) Vectoring. If conditions require vectoring during CRAF activation or periods where volunteered airlift is used in lieu of CRAF activated airlift, the Contracting Officer will issue a change order in accordance with the CHANGES clause. Vectoring is a change from the contracted route due to specific military conditions in the mission operating environment which

requires a deviation from the contracted route. The change order will provide the area, times, etc., for which vectoring will be recognized as a changed condition. A change order authorizes submission of requests for price adjustments. To expedite adjustments, periodic submissions are encouraged. The Contractor should document and support the baseline from which adjustment is requested in addition to substantiation of the amount of the equitable adjustment in any request submitted to the Contracting Officer.

b. CLIN 0002AA shall be priced as follows:

(1) The following additional charges may be recognized under the terms of this contract: Transportation Tax; Head Tax; Custom Charges as outlined in 19 USC 58c; Immigration Charges as outlined in 8 USC 1356(d); Excess Baggage; Federal Inspection Service fee, Eurocontrol, and Demurrage. Contractor will be reimbursed for actual Eurocontrol charges included and submitted on the invoice for payment on combi SUBCLINs and for cargo missions flying hub and spoke operations within Europe. Demurrage will be paid on completed cargo missions when departure is delayed over 3 hours beyond scheduled block time and the delay is Government controlled (See Section F paragraph 6). Payment of delays of fractions of an hour will be calculated using normal rounding procedures, i.e., 29 minutes or less will be dropped, 30 minutes or more will be rounded to the next whole hour. Charges are as follows:

(a) B747	--	\$1246 per hour
(b) MD-11	--	\$1135 per hour
(c) DC-10	--	\$1038 per hour
(d) DC-8	--	\$ 623 per hour
(e) B707	--	\$ 505 per hour

(2) Fuel Adjustments. The prices are subject to adjustment for variances in fuel prices as set forth in the AMC Final Uniform Negotiated Rates and Rules Appendix A. The L-100 fuel adjustments, upward or downward from the pegged price (See 2.c.(4)), will be accomplished using the procedures contained in the AMC Final Uniform Negotiated Rates and Rules.

(3) MOBREP Conference. The government will reimburse the contractor for certain expenses incurred as a result of carrier representatives attending the MOBREP Conference. (See Section G, paragraph 2e.)

(4) Other costs not specifically noted above may be allowed as reimbursable, if determined appropriate and authorized by the Contracting Officer prior to the contractor incurring the cost.

c. CLINs for the fixed and expansion requirements, shall be priced as follows:

(1) Airlift services shall be paid at the price established for each SUBCLIN. Such price shall be determined in accordance with AMC Uniform Negotiated Rates and Rules incorporated by reference for International Long- and Short-Range Commercial Augmentation (see Section B, paragraphs c(2), c(4), and d for exceptions). AMC will continue to conduct an annual rate review in accordance with the Memorandum of Understanding (MOU) between the Contractors and AMC. Mileages will be determined in accordance with the COINS. Those missions that cannot be flown at the mileages calculated in COINS, will be paid override mileage. Override mileage will be determined based on actual flight plans and mutually agreed to by the Contractor and Contracting Officer. The Contracting Officer may also pre-approve extraordinary insurance costs applicable to a pending mission when in the best interest of the Government.

(2) Special Miles:

For the purpose of circumnavigating countries which will not grant overflight clearances, peacetime and wartime missions which operate the following segments will be paid according to the special miles listed below instead of the mileage calculated by COINS.

The following special miles will be paid to circumnavigate Cuba and/or Nicaragua:

KCHS-MUGM	1040	MPHO-MHSC	795
KCHS-MHSC	1483	MPHO-MHTG	806

KCHS-MHTG	1486	MPHO-MSSS	739
KCHS-MPHO (via MMCZ)	1888	KNGU-MKJP	1580
KCHS-MSSS	1487	KNGU-MUGM	1373
KNIP-MUGM	1016		

The following special miles are paid to circumnavigate Switzerland and/or Austria:

LICZ-EDDF	1043	LIRN-EDDF	870
LICZ-ETAR	949	LIRN-ETAR	776
LIPA-EDDF	773		
LIPA-ETAR	419		
(If weapons are carried)	679		

For missions that are live into or out of Germany, the following special miles will be paid:

EDDF-HECA	1975	ETAR-HECA	1969
EDDS-HECA	1907	EDDN-HECA	1950
EDAB-HECA	1987	EDDH-HECA	2162

The following special miles are paid to circumnavigate Bosnia/Serbia/Yugoslavia:

ETAR-LWSK	1100	EDDF-LWSK	1087
EDDF-LGTS	1208	EDDF-LBSF	1119
ETAR-LBSF	1139		

The following special miles are paid to meet country code entry requirements of Turkey:

ETAR-LTAG	2043	EDDF-LTAG	2018
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(3) CAT A cargo transportation services.

(a) Full Pallet CAT A cargo shall be paid at the prices negotiated on each CLIN for the number of pounds moved based on the following:

1. The minimum weight of 3750 pounds on each pallet for narrow-body aircraft and 4980 pounds on each pallet for wide-body aircraft times the number of pallets in the consignment is the guaranteed minimum charge for any consignment.

2. If the total actual weight of cargo on all pallets in the consignment exceeds the guaranteed minimum charge, payment for actual weight shall be made. A consignment consists of pallets moving as one shipment, on the same date and assigned a Government Bill of Lading (GBL) Number or listed on a DD Form 250 as one shipment.

(b) Less-than-full pallet CAT A cargo shall be paid at the prices negotiated on each CLIN for the number of pounds moved at the respective weight break price.

(4) When requirements for Special Assignment Airlift Missions (SAAMs) or Exercises exceed the Maximum Standard Payloads' as set forth in Appendix A of the Rates and Rules, the Government shall negotiate an ACL taking into consideration the Gross Take Off Weight (as certified by the carrier), desired ACL and mission requirements. The Contracting Officer may elect to use the appropriate rate from the Uniform Rates and Rules. Ferry on SAAMs or Exercises will be paid at the standard ACL or where allowable cabin loads for various aircraft types are less, the Government shall pay ferry for the lower number of seats.

(5) The L-100 rate is negotiated along with a burn rate. The pegged fuel price will be that price pegged in the FY01AMC Uniform Rates and Rules. The one way rate will be 196% of the negotiated round trip rate and the ferry rate is 96% of the round trip negotiated rate.

d. The Government shall also have the right, at its sole option, to order other airlift service under the contract in accordance with and at the rate specified by the Contractor for service to the public which will, in the judgment of the Contracting Officer, meet the Government needs. In addition, the Government may, for airlift service not covered by the AMC Uniform Rates and Rules, establish rates by negotiation.

3. MINIMUM GUARANTEE

a. The total minimum guarantee to be awarded under this contract will be those dollars negotiated and awarded for each contract as the fixed award. This minimum can be satisfied by a combination of fixed and expansion award when circumstances so dictate.

b. For those contracts awarded for expansion only, the minimum guarantee will be to attend the MOBREP Conference. This minimum will be satisfied as reimbursement costs for up to two representatives to attend the annual meeting sponsored by the CRAF office, HQ AMC/DOF.

PART I - THE SCHEDULE

SECTION C - DESCRIPTION/SPECS/WORK STATEMENT

1. GENERAL DESCRIPTION OF SERVICE

a. Contractor shall provide international long and/or short-range airlift services. Services include passenger, cargo and/or aeromedical transportation as stated in Section B and in accordance with the specifications set forth in Attachments 1 through 7, 9 through 16. Cargo (and/or baggage during CRAF operations) may include hazardous material classes 1 through 9 as defined in the International Air Transport Association Dangerous Goods Regulation. Passenger service shall not be less than that afforded economy class passengers, commensurate with customs, practices and standard procedures of particular airports and countries, and this contract.

b. Contractor shall operate in accordance with Federal Aviation Administration (FAA) approved manuals, (applicable copies of which shall be aboard each aircraft), appropriate provisions of Federal Aviation Regulation (FAR) Part 121, applicable International Civil Aviation Organization (ICAO) recommended practices and standard procedures, appropriate emergency response guidebook/manual, and this contract.

c. The Contractor, in furnishing services hereunder, shall provide, except as otherwise specifically set forth in the contract, all personnel, facilities, supplies, and equipment to support and perform air transportation services called for under this contract. Contractor shall be self-supporting at all bases of operation.

2. KEY REQUIREMENTS

a. The Contractor (or in the case of a Contractor Team Arrangement, the entity of the Contractor Team Arrangement operating the aircraft) shall conform and adhere to the following requirements throughout the term of the contract:

(1) Requirements set forth in AMC FARS 5352.247-1001 incorporated in Section H, paragraph 12.

(2) Participate in the Civil Reserve Air Fleet (CRAF) Program and maintain a minimum of 30 percent of a Contractor's passenger fleet or 15 percent of a Contractor's cargo fleet in wide-body equivalents. Contractors operating both cargo and passenger aircraft shall maintain the minimum commitment from each fleet type.

(3) Provide and maintain a minimum of four qualified flight-deck crews per aircraft as required by Attachment 9 of this contract, exclusive of those with Reserve or National Guard commitments, and material to enable at least 10 hours per day utilization of each aircraft as required in Attachment 9. During CRAF activation, flight-deck crewmembers must be US citizens and eligible for a SECRET clearance. The Contractor shall submit a list of names of the crewmembers within 15 days if requested by the Contracting Officer.

(a) Contractors who do not have sufficient crews for all of their aircraft may arrange with other Contractors for the necessary crews. Contractor may employ such crews on a full-time basis; however, arrangements could include standby or temporary crews as long as their names appear on the Contractor's list of current and qualified crewmembers provided to the FAA.

(b) In the event flight-deck crews are obtained through contractual arrangement with another Contractor, they must be US citizens and eligible for a SECRET clearance during CRAF activation. If during any period of contract performance, including activation of CRAF, the Contractor for reasons beyond its control is unable to provide either the personnel or the material necessary to operate aircraft for a minimum of 10 hours per day, the Contractor shall still be obligated to provide the aircraft listed on Attachment 8, and the Government shall have the right to operate such aircraft. The exercise of such right is contingent upon the provision by the Government of adequate financial protection to the Contractor/carrier and any lessor(s). In such event, the compensation, which would otherwise be paid to the Contractor under the terms of this contract, shall be reduced by the amount which the Contracting Officer finds to represent the services and material not furnished by the Contractor, and related overhead and profit.

(4) The Contractor shall at all times during the contract period, including any extension described elsewhere in the contract, maintain control over the aircraft listed on Attachment 8, to the extent necessary to assure the Contractor's ability to meet its guarantee under CRAF. The Contractor shall, at any time or times during the contract period, furnish to the Contracting Officer upon demand evidence that demonstrates the required control of said aircraft. The Contractor shall not part with control of any aircraft accepted by AMC and listed on Attachment 8 unless the loss is beyond the control of the Contractor, such as aircraft accident, or the Contracting Officer, at his/her option, has agreed to the substitution of other acceptable CRAF aircraft, as appropriate, and has accomplished such substitution by contract modification. If an accident results in the loss of an aircraft, and no substitute will be provided, the contractor shall notify the Contracting Officer in writing within 24 hours and shall provide the information required in paragraph 19b(1) through (8). Examples of failure to maintain control within the intent of this paragraph are as follows; (1) failure to retain US registry, (2) leasing of aircraft to unapproved foreign Contractors, (3) dry leasing of aircraft to US airlines or aircraft operators not possessing a temporary or permanent certificate issued by the Department of Transportation (DOT) or, (4) removal of aircraft from active utilization (in storage, out of service, or parked) and not flyable for reasons other than maintenance, repair, or overhaul. Aircraft temporarily removed from active utilization that are mission capable within 24 hours are considered to meet the control requirements of this contract. The parties agree that failure of the Contractor to maintain control of any aircraft listed on Attachment 8, unless loss of the control is beyond the control of the Contractor, such as aircraft accident, or approved by the Contracting Officer, will constitute failure to have a currently existing capability to perform services called for, and will justify termination of this contract under the clause entitled "FAR 52.249-8 Default (Fixed-Price Supply and Service) Alternate I." In lieu of default, the Government, at its option, may, by unilateral contract modification, reduce its purchase of airlift services for passengers or cargo, or both, during the remaining period of the contract by an amount equal to the award share for the remaining period of the contract attributable, under the formula used to determine the original contract award entitlement, to the aircraft removed from the AMC contract creditable mobilization base and deleted from Attachment 8. Nothing in this paragraph shall limit the right of the Contracting Officer to terminate this contract for cause or reasons other than failure to maintain control of the above mentioned aircraft.

b. Contractors who are using mobilization value points (MVPs) transferred from another carrier, as identified in Attachment 8a, must be qualified to participate in the CRAF Program and commit their own aircraft (e.g. at least 30 percent of their passenger fleet and/or 15 percent of their cargo fleet in wide-body equivalents. Contractors operating both cargo and passenger aircraft must commit the minimum in each category.) The Contractor shall submit a Notice of Use (as set forth below). The use of MVPs is solely for the transferee to increase its total MVPs for determining peacetime fixed and expansion business. MVPs must be transferred for the entire contract period, including any peacetime option exercises. Transferred MVPs cannot be redistributed during the contract period. In the event of CRAF activation, the MVPs will revert to the transferor for the entire period of the activation.

NOTICE OF USE
OF
MOBILIZATION VALUE POINTS (MVPs)

I _____ (Name), _____ (Title), for
_____ (transferee) hereby provide notice that on _____ (Date),
_____ (Transferor) has authorized _____ (Transferee)
the use of MVPs for the following aircraft in obtaining entitlement for the FY01 International CRAF contract. The
aircraft from which the MVPs were derived are as follows:

AIRCRAFT
TAIL NUMBER

I further represent that:

- (1) Except as specified in the contract, the use of these points is irrevocable and is for the entire period of the FY01 contract to include any option exercised for peacetime business.
- (2) _____ (Transferee) is committing its own aircraft to the CRAF Program in the minimum amounts required to be a CRAF Contractor and is otherwise eligible to participate in these contracts. (Currently the minimum amounts required to be a CRAF Contractor are 30 percent of a Contractor's passenger fleet or 15 percent of a Contractor's cargo fleet in wide-body equivalents. A Contractor operating both cargo and passenger aircraft must commit the minimum from each type of aircraft.)

TRANSFEREE _____
SIGNATURE _____
TITLE _____
DATE OF EXECUTION _____

c. Contractors who elect to increase their commitment to CRAF to a minimum of 50% for passenger carriers and 25% for cargo carriers are permitted to transfer their aircraft to another CRAF eligible carrier, with or without joining a team, for whatever legal consideration they deem appropriate. This transfer is limited to the use of the points, and in no way affects the transferor's commitment to CRAF of all the aircraft identified on Attachment 8 and its other contractual obligations. The transfer must be reflected in a Notice of Transfer of MVPs (as set forth below) and provided to the Contracting Officer. The transfer must be irrevocable for the entire contract period to include any option exercised during peacetime. In the event of CRAF activation, the MVPs will revert to the transferor for the rest of the activation period.

NOTICE OF TRANSFER
OF
MOBILIZATION VALUE POINTS (MVPs)

I, _____ (Name, title) hereby provide notice that _____ (Transferor) has committed _____ (number) aircraft to the CRAF Program for FY01 and has on _____ (Date) received confirmation from HQ AMC/DOF of _____ (To be completed at time of award.) mobilization value points for said commitment. I further represent that:

(1) The following MVPs identified by the aircraft number, to which they pertain have been transferred to * _____ (Transferee) for their exclusive use in obtaining entitlement under the FY01 Long-Range Entitlement contract(s) administered by HQ AMC;

AIRCRAFT
TAIL NUMBER

(2) The transfer of said points is irrevocable for the entire period of the FY01 contract to include any option exercise for peacetime business;

(3) The purpose of this transfer is for the purpose stated herein and in no way affects of _____ (transferor's) responsibilities or commitments under the CRAF contract with the Government; and

(4) The transfer has been approved by the appropriate authorities of _____ (Transferor).

TRANSFEROR _____

SIGNATURE _____

TITLE _____

DATE OF EXECUTION _____

* In the event that aircraft MVPs are transferred to more than one carrier, a separate notice must be submitted for each.

3. MAINTENANCE

a. The Contractor shall furnish an aircraft capable of completing each flight without requiring regularly scheduled maintenance.

b. No scheduled maintenance except en route or turnaround service and safety of flight items shall be accomplished at military installations under the terms of this contract except as otherwise authorized by the Administrative Contracting Officer (ACO) when deemed to be in the best interest of the Government. Requests for performance of maintenance, other than en route or turnaround servicing, shall be submitted to the Contract

Administrator and the local Operations Center/Command Post. It shall be the responsibility of the Contractor to arrange for all scheduled aircraft maintenance and to provide for movement of aircraft to and from their selected maintenance activity without charge to the Government. Such movement to and from selected maintenance activity shall not become part of scheduled route operations. If any maintenance service is to be performed, including en route, turnaround, safety of flight, or scheduled maintenance during ground time of aircraft, the Contractor shall notify the local QAE and/or Operations Center/Command Post as follows:

- (1) Specific type of maintenance to be performed;
- (2) Anticipated duration;
- (3) Type of Government Furnished Service desired in conjunction with performance of the turnaround or en route maintenance service;
- (4) Any reimbursable support desired in conjunction with performance of the turnaround or enroute maintenance service; and
- (5) Any change in status or type of work to be performed subsequent to initial notification to Operations Center/Command Post shall be immediately communicated to the Operations Center/Command Post.

c. The Operations Center/Command Post will coordinate the above information with Maintenance Control to assure proper spotting of the aircraft in relation to the degree of hazard associated with the maintenance work to be performed. The Operations Center/Command Post will also notify the Quality Assurance Evaluator (QAE) and the QAE will notify any other interested base agencies. Except as otherwise specified in the contract, no charge will be made for any Government furnished services required to perform enroute turnaround maintenance checks and servicing. If any services or material are required to perform other than turnaround maintenance checks and servicing, such services or material shall be provided on a reimbursable basis in accordance with Air Force Instruction (AFI) 10-1001, Civil Aircraft Landing Permit, and Air Force Manual (AFM) 67-1, Vol I, Part I, Chapter 10, Section O, Subsection 2 and AMCI 24-101, Section 4b. Requests for reimbursable services will be passed from the QAE to the applicable agency that will arrange for performance of the required services. Contractor shall comply with Air Force Instruction (AFI) 21-101, "Maintenance Management of Aircraft."

4. AMC/TACC OPERATIONS CENTERS

AMC/TACC Operations Centers are primarily concerned with mission monitoring/status and only under cases of extreme emergency will guidance be provided by the Operations Center as it pertains to mission accomplishment. All other problems shall be directed to the ACO or appropriate Contract Administrator for resolution.

5. SECURITY

The Contractor, in performance of this contract, shall have established a program to prevent unlawful seizure of aircraft. At airports, bases, and air terminals where there is an Air Mobility Command (AMC) presence or where US forces are present and responsible for deployment/redeployment of forces, the military will be responsible for security processing of passengers at on/off load. At en route/operational stops and at locations where there is no AMC or military presence, security processing of passengers shall be the responsibility of the Contractor. At these locations, the Contractor shall satisfy the requirements of the FAA security program for scheduled/charter operations in commercial service. Contractor shall establish procedures for off-load of baggage of gate "No Show" passengers unless that baggage has received customs preclearance. Copies of the Contractor's program shall be furnished to the ACO upon request.

6. UNUSUAL WEATHER CONDITIONS

- a. Contract missions will be permitted into military stations under either actual or forecast typhoon/hurricane condition I or II, provided such flights are conducted in accordance with Federal Aviation Regulation's applicable

provisions of the USAF Foreign Clearance Guide, regulations of the foreign country in which the station is located, and have the approval of the departure and destination station AMC commander (base commander where there is no AMC commander). This approval shall be obtained prior to originating each flight segment entering the above forecast conditions. There are no restrictions relative to actual or forecast typhoon condition III or IV.

b. Whenever possible, every effort should be made to delay a civil mission at the originating station in instances when severe weather (for example, a typhoon) is forecast for the terminating station, rather than permit the mission to proceed to an en route station and then be delayed.

c. When the station is below a carrier's weather minimum and is a scheduled traffic stop, the carrier is expected to hold short at the preceding station or carry sufficient extra fuel for extended holding until approval to divert is obtained from the ACO or a designated representative. Diversions to airports in the general vicinity (i.e., McGuire for Baltimore, McChord for Seattle) normally will be authorized. The carrier shall provide surface transportation. Authorization for overflights will consider the volume of the enroute onload/offload in relation to the destination load.

7. AIR ROUTE TRAFFIC CONTROL CLEARANCE OF AIRCRAFT

a. The Contractor shall use the appropriate FAA or ICAO clearance form when clearing aircraft from civil airports. When clearing from military installations, DD Form 175, Military Flight Plan, or appropriate FAA or ICAO clearance form may be used. Civil aircraft commanders are vested with self-clearance authority; therefore, military clearance officers are not required to sign clearance.

b. The DD Form 2401, Civil Aircraft Landing Permit, issued to the AMC contract carriers constitutes prior approval for landings at AF bases only while performing bona fide US Government AMC contract missions. Commanders are authorized to impose a penalty landing fee for any aircraft which lands at a military base without prior authority (a valid DD Form 2401) except for bona fide emergency landings. Unauthorized landings constitute a violation and the base commander will take action in accordance with AFI 10-1001, Civil Aircraft Landing Permits.

8. FLYING IN CONTROLLED AIRSPACE

All contract flights shall fly over established airways, domestic or international, and in controlled airspace. Exceptions may be made to this requirement where it is impractical to follow airways or fly in controlled airspace, provided airways are intersected at the first practical point and departed at the last practical radio navigational fix near destination, or when area control or established airways do not exist within a flight information region. Economic considerations will not justify deviation from this procedure.

9. BLUE BARK PASSENGER/CARGO

Occasionally survivors of deceased military or civilian personnel of the DOD are carried on contract missions. The code name assigned by AMC to these passengers is BLUE BARK. The originating station QAE will notify the local Contractor representative of the names of the BLUE BARK passengers on board. The Contractor shall ensure that these passengers are afforded the utmost courtesy throughout their trip. When such passengers are terminating at a civil airport the Contractor shall notify the QAE at the nearest AMC terminal. The QAE will ensure that proper onward handling is provided. Cargo accompanied by a BLUE BARK passenger at the civil airport normally is accepted from the Government at planeside and delivered to the Government at planeside, unless directed by special contract provisions requiring pickup and delivery at a particular location.

10. SCHEDULED TRAFFIC AND OPERATIONAL STOPS

a. A scheduled traffic stop is a military required stop and the Contractor must meet scheduled arrival/departure time.

b. An operational stop is one made by the Contractor for convenience. At such stops, the Contractor has the right to depart the aircraft upon completion of its own required ground operations. The Government may on/off-load passengers or cargo at operational stops if this does not interfere with the Contractor's ground operations or delay their departure. Even though operational stops are reflected in the published schedule, the Contractor may overfly such stops and AMC may not force the Contractor to land at such stations for the purpose of on/off-loading traffic. The contractor shall notify the QAE of any anticipated overflight prior to departure from the previous station. Special care shall be taken to make sure any off-load or on-load of passengers at operational stops do not conflict with the diplomatic clearance or customs required of the country involved. Contractor is not responsible for passenger or customs processing of on/off-loading passengers.

11. AUTHORIZED TRANSPORT OF PERSONNEL ON FERRY SEGMENTS

Under provisions of the AMC airlift service contracts ONLY those Government personnel traveling for contract administration purposes are authorized transportation on the ferry segments of AMC contract flights.

12. **INTERNATIONAL ROUTE SUPPORT.** Authorized route support may include the movement of positioning crewmembers and the direct support of aircraft parts and components and ground support items. When aircraft parts and components and ground support items are to be moved, the contractor shall notify the Government at least 24 hours prior. The Government is responsible for loading/unloading route support items. The contractor shall provide oversight of the uploading/downloading process. Contractors will not be charged for use of Government-owned pallets and nets in moving route support material, nor for labor and equipment required for on/off loading. The contractor shall comply with import regulations as required by the host nation. To ensure this responsiveness, route support may be provided as follows:

a. **Intracompany Route Support.** When there is ACL available (either above the standard ACL or below the priced ACL), the Contractor may, with ACO approval, use the available ACL without limitation to move intracompany route support necessary for the performance of the contract under which the trip is made, when such use will not impact mission performance. In the event the excess capability is inadequate or nonexistent, the Contractor may reduce, with ACO approval, the guaranteed ACL up to and including 10 percent to move their own route support. If the Contractor is unable to meet needs within this 10 percent limitation, the Contractor may use the route support procedures for either intercompany or revenue support. The carrier shall give at least 24 hours advance notice of a mission whenever they require seats on an AMC contract mission. Whenever a deficit is chargeable, the CAMO shall notify HQ AMC contract administrator.

b. **Intercompany Route Support.** When one AMC Contractor wishes to move route support for another Contractor on a nonrevenue basis, the Contractor shall ask permission of the ACO. Requests and approvals shall be in the form provided for in Attachment 13. Intercompany route support must utilize space not needed by the Government and deficits shall not be permitted.

c. **Revenue Route Support (Organic).** There will be times when AMC airlift Contractors are unable to support themselves adequately through the route support means provided for in paragraphs 12 a. and b. above. When a Contractor desires, they may have their route support moved as Government-sponsored traffic (revenue route support) according to AMCI 24-101. Credit may be given and billing accomplished using special account handling procedures. Revenue route support request and authorizations shall be in the format provided for in Attachment 14. Military orders are not required. An information copy shall be furnished to HQ AMC/DOYM. Such traffic will be assigned movement priorities commensurate with Government traffic.

13. AIRFIELD RESTRICTIONS/SPECIAL AIRFIELDS

a. Contractors are reminded that airfield restrictions exist at certain military and commercial airfields worldwide. An Air Mobility Command (AMC) publication, entitled "**Airfield Suitability and Restrictions Report**," identifies airfield restrictions specifically for AMC aircrews. This publication also lists "certification airfields" which are the equivalent to FAA-designated "special airfields." These fields have unique airfield hazards and operating procedures requiring increased awareness and familiarity by aircrews. Contractors can obtain the current edition of this publication, at no cost, by contacting the following office:

HQ AMC/DOA
402 Scott Drive Unit 3A1
Scott AFB IL 62225-5302

TELEPHONE: (618) 229-3321
FAX: (618) 256-2019

This publication is prepared for use by AMC air crews and is made available to Contractors for advisory purposes only.

b. Additionally, AMC produces "Airport Qualification Program" (AQP) videos for some certification airfields. These are available for advisory purposes only, at no cost (one copy per Contractor), by contacting the following office:

HQ AMC/DOT
402 Scott Drive Unit 3A1
Scott AFB IL 62225-5302

TELEPHONE: (618) 229-2553
FAX: (618) 256-2773

c. This contract requires that at least one pilot member of an air crew, operating a DoD contract mission into a DoD-designated certification airfield, shall have performed pilot duties to that airfield within the past 12 months or reviewed an FAA-accepted pictorial, e.g., video, detailing airfield hazards within 30 days prior to performing the DoD contract mission.

d. Contractors shall ensure that aircrews are adequately briefed on all restrictions at applicable airfields, including certification airfields, and properly trained before performing any DoD contract mission into these airfields.

14. EXTENDED PARKING

a. Requests for extended parking privileges exceeding 8 hours will be reviewed on an individual basis and may be honored consistent with the availability of space, equipment, and manpower resources. Extended ground time exceeding 8 hours shall be requested and concurrence or non-concurrence received through the local operations center, in coordination with the QAE and Airfield Manager. Evaluation of the Contractor's request for extended parking privileges will be considered based on the following:

(1) Positioning of aircraft in advance of time stipulated in the contract so as to prevent delays due to weather, crew limitations, or other reasons.

(2) Back-to-back scheduling of aircraft for a follow-on AMC mission.

(3) Other programmed mission requirements.

(4) Aircraft programmed or scheduled for subsequent commercial operation on termination of a military mission at a military station will not be granted extended parking privileges.

b. Use of the following procedures in requesting approval for extended parking:

(1) Contractor may submit a request any time prior to arrival of the aircraft. If the request is prior to mission execution, the approval should come through the appropriate HQ AMC TACC scheduler. While the mission is in execution, approval should be via the TACC/XOC.

(2) The local operations center will coordinate the request with the QAE and Airfield Manager, and will advise the Contractor whether the request has been approved, or disapproved prior to the arrival of aircraft.

(3) The TACC scheduler will intervene at the Contractor's request if these procedures result in denial.

c. If approval is granted for extended parking privileges, it will be subject to the following criteria:

(1) Taxiing crews required when towing services are not available for the immediate respotting of an aircraft from a terminating mission shall be Contractor-furnished. Towing equipment/crews required in the repositioning of an aircraft resulting from the above action, or from a maintenance area, shall be Contractor-furnished, with the exception of the tractor and driver which will be furnished by the Government.

(2) The Government shall not be responsible for late positioning of Contractor aircraft due to the lack of towing tractors, other equipment, or personnel. Equipment or personnel may be withdrawn from Contractor use for higher priority AMC mission support, in accordance with the AMC Mission Priority System. The command post will determine priorities for allocation of manpower and equipment to service AMC military or contract aircraft.

15. BUMPING PASSENGERS ON NON-STOP SERVICE

a. The Contractor shall provide non-stop service as specified on Section B line items. In the event the ACL must be reduced to provide non-stop service, the Contractor shall move space required bumped passengers on the next available scheduled service flight. The bumped passengers become the sole responsibility of the carrier until moved, to include but not be limited to, meals, lodging and transportation to/from lodging. In addition, the contracted price will be discounted by the percentage of bumped passengers. The discount will be computed by dividing the bumped passenger count by the contracted ACL. That percentage will be applied to the price for the portion of the flight not flown with the contracted ACL.

b. For example: A MD-11 is contracted for 360 passengers to fly Seattle-Osan-Kunsan-Osan-Seattle. The contract price for the Seattle-Osan leg (5614 miles) is \$145,959.51. The carrier cannot fly non-stop from Seattle to Osan without bumping 18 passengers to reduce the weight. $18 \text{ divided by } 360 = 5\%$. $\$145,959.51 \times 5\% = \$7,297.98$. The total trip price of \$296,078.40 will be reduced by \$7,297.98 for a paid total of \$288,780.42.

c. The Government may invoke remedies which are set forth in this paragraph which will neither constitute a termination within the meaning of "FAR 52.249-2, Termination for Convenience of the Government (Fixed-Price)," nor in any way, diminish the Government's rights under the Clause entitled "Default." The rights and remedies of the Government provided for in this paragraph are not exclusive and do not give rise to Government liability for costs incurred and are in addition to any other Government rights and remedies provided for by law or by this contract.

16. AUTHORITY TO LEAVE UNSAFE AIRCRAFT

a. According to Section 2640, Chapter 157, 10 U.S. Code, the following shall apply with regard to the authority to leave unsafe aircraft:

Representatives of Air Mobility Command, the Military Traffic Management Command, or such other agencies as may be designated by the Secretary of Defense (or if there is no such representative reasonably available, the senior officer on-board a contract mission) may order members of the armed forces to leave a contract mission if the representative (or officer) determines a condition exists on the aircraft which may endanger the safety of the passengers.

b. Representatives of AMC include air carrier survey team members, CAs, QAEs. If serious deficiencies exist, the appropriate AMC representative will initiate an operational immediate message to the next higher headquarters with a copy to HQ AMC/DOYM. In cases where such deficiencies exist, only the FAA representative has the authority to ground the commercial aircraft in question.

17. CONTINGENCY ALERT

a. "Contingency Alert" is the term used to describe a situation prior to the actual awarding of an airlift mission or activation of the Civil Reserve Air Fleet (CRAF) to ensure Contractors are fairly compensated for services they may perform in preparation to support a contingency for AMC. "Contingency Alert" applies prior to a contingency when civil air support is required. Once a Contingency Alert situation is identified and when notified by the Contracting

Officer (subject to Contractor's acceptance), the Contractor shall provide services in preparation to perform airlift for a potential contingency within the not-to-exceed amount negotiated with the contractor. Performance will generally consist of positioning aircraft and crews, and related purchase of supplies or performance of services, as well as administrative services directly associated with preparing for the contingency. Before commencing performance and during performance, as changes occur, the Contractor shall keep the Contracting Officer informed as to the types of services being performed under CLIN 0001AA. (See Section B, para 2.a. and Section G, para 2.f.)

b. The Contracting Officer will issue a modification to notify the Contractors when we are in "Contingency Alert" status and when it is no longer required. The "Contingency Alert" status ceases upon a CRAF activation.

18. GOVERNMENT-FURNISHED SERVICES AND EQUIPMENT

a. When Government or contracted resources (Enroute Support Services (ERS)) are available, and in accordance with intra-agency and intra-Government agreements, the Government will furnish necessary equipment and personnel to provide the following services at military or commercial installations (originating, en route, and terminating stations) at no cost to the Contractor except as otherwise provided in this paragraph. The Contractor shall coordinate with the QAE or Airfield Manager where performance is to occur to ensure those services needed are available to complete the mission.

(1) Transient alert and ramp services to include:

(a) Landing.

(b) Follow-me vehicle.

(c) Push-back and Towing (When requested by a location, training shall be provided by the contractor).

(d) Parking.

(e) Chocking and grounding of aircraft.

(f) Positioning, connecting, operating, and de-positioning of aircraft ground power unit.

(g) Fire guard for engine starts.

(h) Positioning, connecting, operating, and de-positioning of engine start carts.

(i) Positioning, operating, and de-positioning of compressor for airing of struts and tires. Nitrogen may be used when available to inflate aircraft tires on a non-reimbursable basis. A qualified technical Contractor Representative shall be present to supervise, provide all required attachment fittings, and service the items.

(j) Position and deposition of aircraft jacks for tire changes. Military owned jack will be provided if a suitable jack is available. A technically qualified Contractor Representative shall advise what capacity jack is required, and whether using military or commercial jack, the Contractor Representative shall jack the aircraft.

(k) Ramp sweeping.

(l) To-plane service of MIL-H-82382 or equivalent de-icing fluid and supply of oxygen (gaseous or LOX) on a reimbursable basis. Equipment and necessary operators shall be furnished for wing de-icing at no cost; the de-icing fluid shall be furnished on a reimbursable basis.

NOTE: In an emergency, into-plane service of hydraulic fluid, supply of oxygen, de-icing fluid and servicing of struts/tires will be provided by the Government on a reimbursable basis. A technically qualified Contractor Representative shall supervise emergency servicing to assure compliance with procedural requirements.

- (m) Maintenance stands when required for ground servicing operations.
 - (n) To-plane fuel servicing. A Contractor Representative shall connect/disconnect the fuel hose to/from the aircraft Single Point Refueling (SPR) and monitor vents.
 - (o) Chief Servicing Supervisor (CSS) and fuel vent monitors in accordance with TO 00-25-172 when a concurrent ground servicing is accomplished. (NOTE: See subparagraph c below on concurrent servicing procedures.)
 - (p) Cover and uncover pallets and stow fire containment covers onboard Combi configured aircraft.
- (2) Terminal and traffic services to include:
- (a) Passenger processing.
 - (b) Passenger manifesting and documentation.
 - (c) Baggage handling (weight, tag, load and unload). The contractor is responsible for accurate placement on the aircraft relative to weight and balance.
 - (d) Passenger and crew boarding stairs/loading bridge jetway. Entrance doors are not to be opened until stairs have been placed up to the aircraft. Up to the aircraft means positioning the stairs as close to the entrance as possible without hindering the opening of the doors.
 - (e) Customs clearance (Government traffic only).
 - (f) Medical clearance (passengers only).
 - (g) Agriculture inspection (if required).
 - (h) Immigration clearance.
 - (i) Cargo receiving, processing, documentation, and positioning for loading.
 - (j) Loading, tiedown, and unloading. Loading shall be in accordance with the load breakdown provided by the Contractor on AMC Form 272, Load Sequence Breakdown Worksheet, or equivalent. The load supervisor shall annotate the form to show the actual load.
 - (k) Cargo manifesting.
 - (l) Cargo handling equipment, including 463L pallets and associated cargo restraining nets.
 - (m) Potable water (includes equipment and into-plane servicing).
 - (n) Baggage carts.
 - (o) Lavatory servicing, including positioning, hookup, operation and de-positioning of servicing unit. Anti-freeze solution mix of approximately 50/50 potassium acetate to water will be furnished on a non-reimbursable basis. Contractor is responsible for additional anti-freeze solution if Contractor operating specifications require a stronger mix. This shall be done subsequent to Government-furnished lavatory servicing. At joint use airfields when the Contractor terminates a commercial or military mission and parks the aircraft on the civil side allowing adequate time to accomplish normal fleet servicing, and then later positions the aircraft for a AMC mission, lavatory servicing shall be on a reimbursable basis.

(p) Flightline transportation for crews where commercial transportation is not permitted access to the aircraft parking area or where unavailable.

(q) Position, connect, operate, and deposition the ground air conditioning or heating units. The aircraft interior temperature shall be maintained between 68 degrees Fahrenheit and 74 degrees Fahrenheit. This requirement does not apply to DC-10 and B747 aircraft.

(r) High lift truck for galley servicing at those military bases where commercial catering service is not available.

(3) Fire and crash rescue support (IAW AMCI 24-201, Paragraph 4.3.1).

(4) Aircraft clearance facilities.

(5) Emergency medical services to Contractor air crews and personnel on a reimbursable basis in accordance with AFH 41-114.

NOTE: All of the above services will be furnished for all landings at military installations, including additional landings made due to aborted flights, irrespective of the cause of the abort. These services will also be provided at AMC APOEs when Contractor's aircraft are scheduled in a manner to preclude depositioning to home maintenance base between missions as determined by the ACO. However, when an aircraft is positioned from a commercial mission from a commercial airport and requires lavatory servicing, the Government will provide it to the Contractor on a reimbursable basis.

(6) Special handling equipment (which is not commonly used on military aircraft), such as tow bars, may not be available at military installations and must, therefore, be furnished by the Contractor. Contractor shall also furnish personnel to operate and maintain such equipment. Specifically, with regard to wide-body aircraft, if the airlift services contract calls for services to be performed with wide-body aircraft through military installations, the Government will furnish the following special handling equipment:

(a) Pax loading stairs.

(b) Loaders for baggage containers.

(c) Dollies for baggage containers.

(d) Cargo on/off-loading equipment.

(7) For all CAT-B passenger missions (except SAAM and Exercise) operating through Charleston International, Los Angeles, Seattle-Tacoma International and Baltimore-Washington International, AMC will perform passenger manifesting and check-in to include boarding, seat assignment, issuance of boarding pass, baggage weighing, tagging, and placing of baggage on conveyor at baggage check-in. Contractor shall perform all other functions. The provisions of Attachment 4 apply to Contractor's responsibility and liability for interlined baggage.

b. The Contractor may purchase aircraft petroleum products at any military base other than those facilities that are serviced by commercial sources, (unless specific approval is granted by supplemental agreement) for use in performing services hereunder. These purchases shall be in accordance with applicable service directives, AFR 144-9 for Air Force installations, AR 37-60 for Army installations, NAVCOMPT Manual Vol III, paragraph 032511, and NAVSUP Manual Vol II, paragraph 25317.3 for Navy installations and subject to the procedures set forth in paragraph c below.

c. A Supervisory Contractor Representative (SCR) shall be on the flight-deck during towing operations. Also, a SCR shall be present for supervision and control of Contractor personnel/equipment during aircraft fuel servicing. TO 00-25-172 and local directives shall apply. The following guidance shall be followed when concurrently servicing passenger aircraft with or without passengers aboard and cargo aircraft at military installations:

(1) The Wing/Base Commander is the final authority for ground servicing operations and the overall safety associated therewith.

(2) A Concurrent Servicing Supervisor (CSS) will be provided by the Government when concurrently servicing Contractor aircraft at military installations. The CSS supervisor has full and final authority over all phases of ground servicing operations. This authority allows the individual to shutdown a refueling operation if an unsafe condition exists. The supervisor also controls access to/from the aircraft.

(3) One qualified SCR shall be present for supervising and controlling the Contractor's aircraft as pertains to ground servicing operations and related safety aspects. The SCR shall coordinate each phase of his operation with the CSS and shall supervise all Contractor and subcontractor personnel. The SCR shall respond to the CSS's direction to discontinue fueling. The SCR shall also advise the CSS when he/she spots or otherwise becomes aware of a potential hazard. The fuel servicing will not be resumed until the issue is resolved.

(4) Prior to beginning servicing operations, the SCR shall establish a liaison with the CSS to:

(a) Determine specific servicing requirements such as grounding/bonding sequence for the specific aircraft.

(b) Discuss any unfamiliar system characteristics or deficiencies.

(c) Provide guidance on the duties and physical positioning of the Contractor's technical personnel during the concurrent servicing operation.

(d) Jointly approve timing of maintenance, cargo/baggage loading/unloading, fleet servicing, or other activities (food service, cleaning, etc.).

(e) Determine if the aircraft (B747 and DC-10) fuel jettison system was used since departing the previous location. If the system was operated, concurrent operations shall not be accomplished until it is determined that jettison valves are closed.

(f) Advising the CSS of Contractor's procedures; if applicable, for switch loading aviation fuel.

(5) The SCR shall insure civilian vehicles involved in a concurrent servicing comply with standards required by TO 00-20B-5 and AFOSH Standard 91-38. Additionally, associated servicing equipment not designed or approved for use within a hazardous location may be moved into or within the fuel servicing safety zone (FSSZ), if pressurization of the refueling equipment is stopped. Re-pressurization of the refueling equipment shall not resume until the servicing vehicle's engine is shut down while in the FSSZ or the vehicle leaves the FSSZ. The SCR shall inform the CSS of vehicle status prior to commencing servicing operations.

(6) Authorized vehicles shall not operate closer than 25 feet of aircraft fuel vents, SPR connections and refueling equipment during fuel servicing of the aircraft. All other vehicles are restricted to 25 feet from fuel vents and must remain outside of the 50-foot fuel servicing safety zone.

(7) The aircraft APU shall be used to provide power and air-conditioning on aircraft so equipped.

(8) The Contractor is required to furnish three headsets with the cords for aircraft with passengers and two headsets with cords for aircraft without passengers on board or cargo aircraft. One cord shall be 100 feet long and the other(s) 50 feet long. The 100 feet long cord will be used by the CSS and the SPR monitors will use the two 50 feet cords.

(9) The Contractor refueling panel operator shall maintain intercom contact with the CSS.

*(10) When the refueling control panel/fuel system control mechanism is located on the outside of the aircraft, a qualified Contractor Representative must be on intercom inside the aircraft when passengers are on board.

*(11) The flight crew shall, prior to beginning the fuel servicing, brief passengers regarding the fact that fuel servicing will be conducted, passengers option to deplane, the restrictions on: operation of electronic equipment, and personnel movement. Passengers shall not enter or exit the aircraft during fuel servicing. Also, the flight crew shall ensure required exits are open.

*(12) Qualified flight crew personnel shall be in attendance within the aircraft to ensure compliance with the above restrictions and to assist in the evacuation of passengers in an emergency. A crewmember will be stationed at each appropriate exit.

(13) The aircraft INS may remain energized during a fuel servicing operation.

(14) The aircraft radios and radar systems shall not be on during the fuel servicing operation.

(15) No aircraft electrical systems shall be activated during the fuel servicing operation except those required for servicing.

(16) The SCR shall receive and connect/disconnect the fuel nozzle at the aircraft single point refueling receptacle. The SCR may have another qualified Contractor Representative perform the task. The Single Point Refueling (SPR) operator shall test the nozzle to ensure it cannot be removed from the aircraft when the valve handle is in the open and lock position prior to pressurizing the hose. The fuel nozzle shall be disconnected from the aircraft before disconnecting the refueling equipment ground and bonding wires. The SCR shall monitor fuel vent outlets on the same side as the SPR location and maintain constant intercom contact with CSS during concurring servicing operations.

(17) When concurrent servicing operations are in progress, all Contractor personnel (including flight crews), unless previously cleared, shall report to and receive the CSS's concurrence prior to entering the servicing area.

(18) When servicing cargo aircraft, the CSS and his/her assistant (on inter phone) will also monitor both wing fuel vents.

*(19) A copy of the Contractor's aircraft refueling procedures shall be located on the aircraft and made available to the CSS, as required.

(20) SCR shall perform other responsibilities as outlined in TO 00-25-172.

NOTE: Items preceded by an asterisk "" apply to passenger aircraft only.

d. Billeting and messing for Contractor's crews, and Government-owned property required in support of this contract not specifically provided for in other provisions of this contract, may be provided by the Government at the discretion of the commanding officer of the military installation involved. Except as provided in paragraphs a and b above, other services at military bases, where commercial services are not available, or not available on a timely basis, may be made available to the Contractor on an emergency basis only, as determined by the ACO or Contract Administrator. Aerospace Ground Equipment (AGE) and traffic handling and servicing equipment, with necessary operators, furnished shall be on a non-reimbursable basis. Billeting and messing for Contractor's crews shall be on a reimbursable basis. Technical services and maintenance labor provided, as well as supplies and parts issued, shall be on a reimbursable basis and in accordance with and subject to the provisions of:

(1) Air Force Installations - AFM 67-1 and AFI 10-1001.

(2) Naval Air Stations - Naval Supply Systems Command Manual, Volume 2.

(3) Army Installations - AR 37-27.

At overseas locations, Contractor's employees (other than native personnel assigned to duty in their own country) who are involved in the performance of this contract may be furnished billeting and messing facilities on a reimbursable basis, as prescribed by local base regulations. In addition, commissary, base exchange privileges, and other logistic support may be granted to such employees and dependents in accordance with such implementing instructions as may be issued by area or base commander concerned. The ACO or Contract Administrator will periodically review the scope of support furnished, and advise the Commander concerned as to any change in status of the Contractor personnel that would affect their eligibility to receive the support. Minor dependents of a US Citizen, who are employed by the Contractor overseas in performance of this contract, are authorized dependent education on a space available, tuition basis in the DOD dependents schools as provided in DOD Directive 1342.13 dated 8 July 1982.

e. Contractor will be permitted to utilize military telephone in those areas where commercial circuits are not available and it is in the best interest of the Government as determined by the ACO or Contract Administrator. Contractor use of military communications facilities shall be limited to transmission/reception of airlift mission support traffic and shall not interfere with military command control traffic.

f. The Government will furnish office, warehouse, and storage space at military installations for Contractor's representatives and supply support items and equipment to the extent available. Such office, warehousing and storage space, including utilities (heat, air conditioning when authorized in AFM 88-15, light, power, water, and sewage) concomitant to the use of such space, will be provided to the Contractor on a non-reimbursable basis. All requests for office, warehouse, and storage space shall be made to the base commander through the ACO or his delegated representative. In addition, intrabase communications (on base telephone service) will be provided on a non-reimbursable basis commensurate with the availability of circuits. Whenever space is provided it will be on an as is condition with regard to partitions, walls, lighting, electrical wiring, plumbing, etc. No modification to buildings will be made unless specifically authorized by the base commander, other than minor modifications to existing facilities as approved by the Base Commander. Requests by the Contractor for construction of facilities on any military installation shall be submitted directly to HQ AMC/DOY. Necessary coordination will be taken by HQ AMC with the major air command (MAJCOM) concerned. Contractor shall not undertake such construction until notified by HQ AMC that construction has been approved.

g. Contractor is authorized to purchase ground petroleum products at overseas Air Force installations for use in company owned ground vehicles required for performance of this contract. Such authorization is subject to and in accordance with the provisions of AFR 144-11.

h. When passengers embark at airfield or commercial airport facilities not normally operated by the Contractor or its agents, the Government will ensure proper ticketing or other notice to passengers on Warsaw convention liability limits. Such ticketing or notice is to be sufficient to establish limits on the liability of the Contractor under the Warsaw Convention to the maximum extent permitted by law and this contract.

19. NOTICES AND REPORTS.

a. All Operations. In the event a flight containing SECRET or CONFIDENTIAL material is delayed, interrupted or terminated at an unscheduled point, immediate notice to that effect shall be given to the ACO. Prompt and strict compliance with instructions received as pertains to the security of the SECRET or CONFIDENTIAL material shall be maintained. To determine the security clearance of CRAF personnel, call Company Security Officer. If unsuccessful, then contact the Defense Investigative Service Clearance Office (DISCO) at 1-888-282-7682 or DSN 850-2265.

b. Notice of Accidents – DoD Missions. When a Contractor's aircraft is involved in an accident or incident in support of an DoD mission, as defined in 49 CFR, Part 830, the Contractor shall transmit the following information by the most expeditious means available, to the Tanker Airlift Control Center (TACC) Emergency Action Cell at Scott AFB, Illinois, telephone (618) 229-1705 or 1706. On the next business day, notification shall also be made to the Administrative Contracting Officer, via facsimile letter to (618) 256-2804.

(1) Carrier and trip number.

- (2) Aircraft type and number.
- (3) Date and time of the accident.
- (4) Last point of departure and point of intended landing of the aircraft.
- (5) Nature of the accident and the extent of damage to the aircraft so far as is known.
- (6) Total number of crewmembers and passengers on board.
- (7) Number of injured and fatalities aboard the aircraft.
- (8) Condition of baggage or Government-owned material, if any, on board.

c. Notice of Accidents – All Air Carrier Operations. When a contractor's aircraft is involved in any accident, DoD or otherwise, the contractor shall transmit the information in paragraph b. above to HQ AMC/DOB, Scott AFB IL (618) 229-2095. Incidents are reportable to HQ AMC/DOB only when they occur on a DoD charter. Accident and incident information should be provided on the next business day by the most expeditious means available. Accidents and incidents are defined in 49 CFR, Part 830.

d. Aircraft Medical Incidents. Report all aircraft medical incidents in flight, or while AMC passengers are under the control of the aircraft captain, to the first available QAE or CA, at the next en route station for in flight incidents, or the station where the incident occurs.

e. DOD Casualties. In cases where a death occurs on a Contractor's aircraft, the following information shall be furnished via telephone to the phone numbers listed below: Name, Social Security Number (SSN), and component of service identified as Army-USA, Air Force-USAF, Navy-USN, Marine Corps-USMC, Coast Guard-USCG. The following is a list of phone numbers for service casualty offices:

US Army: (703) 325-7990	US Air Force: (800) 433-0048
US Marine Corps: (800) 847-1597	US Navy: (800) 368-3202
Coast Guard (USCG): Atlantic Area Operations Center: (757) 398-6390 (accidents east of the Mississippi)	
Pacific Area Operations Center: (510) 437-3701 (accidents west of the Mississippi)	

A faxed informational copy shall be provided to HQ AMC/DOY/DON (fax no. 618-256-6476) and TACC/XOG, ATTN: EA Cell (fax no. 618-229-0153).

f. Mileage Report. Carriers shall submit monthly round-trip and one-way trip mileage and associated financial data to AMC CONF/LGCP, 402 Scott Dr., Unit 2A2, Scott AFB IL 62225-5308. Reporting period shall include the first day through the last day of each month and shall be submitted monthly within 30 days after the end of the reporting period. Negative reports are required when no flying was performed. AMC CONF/LGCP will provide report format and instructions in writing.

g. Fuel Report. Carriers flying AMC CAT B missions shall submit a monthly fuel report to HQ AMC/DOYM, 402 Scott Dr., Unit 3A1, Scott AFB IL 62225-5302. Reporting period shall include the first day through the last day of each month. Monthly fuel report forms and instructions are issued by DOYMA in the Fuel Adjustment Report and procedures (Attachments 17). Carrier shall submit responses to Fuel Adjustment Report no later than 30 days after receipt. The report's contents are subject to audit verification.

h. Geneva Convention ID Card Annual Report. Contractor shall submit an annual report of accountability of DD Forms 489, Geneva Convention Identity Card, to HQ AMC/DOF, 402 Scott Dr., Unit 3A1, Scott AFB IL 62225-5302. Reports shall be submitted in accordance with instructions provided in Attachment 9, Civil Reserve Air Fleet, paragraph 9.8, to arrive not later than 1 February.

i. Carrier's Aircraft Status Report. When a change in the status of CRAF allocated aircraft occurs, Carriers shall report the information to HQ AMC/DOYAI and the Department of Transportation, Research and Special Programs Administration (DOT/RSPA), and Office of Emergency Transportation (DOT/OET). Additionally, provide one copy of legal documents described in paragraph 5, Section H, to HQ AMC/DOY and HQ AMC/JAQ. The report shall be submitted when a CRAF Allocated aircraft is:

- (1) Destroyed or suffers damage which removes it from service for more than 72 hours;
- (2) Sold or leased, to include the identity of the transferee, date and place of the transfer, and the terms and conditions of the transfer;
- (3) Registered under a different number or removed from US registration; or
- (4) Otherwise unable to satisfy its CRAF commitment (e.g. seizure by a foreign Government).

j. Category A Cargo Operating Plan. Carriers shall submit an operations plan as prescribed in Attachment 6, paragraph 9 and Attachment 12, paragraph 4, to HQ Defense Logistics Agency, ATTN: J-333, 8725 John J. Kingman Road, Suite 4222, Ft Belvoir VA 22060-6221. The operations plan shall outline standard operating procedures that support the awarded routes. The plan shall be submitted on the first day of the contract period and shall include, as a minimum, the following items:

- (1) Cargo end destinations,
- (2) Airbill completion/paperwork flow/billing,
- (3) Pickup instructions,
- (4) Flight schedule flow chart,
- (5) Operations procedure,
- (6) Awarded delivery times,
- (7) Time of delivery feedback process,
- (8) Contractor's key personnel contact list,
- (9) Trucking schedules,
- (10) Performance tracking log,
- (11) Procedures of maintaining pool of trailers at the shipper's location; and
- (12) Pre-alert procedures.

k. Hazard Reporting. Carriers shall report hazardous conditions in accordance with Attachment 9, Chapter 4, paragraph 4.19 and provide a (written report) copy to HQ AMC/DOF.

l. Proof of Delivery Monthly Reports. The Contractor shall submit Proof of Delivery reports monthly as prescribed in paragraph 12, Attachment 6 and paragraph 7, Attachment 12 to HQ AMC/DONC. The reporting period is the first day through the last day of each month. Monthly reports shall be provided to HQ AMC/DONC not later than 15 calendar days after the end of the report period. Reports shall be submitted by electronic mail to: AMC-DONC@scott.af.mil. The report can be within the e-mail or as an attachment and must be comma delimited, ASCII test.

m. Electrical Connector Data. The Contractor shall provide a copy of the electrical connector data required by paragraph 27, Section H, to HQ AMC/DOF, 402 Scott Dr., Unit 3A1, Scott AFB IL 62225-5302.

20. CLEARANCES

a. The Government will make passengers available at airport terminal cleared for travel to and from the United States and will provide the Contractor with all passenger and cargo data necessary for the completion of aircraft clearance including customs, immigration, public health and similar documents. On arrival at the destination airport, the Government will accept passengers at airport terminal and assume all responsibility with respect to such passengers, such as ground transportation, quarantine, etc., provided, however, that the foregoing shall not relieve the Contractor of responsibility for payment of any charges, fees, or taxes based upon use of terminal facilities by or for passengers or cargo, nor shall the Government be obligated to pay or reimburse the Contractor for payment of any such charges.

b. Contractor shall provide the US Immigration Service Form I-94, or such other forms as may be prescribed to those passengers required, by law, to complete while aboard aircraft en route to the US or its possessions.

c. Nothing in this contract shall relieve the Contractor of its obligation and responsibility to furnish appropriate agencies all required manifest, immigration, and border clearance documents, covering all personnel and cargo aboard the aircraft upon entry into the United States or a foreign country. In the event the Contractor is obliged, pursuant to a court or administrative order of the United States, to pay any fine assessed for violation of any immigration law or regulation resulting from the transportation of a passenger in reliance upon clearance by the Government, the Government shall reimburse the Contractor for such fine.

d. The Contractor is responsible for obtaining necessary landing rights or privileges and visas and passports for crews, route support personnel and Contractor employees. Contractor shall comply with the Aircraft Diplomatic Landing and Overfly Clearance Procedures for specific countries as set forth in AMCI 24-201, Chapter 7 (AMCR 76-8).

21. PETROLEUM SUPPORT

a. Upon completion of round trip missions, Contractors are entitled to purchase sufficient POL at Defense Energy Support Center (DESC) standard prices for movement of the aircraft to its nearest home base. For example: McGuire/Dover/Charleston to Kennedy/Philadelphia/Wilmington or Travis/Norton to San Francisco/Los Angeles/Seattle/Tacoma. If the Contractor is de-positioning their aircraft to a point other than its nearest home base, the amount of fuel at DESC standard prices shall not be more than that quantity which would be needed to deposition to the Contractor's nearest home base. For the purpose of purchasing POL in excess of the amount required to deposition to Contractor's home base, an AMC mission will be considered a civil aircraft not under contract or charter within the provisions of AFM 32-110. The sale of POL in excess of de-positioning POL shall be at the current DESC standard price plus surcharge and required taxes.

b. Upon completion of one-way trips Contractors are entitled to purchase sufficient POL at DESC standard prices for movement of the aircraft to point of origin of the trip or to the home base nearest to the point of origin, if within the general area of the point of origin of the live trip. If the Contractor has commercial business for the ferry trip, the Contractor is entitled to purchase POL at the DESC standard price from the destination point of the one-way mission to the point of origin of the commercial mission as long as this station is less distant than the original ferry leg.

c. Upon completion of one-way or round trip missions, Contractors shall be allowed to purchase POL at DESC standard price for ferrying from one coast to another when positioning to originate another AMC mission. Fuel at DESC standard price also will be provided to permit the return of an aircraft to the opposite coast (or any point short of the opposite coast) if, in fact, the mission originated on the opposite coast regardless of the location of the Contractor's home base. Contractors may not transit other Air Force bases en route while ferrying cross-country.

22. CHEMICAL WARFARE DEFENSE EQUIPMENT (CWDE)

The Contractor shall develop and incorporate Chemical Warfare Defense Equipment (CWDE) training for their aircrews and all other personnel deployable into forward areas. This training will be based on AMCPAM 32-1, Civil Reserve Air Fleet Aircrew Chemical-Biological Warfare Defense Procedures and the AMC produced video, CRAF Chemical Protective Equipment. Contractor may obtain a copy of this reference material by contacting HQ AMC/DOF, 402 Scott Drive Unit 3A1, Scott AFB, IL 62225-5302, for a copy of the pamphlet and video. A log of personnel trained in this area shall be established and inspected during HQ AMC/DOB inspections. Deployed Contractor personnel shall comply with AMCPAM 32-1 during contingency actions, CRAF activation or as directed by HQ AMC.

23. PASSENGER CARE CONTINGENCY PLAN

All passenger carriers receiving fixed channel awards shall provide a passenger Care Contingency Plan with specific details including carrier representative's name, contracted hotels, restaurants, and transportation arrangements established for use during delays at all channel stops. This plan shall be submitted to the Administrative Contracting Officer (ACO) at least 30 days prior to the start of a channel operation. If the award date of the contract prohibits a carrier from submitting their plan at least 30 days prior to the start of a channel operation, the carrier shall submit their plan 7 days after award. Any changes after approval shall be submitted to the ACO within 10 days of making such change.

PART I - THE SCHEDULE

SECTION E - INSPECTION AND ACCEPTANCE

1. The following clauses are incorporated by reference:

FAR NUMBER	CLAUSE TITLE	DATE
52.246-4	INSPECTION OF SERVICES--FIXED PRICE	AUG 1996
DEFENSE FAR SUP	CLAUSE TITLE	DATE
252.246-7000	MATERIAL INSPECTION AND RECEIVING REPORT	DEC 1991

2. INSPECTION AND ACCEPTANCE OF SERVICES

a. An authorized Government representative will accomplish government inspection and acceptance of services under this contract at the aerial port of debarkation (APOD). The Government Bill of Lading (GBL), AMC Form 8 Civil Aircraft Certificate, or DD Form 250, Materials Inspection and Receiving Report, is the document used for certifying transportation services rendered by the Contractor pursuant to the terms of this contract.

b. HQ AMC reserves the right to inspect, conduct onsite capability surveys, perform ramp inspections, conduct flight-deck observation flights, and initiate performance evaluations of the Contractor during all phases of this contract.

c. An AMC Form 8, which verifies services provided, shall be accomplished for each CAT B mission to be performed under this contract. This document will be used as certifying the transportation services rendered by the Contractor pursuant to the terms of this contract. A mission complete message will be issued to the contractor and DFAS.

d. CAT A Cargo (Excluding ALOC and MEDEX). A DD Form 250 will be issued by an authorized Government representative, indicating the amount of CAT A cargo moved by flight number/date. The frequency of issue of the DD Form 250 will be as mutually agreed between the Government and the Contractor. Sufficient copies of the DD Form 250 with waybills will accompany the shipment to the receiving activity. Upon receipt of the Scheduled Service (CAT-A) cargo at the destination, an authorized Government representative will sign/date in Item 22 of the DD Form 250 to verify acceptance of the shipment. The Contractor shall attach two copies of the DD Form 250 and applicable waybills to his billing and submit them to HQ AMC/DOYM, 402 Scott Dr Unit 3A1, Scott AFB IL 62225-5302 for payment.

e. MEDEX and ALOC CAT A Full- and Less-Than-Full-Pallet Movement: Where Powertrack is in use, all documentation will be accomplished through this system. In those cases where Powertrack does not apply, a Government Bill of Lading (GBL) shall be generated by the shipper for each day's movement to one destination. An authorized government representative will certify receipt of the cargo on the GBL at the final destination. The GBL shall identify number of pallets/pounds, weight, destination, date and Transportation Control Numbers.

3. DISCREPANCY PERFORMANCE RATE

a. A discrepancy performance rate shall be computed on a monthly basis to determine the level of contract violations. This rate is computed by dividing the total number of mission segments performed during the period into the total number of discrepancies for that period. Mission segment inspections shall be performed at all stations in the routing, including origination, turnaround and en route, where a QAE or CA can inspect the aircraft. The discrepancy performance rate shall be computed as soon as possible after HQ AMC/DOYM receives the monthly discrepancy reports.

b. A discrepancy shall be established whenever the Contractor's aircraft or service is in violation of the terms and conditions of this contract and shall be documented on a Contract Violation Notice, AMC Form 166b. During an inspection, each type of discrepancy will be listed only once on an AMC Form 166b (e.g., 10 seats torn-one discrepancy, 100 meals without date stamps-one discrepancy, etc.). An AMC Form 166b will not be issued for a contractor controllable delay since these violations are included in the schedule reliability rate.

c. The minimum acceptable standard of performance under this contract shall be a discrepancy performance rate not to exceed 5 percent, as an average, for a consecutive 3-month period with a total of 30 or more departures from originating and turnaround stations. Where volume is less than 30 departures, discrepancies will be reviewed on a case-by-case basis. Failure to maintain an average discrepancy rate of 5 percent or less may be reason for termination, pursuant to the clause entitled "Default". Nothing in this paragraph shall limit the right of the Government to terminate this contract (for cause or other reasons) or to limit any other rights and remedies provided the Government by law or under this contract. For example, the Government may elect not to order expansion airlift from a contractor who has an unacceptable discrepancy performance rate.

4. SCHEDULE RELIABILITY - CAT-B MISSIONS ONLY

a. The Contractor's schedule reliability rate shall be computed for a three-month period by subtracting the total number of Contractor-controllable delays during the 3-month period from the Contractor's total number of scheduled originating and turnaround station departures in that 3-month period, and dividing the remainder by the Contractor's total number of scheduled originating and turnaround station departures for the period. In the event a Contractor had a CRAF contract the previous year, the schedule reliability for the final 2 months of the previous year will be used in determining schedule reliability for the first 2 months of this contract. This reliability rate computation shall be made as of 2400 hours GMT on the last day of each calendar month. The originating station is defined as the initial on-load station of a mission. The turnaround station is defined as that station of a round-trip mission where the mission number changes, or initial backhaul on-load station of a round-trip SPECIAL ASSIGNMENT AIRLIFT MISSION (SAAM).

b. The schedule reliability rate, which is based on the combination of total departures in both 21 AF and 15 AF, may be measured and enforced in two ways, and each carrier performing hereunder is obligated to meet the standard in each of those ways. First, the requirement applies to all service performed under this contract by any one carrier whether or not the carrier is performing as a member of a Contractor Team Arrangement. Second, in the event of a Contractor Team Arrangement, the reliability requirement applies also to the aggregate performance under the contract by all members of the Contractor Team Arrangement. (Each member of the Contractor Team Arrangement bears joint and several liability for failure of either the Contractor Team Arrangement in the aggregate, or its individual carrier members performing hereunder, to meet the schedule reliability requirement.)

c. A delay shall be deemed to have occurred at the mission's originating or turnaround station if the Contractor's aircraft departs the blocks more than 20 minutes after the scheduled departure time (See Note below). The scheduled departure time shall be as established pursuant to Section F, paragraphs entitled "Schedules" and "CAT-B Mission Positioning", and published in the Operations Bulletin as amended by scheduling messages; the scheduled departure time at turnaround stations shall be subject to revision as hereinafter provided. A delay at originating and turnaround stations, caused by factors beyond the control and without the fault or negligence of the Contractor, shall be considered as Contractor-uncontrollable; a delay for any other reason shall be considered Contractor-controllable. The Contractor-uncontrollable delay time experienced at the originating and en route stations on a mission shall be added to the scheduled departure time at the turnaround station for purposes of determining the scheduled departure time at the turnaround station on that mission. Additionally, if missions are scheduled back-to-back with an aircraft that experienced a Contractor-uncontrollable delay, this uncontrollable delay time shall be added to the scheduled departure time of the subsequent AMC mission with the resultant delay charged as Contractor-uncontrollable. This will give the Contractor sufficient recovery time to return to schedule or obtain substitute service for his follow-on missions. However, the Contractor-uncontrollable delay time experienced on a previous mission shall not be added to the scheduled departure time at the originating station for any subsequent mission. In the latter instance, the Contractor is required to originate his next mission, on schedule, with his own aircraft or substitute service.

On SAAMs, Exercise, and Contingency missions, when sequential missions are scheduled using one aircraft, and a contractor-controllable delay occurs that causes subsequent missions to be delayed, the delay(s) to subsequent missions that are the sole and direct consequence of the earlier delay will not be charged to the contractor's total controllable delays. The determination of whether a delay to a subsequent mission is the sole and direct consequence of delay to an earlier mission will be made by the contracting officer. All passenger care requirements for contractor-controllable delays as required in Attachment 1, paragraph 1.4 shall apply to all affected missions.

When a contractor-controllable delay occurs that can be reduced in duration by rescheduling aircraft assigned to other missions (reflow), with consequent delay to the other mission(s), the contracting officer may approve such reflow and charge only the original delay to the contractor's total controllable delays, if the contracting officer determines that the government will benefit from the reflow. All passenger care requirements for contractor-controllable delays as required in Attachment 1, paragraph 1.4 shall apply to all affected missions.

NOTE: For the purposes of determining a contractor's schedule reliability rate, any aircraft which (a) returns to the blocks, or (b) lands at a location other than the scheduled destination because of contractor-controlled factors, will be deemed a departure delay regardless of the time the aircraft originally departed the blocks.

d. The Contractor, and in the case of a Contractor Team Arrangement, each carrier, shall maintain an 80 percent schedule reliability rate as the minimum acceptable standard of performance, based on 30 or more departures from originating or turnaround stations during a 3-month period. Where volume is less than 30 departures, reliability will be reviewed on a case-by-case basis. Failure to maintain an 80 percent schedule reliability rate for a 3-month period will be reason for termination, pursuant to the Contract Clause entitled "Default." However, nothing in this paragraph shall limit the right of the Government to terminate this contract for cause for other reasons or to limit any other rights and remedies provided the Government by law or under this contract.

e. It is understood that, should a schedule reliability rate fall below an average of 85 percent for a 3-month period, the Government may elect not to order expansion transportation services for a minimum of 30 days pursuant to this Section of this contract. The thirty day period shall commence on the 20th of the month following the three month period on which the reliability was computed, until the 20th of the next month. If missions are awarded to the carrier, the Government will negotiate a reduction in ACL paid on all missions the carrier is asked to schedule during the 30 day period. The typical reduction negotiated for poor reliability is 2% of the standard ACL for the aircraft type. For example, poor reliability computed on January through March missions operated with a 400 seat B747 will result in a reduced pay ACL of 392 seats on missions which the carrier is asked to schedule from 20 April until 20 May, regardless of when AMC actually accepts the schedule.

PART I - THE SCHEDULE

SECTION F - DELIVERIES OR PERFORMANCE

1. PERIOD OF PERFORMANCE

a. Performance of this contract shall begin 01 October 2001, or the date of award, whichever occurs later. It shall continue through 30 September 2002 unless sooner terminated or extended by the Government under the provisions of this contract. All flights in progress at midnight of the last day of the contract shall not be affected by the expiration of this contract.

b. If, during the period of this contract including any extension pursuant to this paragraph, the Government gives notice to the Contractor of the declaration of an airlift emergency or national emergency, or of the activation of CRAF, as described in Attachment 9, the parties agree that the giving of such notice will extend this contract for the purpose of permitting the Government to order additional airlift services throughout the period of the emergency, and/or extend the Contractor's commitment to the CRAF program for the entire period of CRAF activation, and for up to six months thereafter.

2. SCHEDULES - CATEGORY "B"

a. For the purposes of this paragraph "Schedules" shall mean the detailed arrangements regarding the days and time of day of the flight operations required to perform the air transportation services called for under this contract. To the extent such schedules are not specified in this contract, they shall be established by agreement between the Contractor and the ACO or the Contracting Officer's representative (COR) in accordance with the provisions of this paragraph. Scheduling for CAT B will be done at TACC.

b. Schedule Formation and Coordination.

(1) Fixed award category B cargo trips.

AMC will provide proposed schedules for Contractor coordination not later than 30 calendar days prior to the month of operation. Contractor shall provide in writing the following, to TACC, within three (3) working days after verbal or other notification of the proposed AMC schedule;

- (a) confirmation of proposed schedule; or
- (b) a proposed alternative schedule.

(2) Fixed award category B passenger trips.

AMC will provide proposed schedules for Contractor coordination not later than 90 calendar days prior to the month of operation. Contractor shall provide in writing the following, to TACC, within three (3) working days after verbal or other notification of the proposed AMC schedule;

- (a) confirmation of proposed schedule; or
- (b) a proposed alternative schedule.

(3) Category B Expansion Requirements.

All trips ordered under peacetime expansion provisions will be scheduled no later than 72 hours after notice of order; require confirmation within 24 hours, and will be ordered in accordance with Section H, paragraph 22.

(4) Long Term Expansion Requirements.

When the actual routes are known for the long term expansion requirements (approximately 90 days prior to the first mission), AMC/DOYAB will advise the carrier of the actual route and request the carrier pass the schedule to the appropriate planner in TACC.

c. Schedules may be revised upon request of either the Government or the Contractor, provided the requester provides a minimum of 12 hours prior to the scheduled departure of the trip involved and the requested change is mutually agreed upon.

3. SCHEDULES-MEDEX and ALOC SCHEDULED SERVICE CARGO

The transportation officer at Defense Depot-DDSP-TT located at New Cumberland, Pennsylvania and the transportation officer at Defense Depot-DDSJ-TT, San Joaquin, California will notify the Contractor of scheduled service, CAT "A" cargo for medical supplies (MEDEX) and Air Line of Communications (ALOC) requirements via telephone or otherwise. In cases where Powertrack does not apply, each shipment will be assigned an individual Government Bill of Lading (GBL) number.

4. DIVERSIONS AND REROUTES - CATEGORY B MISSIONS ONLY

a. **Diversions:** The en route rerouting of a trip due to the threat of, or actual hostilities, weather, medical emergency or natural disaster, constitutes a diversion. Both the Government and the Contractor have the right to divert any trip for these reasons. The Contractor shall be paid the AMC rate for Government directed diversions.

b. **Reroute:** The changing of a trip's route to other than that which is specified in Section B or in a Delivery Order. The Contractor grants the Government the right to reroute trips, subject to mutual agreement of the parties. Contractor shall be paid at the AMC rate for the reroute trip using Great Circle Statute Miles (GCSM) from airport to airport, for mileage computation.

5. CATEGORY B MISSION POSITIONING - PEACETIME

a. Aircraft shall be positioned at the originating station prior to scheduled departure as indicated below. These times are for planning purposes and may be adjusted based on mission needs. Actual times will be mutually agreed upon between the TACC scheduler and the carrier when the schedule is established. Positioning of an aircraft means the placing of an aircraft at a specific departure point. Complete crew shall be available at the aircraft not less than one hour and 15 minutes prior to scheduled departure time. Pilot crew members may be in operations preparing flight plans, receiving weather briefing, etc., provided they comply with company Operations Manuals. EARLY POSITIONING IS NOT AUTHORIZED UNLESS PRIOR COORDINATION AND APPROVAL HAS BEEN OBTAINED.

(1) Cargo Missions:

Palletized Loading

1-13 pallets - 2 hours
14-18 pallets - 2 1/2 hours
19 or more pallets - 4 hours

Bulk Loading and Rolling Stock

1-25 ton ACL - 4 hours
26 or more tons ACL - 5 hours

At stations where concurrent loading and servicing is not authorized, 1 hour may be added to the required positioning times. This will be determined by the TACC scheduler and the carrier when the schedule is established based on mission needs. When the Government requires an aircraft to be bulk loaded, the Government will notify the Contractor 24 hours in advance of scheduled departure time and the schedule will be revised to provide adequate time for loading and unloading. NOTE: See Attachment 1, paragraph 2.5.6.2 for baggage off-loading times.

(2) Mixed Missions: 2 hours

(3) **Passenger Missions:**

- 250 or less ACL - 2 hours
- 251 or more ACL - 3 hours

b. The following ground times for passenger or cargo missions at en route stations are for planning purposes. Actual ground times will be based on mission needs and determined by the TACC scheduler and the carrier when the schedule is established.

- (1) **Operational Stops** - Not in excess of 2 hours.
- (2) **Traffic Stops** - Minimum of 1 1/2 hours and a maximum of 3 hours.

NOTE: See Attachment 1, paragraph 2.5.6 for baggage off-loading times.

c. The following ground times at turnaround stations of round trip missions are for planning purposes. Actual ground times will be based on mission needs and determined by the TACC scheduler and the carrier when the schedule is established.

- (1) **Cargo Missions:**
 - 1-13 pallets - 2 1/2 hours
 - 14-18 pallets - 3 hours
 - 19 or more pallets - 5 hours

- (2) **Passenger Missions:**
 - 250 or less ACL - 3 1/2 hours
 - 251 or more ACL - 4 1/2 hours

d. The following off-loading times at destination (terminating) station, including aircraft servicing time, are for planning purposes. Actual ground times will be based on mission needs and determined by the TACC scheduler and the carrier when the schedule is established.

(1) **Cargo Missions:**

Palletized Loading

- 1-7 pallets - 45 minutes
- 8-13 pallets - 1 hour

- 14-18 pallets - 1 hour, 15 minutes
- 19 or more pallets - 3 hours

Bulk Loading and Rolling Stock

- 1-25 tons - 2 hours
- 26 or more tons - 3 hours

(2) **Passenger Missions:**

- 250 or less ACL - 2 hours
- 251 or more ACL - 3 hours

NOTE: See Attachment 1, paragraph 2.5.6.2. for baggage off-loading times.

e. Contractor shall adhere to operating hour restrictions at all stations transited.

6. GOVERNMENT CONTROLLABLE DELAYS - CAT B CARGO (DEMURRAGE)

Compensation will accrue to the Contractor for departure delays of more than 3 hours beyond the scheduled block time on completed cargo missions when delay is Government controllable. Demurrage charges are limited to delays in loading or unloading but exclude delays due to damage resulting from the negligence of Government personnel.

The compensation will be as set forth in Section B. Delays due to Act of God, ATC or Contractor controllable reasons will not be compensated. Demurrage applies to peacetime business only. Demurrage is calculated by subtracting the 3 hours from the total number of hours (rounded to the nearest hour) the aircraft is delayed. These hours are then multiplied by the price set forth in Section B based on aircraft type. Following is an example of how demurrage will be calculated:

B747 cargo aircraft is scheduled to depart at 0700. Departure is delayed due to a broken K-loader until 1140 (4 hours 40 minutes Government controlled delay). Contractor is entitled to demurrage payment of \$2492. (1 hour 40 minutes rounded to the next whole hour.)

7. EARLY DEPARTURE/EARLY ARRIVAL

Early departure is defined as a contracted commercial air mission departing its location more than 20 minutes prior to the agreed upon scheduled departure time as reflected in AMC passenger and cargo schedules. Carrier aircrews shall request early departure, from scheduled departure times, through their operations center dispatch. The carrier's dispatch shall forward the request to the AMC Tanker Airlift Control Center mission controller. When requesting early departure, aircrews need to consider the impact of early arrival on all downline station operating hours and workload restrictions. Deviating from scheduled departure times is not authorized unless approved by the AMC TACC mission controller.

8. SECURE LAUNCH

When operating a mission identified as requiring secure launch, i.e., a mission into a high threat location, the AMC TACC mission controller will communicate a hold or abort order to the carrier's operations center dispatch. The carrier dispatch shall in turn pass this secure launch order directly to the commercial mission aircrew. If a hold order is given, the commercial mission aircrew shall not launch the aircraft without first receiving a TACC approved launch go ahead from their operations center dispatch.

PART I - THE SCHEDULE

SECTION G - CONTRACT ADMINISTRATION DATA

1. ELECTRONIC FUNDS TRANSFER (EFT)

Payment to the Contractor by the Government shall be accomplished by the electronic transfer of funds directly into a designated bank account (see Section I, FAR 52.232-33).

2. PAYMENT FOR CONTRACT SERVICES

a. **General.** Public Voucher for Transportation Services (SF Form 1113) may be ordered from Superintendent of Documents, US. Government Printing Office, P. O. Box 371954, Washington DC. 20402, (202) 512-0000. The SF Form 1113 can also be found at http://web1.deskbook.osd.mil/htmlfiles/forms/DBY_Forms_Standard_Forms.asp.

b. **CAT-B (Full Plane Load) Charter Movements - Passenger and Cargo Transportation.** The SF 1113 submitted by the contractor must reflect items I through 9 listed below, be in accordance with Attachment 19, Invoice Format, and include items 10 & 11 as attachments. The contractor shall fax the SF 1113, along with the Mission Complete Message and ferry certifications (if applicable), to the DFAS electronic fax number (402) 232-3468. If this service is unavailable, invoices and support documentation shall be submitted directly to DFAS-OM/FPB-CRAF, PO BOX 7020, Bellevue NE 68005-1920. Submissions sent via overnight delivery shall be mailed to the following address: DFAS-OM/FPB-CRAF, 901 SAC Blvd, Offutt AFB, NE 68113. All invoices shall include:

- (1) Contract/Delivery Order Number/Item Number (Example: F11626-01-D0001/D.O. 0010/Item 0001AA).
- (2) The entire 12-character mission number, route number (i.e., RT 1, RT 2, etc.), routing and awarded calendar date.
- (3) Live mile cost per trip.
- (4) Ferry charge per trip, as applicable.
- (5) Eurocontrol per trip, as applicable.
- (6) Stop charges.
- (7) Miscellaneous per trip, as applicable.
- (8) Total price per passenger/cargo trip (Trip price = live mile cost plus Ferry, Eurocontrol, stop charges and miscellaneous charges).
- (9) Delivery Order 0001/Item 0001AA (See Attachment 19, Invoice Format) shall be used for all Applicable US Taxes, Customs and Immigration charges, and Federal Inspection Service fees. When invoicing for departure and arrival taxes, identify the number of passengers that the tax is applicable to (e.g., "Departure Tax - 251 pax" or "Arrival Tax - 182 pax").
- (10) Mission Complete Messages shall be forwarded to the carrier by ARINC or fax from the Contract Administration Operating Location (OL-F/AMCAOS/DOY, 15AF AOR or OL-G/AMCAOS/DOY, 21 AF AOR) responsible for monitoring the mission. The carrier shall ensure that each Contract Administration Operating Location has the carrier's correct ARINC address(es) and correct fax number(s).
- (11) A certification of actual ferry routing and mileage for all ferry, except for round trips where the ferry mileage is between the originating station and the terminating station, shall be submitted. Ferry certification shall

include aircraft tail number, ferry routing as flown, actual miles flown, and certifying signature. Contractor shall be paid either the contracted ferry miles or actual ferry miles flown, whichever is less.

c. **Other CAT-B Miscellaneous Reimbursable Invoices.** Invoices submitted for other reimbursable requests, i.e., demurrage, euro-control, approved passenger care costs (i.e., hotel), requests for equitable adjustments, etc., shall reflect D.O.#0001, Line Item 0001AA, and shall be submitted to the contracting officer for approval and certification at:

HQ AMC/DOYMA
402 Scott Drive Unit 3A1
Scott AFB, IL 62225-5302

d. **Fuel Reimbursement.** Fuel reimbursement will be made against Delivery Order 0001/Item 0001AA and in accordance with Attachment 17.

e. **CAT A Cargo Movement.** The contractor shall utilize U.S. Bank's PowerTrack system for billing and payment processing at all locations that are PowerTrack capable. The contractor shall use the procedures below for billing and payment processing at the locations that are not PowerTrack capable until such time that the Contracting Officer notifies the contractor that the specific locations are PowerTrack capable. Once the Contracting Officer notifies the contractor that a specific location is PowerTrack capable, the contractor will have 30 calendar days to begin utilizing PowerTrack at that location.

(1) CAT A Cargo excluding MEDEX and ALOC. Contractor shall submit the SF 1113, original and two copies, reflecting the below listed information. No more than 1 month's service will be submitted on a single SF 1113.

(a) Identify as "CAT A cargo."

(b) Contract/Delivery Order Number/Item Number. (Example F11626-01-D-0001/D.O. 0030/Item 0001AA)

(c) Period of Performance (Month and Year)

(d) Subtotals for each of the following: Pallet/Tons, customs, and Agricultural Fees

(e) Support documentation attached to SF 1113 shall include the Contractor's name and contractor number, period of performance (month and year); call number; number of pallets and pounds or per pallet or pound rate and extended price; and calculation for fee(s)

(f) Documents shall be faxed to the DFAS electronic fax number (402)232-3468.

(g) If not submitted via facsimile, the documents may be submitted to the following address:

DFAS-OM/FPB-CRAF
P.O. Box 7020
Bellevue NE 68005-1920

(h) Documents sent via overnight delivery service shall be submitted to the following address.

DFAS-OM/FPB-CRAF
901 SAC Blvd
Offutt AFB, NE 68113

(2) Medical Express (MEDEX) and Airline of communications (ALOC) scheduled service (CAT A) cargo. A US Government Bill of Lading (GBL), SF 1103, will be used as required, and will be completed at the origination location. The GBL shall annotate the Contractor's name, the contract number, contract line item number (CLIN), date of shipment, destination of cargo, weight and quantity of pallets, and Transportation Control Number (TCN). This document will be used for certifying services rendered by the Contractor. The GBL will be certified by signature of an authorized Government representative at the receiving activity in Block 18 and returned to the Contractor's agent. The Contractor shall submit the original certified GBL with the SF 1113 when requesting payment. Documents shall be submitted to the following address:

DFAS-OM/FPB-CRAF
P.O. Box 7020
Bellevue NE 68005-1920

Documents sent via overnight delivery shipment shall be submitted to the following address:

DFAS-OM/FPB-CRAF
901 SAC Blvd
Offutt AFB, NE 68113

f. **Mobility Representative (MOBREP) Conference.** Contractor shall submit SF 1113, with proper receipts for certification that the travel was performed and establishment of the reimbursement amount to HQ AMC/DOF, 402 Scott Drive, Unit 3A1, Scott AFB IL 62225-5302. HQ AMC/DOF will forward payment authorization to DFAS-OM/FPB-CRAF, PO BOX 7020, Bellevue NE 68005-1920, with a copy to HQ AMC/DOYMA.

g. **Contingency Alert.** Contractor shall submit a SF 1113 directly to the ACO, HQ AMC/DOYAI, 402 Scott Dr Unit 3A1, Scott AFB IL 62225-5302. Attach to the invoice complete documentation to support costs incurred in performance of contingency alert services. (See Section B, CLIN 0001AA and Section B, para 2.a.)

3. PAYMENT OF LANDING AND PARKING FEES

a. The Contractor shall pay all required airport service fees and charges; such fees and charges are not reimbursable since they are included as part of the AMC uniform negotiated rate. See subparagraph b, below, for special additional requirements for Rhein-Main AB, Germany, herein.

b. In accordance with the US-FRG Offset Agreement of 25 April 1974, the Federal Republic of Germany shall reimburse the U.S. Forces the landing and parking fees incurred by AMC Category B charter aircraft at Rhein-Main AB, Germany. To confirm payment of landing and parking fees at Rhein-Main AB, Germany, the following procedures have been agreed to between HQ USAFE, Ministry of Finance, Office of Defense Costs, Federal Republic of Germany (FRG), Federal Ministry of Finance, Bonn, and the 469th Air Base Squadron (469 ABS), formerly known as the 435th Military Airlift Wing (435 MAW), Rhein-Main AB, Germany:

(1) Contractors operating CAT-B missions into Frankfurt/Rhein-Main AB GE, shall forward copies 2 and 3 of their invoices to 621 AMSG/DOHK, Unit 3305, APO 09094-3305, within 10 calendar days after payment is made. The paid invoices shall be certified and show the applicable AMC mission number.

(2) If the Contractor is unable to furnish both a second and third invoice copy, the third copy and a reproduced second copy will be satisfactory.

(3) Invoices shall be accompanied by a cover sheet identifying the AMC CAT-B flights by mission number.

4. AIR FORCE ADMINISTRATIVE CONTRACTING OFFICER (ACO)

The name of the ACO will be provided at the post-award conference.

5. CONTRACTOR POINT OF CONTACT

The Contractor shall furnish to the ACO at HQ AMC:

a. The name of a primary and alternate point of contact who will serve as a liaison between the Contractor and the ACO. Individuals designated must have authority to adjust schedules, engage substitute service, and make decisions pertinent to the airlift service, in the name of the Contractor.

b. The name of a point of contact to serve as liaison between the Contractor and the Contract Administrator (CA) responsible for each station transited.

PART I - THE SCHEDULE**SECTION H - SPECIAL CONTRACT REQUIREMENTS****I. PASSENGER AND PUBLIC LIABILITY INSURANCE**

a. **General.** Prior to performance of any services hereunder, the Carrier shall, at its own expense, procure and maintain during the entire performance period of this contract, with financially and legally responsible insurance company or companies, passenger and public liability insurance in accordance with paragraph b or c, below. Liability insurance purchased pursuant to the requirements of this paragraph shall cover payment to the Government, pursuant to the subrogation provision of the Medical Care Recovery Act (42 USC 2651-3) and within the liability limitations of this contract, of the cost of Government provided medical care to the extent that said insurance would cover payment to injured individuals of the cost of medical care in the absence of any Government obligation to provide medical care. The Carrier shall furnish to the Contracting Officer Evidence of Insurance, duly executed by the Insurer, of the insurance required by this paragraph. The Evidence of Insurance shall substantially conform to the form set forth in paragraph d, below. If a court of competent jurisdiction determines that any transportation furnished pursuant to this contract is subject to the Warsaw Convention, 49 Stat. 3000, and that the Carrier is entitled to limit its liability under that Convention, then the minimum limit of insurance required by this clause shall be considered to be a "higher limit of liability agreed to by special contract" as contemplated by the last sentence of Article 22(1) of that Convention, and the Contractor agrees that it shall not with respect to any claim arising out of the death, wounding, or other bodily injury of a passenger, avail itself of any defense under Article 20(1) of the Convention. Nothing herein shall be deemed to affect the rights and liabilities of the Carrier with regard to any claim brought by, on behalf of, or in respect of any person who has willfully caused damage which resulted in death, wounding, or other bodily injury of a passenger. See note below subparagraph c(2) of paragraph entitled, "Passenger and Public Liability Insurance".

b. **Split Limits Liability.** The minimum limits of liability insurance coverage maintained by the Carrier shall be as follows:

(1) Liability for bodily injury to or death of aircraft passengers: A limit for any one passenger of at least three hundred thousand dollars (\$300,000.00), and a limit for each occurrence in any one aircraft of at least an amount equal to the sum produced by multiplying three hundred thousand dollars (\$300,000.00) by the next highest whole number resulting from taking 75 percent of the total number of passenger seats installed in the aircraft.

(2) Liability for bodily injury to or death of persons (excluding passengers): A limit of at least three hundred thousand dollars (\$300,000.00) for any one person in any one occurrence, and a limit of at least twenty million dollars (\$20,000,000.00) for each occurrence.

(3) Liability for loss of or damage to property: A limit of at least twenty million dollars (\$20,000,000.00) for each occurrence.

c. **Combined Single Limit Liability.**

(1) Notwithstanding the provisions of paragraph b above the Carrier may be insured for a single limit of liability for each occurrence. In that event, coverage shall be equal to or greater than the combined required minimums set forth in paragraph b, above, for bodily injury, property damage, and/or passenger liability for the type of use to which such aircraft is put, as the case may be.

(2) In the case of a single limit of liability, aircraft may be insured by a combination of primary and excess policies. Such policies shall have combined coverage equal to or greater than the required minimums set forth in paragraph b, above, for bodily injury to non-passengers, property damage, and/or passenger liability for the type of use to which the aircraft is put, as the case may be.

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CONTRACT NO: F11626-01-D-0036

NOTE: In the event the proposed changes to the Warsaw Convention, known as the Montreal Protocol, are approved or ratified by the United States and become effective in the United States, the Montreal Protocol will take precedence to the extent it is inconsistent with the terms of this contract regarding insurance.

d. **Evidence of Insurance.** Prior to performance of any services hereunder, the Carrier shall provide the Government with appropriate evidence of insurance in accordance with paragraphs a, b and c above. The evidence shall substantially conform to the following paragraph:

_____ (Hereinafter called the Insurer)
Name of Insurer
of _____
Address of Insurer
has issued to _____

Name of Insured Policy _____, bearing policy number _____,
with respect to the legal liability of the said Insured for aircraft passenger death or bodily injury, aircraft public death or
bodily injury (excluding passengers) and aircraft property damage liabilities, effective from _____ through
_____.

(Signature of Insurer)

(Current Date)

The minimum limits of liability insurance coverage maintained by the Insured under the said policy are as follows*:

(1) Liability for bodily injury to or death of aircraft passengers: A limit for any one passenger of at least three hundred thousand dollars (\$300,000.00), and a limit for each occurrence in any one aircraft of at least an amount equal to the sum produced by multiplying three hundred thousand dollars (\$300,000.00) by the next highest whole number resulting from taking 75 percent of the total number of passenger seats installed in the aircraft.

(2) Liability for bodily injury to or death of persons (excluding passengers): A limit of at least three hundred thousand dollars (\$300,000.00) for any one person in any one occurrence, and a limit of at least twenty million dollars (\$20,000,000.00) for each occurrence.

(3) Liability for loss of or damage to property: A limit of at least twenty million dollars (\$20,000,000.00) for each occurrence.

(4) The Insurer further agrees that the insurance afforded under this policy covers payment to the Government, pursuant to the subrogation provision of the Medical Care Recovery Act (42 USC 2651-3), of the cost of Government provided medical care to the extent that said insurance would cover payment to injured individuals of the cost of medical care in the absence of any Government obligation to provide medical care.

The terms and conditions of the policy apply throughout the world. The following aircraft are covered by the policy identified above: _____

(List aircraft individually or "All aircraft owned and operated by the Insured")

The parties recognize that the policy may exclude certain liabilities with respect to any DOD operations involving the Civil Reserve Air Fleet (CRAF) subsequent to the effective date of activation of the CRAF. The excluded liabilities will be those where a loss may be incurred during the activation of the CRAF under circumstances such that it cannot be demonstrated that the loss is either attributable to a war risk and therefore reimbursable under FAA Chapter 443, or attributable to cause other than war risk and therefore required to be covered by the Contractor's commercial insurance.

The policy contains the attached endorsement.

By _____
(Company)

(City, State)

(Signature) (Date)

*In the case of a combined single limit of liability, the Insurer will be required to describe the amount or amounts of insurance coverage.

"ENDORSEMENT"

(Attachment to the Evidence of Insurance)

It is agreed, that, with respect only to operations of the named Insured performed under contract with the Air Mobility Command, Department of the Air Force (USAF), and with respect only to Aircraft Liability Insurance afforded under this policy, the following conditions shall also apply:

a. The Insurer agrees that, the insurance afforded under this policy shall not be subject to any lower limits of liability of the Warsaw Convention, 49 Stat. 3000, for the death or bodily injury of any passenger. If that convention should otherwise be deemed to be applicable to any passenger death or bodily injury liability, then to the extent stated in the preceding sentence, this insurance shall be deemed to be a higher limit of liability agreed to by special contract as contemplated by the last sentence of Article 22(1) of that convention.

b. The exclusions of the policy are deleted and the following substituted therefore:

The insurance afforded under this policy shall not apply to:

(1) Any loss against which the named Insured has other valid and collectible insurance, except that the limits of liability provided under this policy shall be excess of the limits provided by such other valid and collectible insurance but in no event exceeding the limits of liability expressed elsewhere in this policy.

(2) Any loss arising from the ownership, maintenance or use of any type of aircraft not declared to the Insurer in accordance with the terms and conditions of this policy.

(3) Liability assumed by the Insured under any contract or agreement except as stated in this contract with respect to limitations of the Warsaw Convention.

(4) Bodily injury, sickness, disease, mental anguish or death of any employee of the Insured while engaged in the duties of his employment, or any obligation for which the Insured or any company as his Insurer may be held liable under any Workman's Compensation or occupational disease law.

(5) Damage to or destruction of property owned, rented, occupied, or used by, or in the care, custody or control of the Insured, or carried in or on any aircraft with respect to which the insurance afforded by this policy applies.

(6) Personal injuries or death or damage to or destruction of property, caused directly or indirectly, by hostile or warlike actions, including action in hindering, combating or defending against an actual, impending or expected attack by any Government or sovereign power, de jure or de facto, or military, naval or air forces; the discharge, explosion, or use of any weapon of war employing atomic fission, or atomic fusion, or radioactive materials;

insurrection, rebellion, revolution, civil war or usurped power, including any action in hindering, combating or defending against such an occurrence, or confiscation by any Government or public authority.

c. The Insurer hereby waives any right of subrogation it may have against the United States of America, by reason of any payment under the aforesaid policy of insurance, with respect to loss caused to transportation services by acts of the United States of America or any agency thereof, which acts are in conjunction with the performance by the named Insured of any services under said contract.

d. In the event the Insurer elects to cancel the insurance afforded under this policy, the Insurer hereby agrees that such cancellation shall not be effective unless written notice thereof shall be sent by the Insurer by registered mail not less than 30 days in advance of such cancellation, direct to the Air Mobility Command, United States Air Force, 402 Scott Dr., Unit 3A1, Scott Air Force Base, Illinois, Attention: DOYAI, and in the event the named Insured requests such cancellation, the Insurer agrees to notify, by registered mail, the above stated activity immediately upon receipt of such request.

e. Anything in the policy to the contrary notwithstanding, the aircraft may be operated by pilots authorized by the named Insured.

f. Violations of regulations prescribed by the Federal Aviation Administration (FAA) shall not prejudice the insurance afforded by this policy.

g. No special waiver issued by the FAA shall affect the insurance afforded hereunder.

h. Any exclusions, conditions or other provisions of this endorsement, which have the effect of restricting or nullifying the coverage already granted by this policy in the absence of this endorsement, shall not apply.

Endorsement to Policy No: _____

Effective Date: _____

Countersigned: _____ (Date)

Company _____

2. SECURITY REQUIREMENTS

a. Where regular and frequent entry into restricted areas at a military installation is required by Contractor personnel for ground handling of aircraft, the Contractor personnel must meet the requirements established by AFI 31-401 and DD Form 254 (Attachment 11). Applications for personnel security investigations shall be made to the local chief of security police. (Military installations are airfields that are owned, leased, or controlled by the US Government.)

b. While on military installations or on military portions of civil installations, Contractor personnel shall comply with security regulations promulgated by the military installation/activity commander. Security regulations are directive in nature and shall be adhered to by all Contractor personnel. Senior Lodger station managers, both CONUS and overseas, are responsible for ensuring that all Contractor personnel are aware of station regulations.

3. RESPONSIBILITY FOR GOVERNMENT CARGO

a. Property (hereinafter referenced in this paragraph as Government cargo) placed in Contractor's possession for the sole purpose of air transportation shall not be deemed to be Government Property within the meaning of the Government Property Clause. Government cargo, within the meaning of this paragraph, does not include passenger baggage or scheduled service (Category A) cargo.

b. The Government hereby relieves the Contractor of liability for loss of, or damage to, any and all Government cargo transported by the Contractor in performance of this contract, except such loss, destruction and damage resulting from the willful misconduct or lack of good faith of any of the Contractor's managerial personnel, as defined in the contract clauses entitled "Government Property," (Fixed-Price Contract) - Alternate I, and except as follows:

(1) If, other than at the direction of the Government, it should be necessary to off-load cargo at any en route commercial stations, the Contractor shall immediately notify the ACO. The ACO shall be apprised of the Contractor's arrangements for movement of the cargo to its originally consigned destination. The Contractor shall at his expense be responsible for safeguarding such cargo from loss, theft, or damage by the elements or other causes until such time as the Contractor is relieved of responsibility by the ACO. The provisions of Section H, paragraph 24 apply in determining whether the Contractor should be charged a deficit.

(2) In the event of an accident, the Contractor shall be responsible for providing continuous protection of all cargo aboard the aircraft and for delivery of the cargo to the point designated by the ACO.

(3) To the extent insurance required by subparagraph b (3) of paragraph entitled, "Passenger and Public Liability Insurance" of this Section or the appropriate portion of subparagraph c of paragraph entitled, "Passenger and Public Liability Insurance" of this Section (if Combined Single Limit Liability is used), is not required for payment of third party claims, the balance of said insurance shall apply to Government cargo loss, damage or destruction thereto.

c. Any expenses incurred by the Contractor in connection with safeguarding cargo off-loaded at the direction of the Government at any commercial field will be reimbursable to the Contractor by the Government by a Supplemental Agreement to this contract.

4. COLLECTIVE BARGAINING UNITS

a. The Contractor agrees to advise the applicable Collective Bargaining Units of the contract requirements set forth in Section C, paragraph 2.

b. The Contractor agrees to provide the Contracting Officer, upon request, a copy of any Collective Bargaining Agreement applicable to employees performing on this contract.

5. LEGAL DOCUMENTS

The Contractor shall submit, simultaneously with its transfer to the DOT, one copy to HQ AMC/DOY and one copy to HQ AMC/JAQ of each application, pleading, or other document submitted to said Agency by the Contractor or by any organization of which the Contractor is a member, which application, pleading, or other document pertains, directly or indirectly, to this or any other contract for air transportation to which AMC is a party or is expected to be a party. Included among such pleadings is any pertaining to the leasing of any aircraft listed in Attachment 8.

6. RESERVED

7. INVITED CONTRACTOR OR TECHNICAL REPRESENTATIVE STATUS - REPUBLIC OF KOREA

- a. Invited-Contractor or technical representative status under the US-ROK Status of Forces Agreement (SOFA) is subject to the written approval of HQ USFK, ATTN: ACJ, APO 96301-0010.
- b. The Contracting Officer will coordinate with HQ USFK, ATTN: ACJ in accordance with DFARS, subpart 225.802, and USFK Reg 700-19. The AC of S, Acquisition Management, HQ USFK, will determine the appropriate Contractor status under the SOFA and notify the ACO of the determination.
- c. Subject to the above approval, the Contractor, including their employees and lawful dependents, may be accorded such privileges and exemptions as specified in the US-ROK SOFA, and implemented per USFK Reg 700-19, subject to the conditions and limitations imposed by the SOFA and that regulation. These privileges and exemptions may be furnished during the performance period of the contract, subject to their availability and provided the invited-Contractor or technical-representative status is not withdrawn by USFK.
- d. The Contractor officials and employees performing under this contract collectively and separately warrant that they are not now performing, nor will perform during the period of this contract, any contract services or otherwise engage in business activities in the ROK other than those pertaining to the US armed forces.
- e. During the performance of the work in the ROK required by this contract, the Contractor will be governed by USFK regulations pertaining to the direct hiring and the personnel administration of Korean National employees.
- f. The authorities of the ROK will have the right to exercise jurisdiction over invited Contractors and technical representatives, including officials and employees, and their dependents, for offenses committed in the ROK and punishable by the laws of the ROK. In recognition of the role of such persons in the defense of the ROK, they shall be subject to the provisions of paragraphs 5, 7(b), and 9 of the US-ROK SOFA and the related agreed minutes of US-ROK SOFA, Article XXII. In those cases in which the authorities of the ROK decide not to exercise jurisdiction, they shall notify the US military authorities as soon as possible. On such notification, the military authorities shall have the right to exercise such jurisdiction over the persons referred to, as conferred on them by the law of the United States.
- g. Invited Contractors and technical representatives agree to cooperate fully with the USFK sponsoring agency and responsible officer on all matters pertaining to logistic support. In particular, Contractors shall provide prompt and accurate reporting of changes in employee status as required by this regulation to the assigned sponsoring agency.
- h. Invited Contractor and technical representative status will be withdrawn by USFK on--
 - (1) Completion or termination of the contract.
 - (2) Proof that the Contractor or employees are engaged in business activities in the ROK other than those pertaining to US armed forces.
 - (3) Proof that the Contractor or employees are engaged in practices illegal in the ROK or are violating USFK regulations.
- i. It is agreed that the withdrawal of the invited-Contractor or technical-representative status or any of the privileges associated therewith by the US Government, will not constitute grounds for excusable delay by the Contractor in the performance of the contract, nor will it justify or excuse the Contractor defaulting the performance of this contract; and such withdrawal shall not serve as a basis for the filing of any claims against the US Government if the withdrawal is made for the reasons stated in subparagraph h above. Under no circumstances shall the withdrawal of such status or privileges be considered or construed as a breach of contract by the US

Government. The determination to withdraw SOFA status and privileges by USFK shall be final and binding on the parties unless it is patently arbitrary, capricious, and lacking in good faith.

8. OPTION TO EXTEND CONTRACT PERFORMANCE

The Government may require continued performance of services for a maximum of six (6) months and the AMC Uniform Rate for FY02 shall apply. In the event the Government exercises this option, prices shall be determined in accordance with para 2 of Section B. This option may be exercised more than once, but the total extension of performance hereunder shall not exceed six (6) months. The Contracting Officer may exercise the option by written notice to the Contractor not later than 15 days prior to expiration of the contract. The Government's rights under this paragraph are in addition to those under CLIN 0001 of Section B.

9. 5352.204-9001 VISITOR GROUP SECURITY AGREEMENTS (MAY 1996) AFFARS

Prior to beginning operations involving classified information on an installation identified on the DD Form 254 where the Contractor is not required to have a facility security clearance, the Contractor shall enter into a security agreement (or understanding) with the installation commander to ensure that its' Contractor's security procedures are properly integrated with those of the installation. As a minimum, the agreement shall identify the security actions that will be performed:

- a. By the installation for the Contractor, such as providing storage and classified reproduction facilities, guard services, security forms, security inspections under DOD 5220.22-M, classified mail services, security badges, visitor control and investigating security incidents; and
- b. Jointly by the Contractor and the installation, such as packaging and addressing classified transmittals, security checks, international security controls, and implementing emergency procedures to protect classified material.

10. 5352.223-9001 HEALTH AND SAFETY ON GOVERNMENT INSTALLATIONS (JUN 1997) AFFARS

- a. In performing work under this contract on a Government installation, the Contractor shall--
 - (1) Comply with to the specific health and safety requirement established by this contract;
 - (2) Comply with the health and safety rules of the Government installation that concern related activities not directly addressed in this contract;
 - (3) Take all reasonable steps and precautions to prevent accidents and preserve the health and safety of Contractor and Government personnel performing or in any way coming in contact with the performance of this contract; and
 - (4) Take such additional immediate precautions as the Contracting Officer may reasonably require for health and safety.
- b. The Contracting Officer may, by written order, direct Air Force Occupational Safety and Health (AFOSH) and/or health/safety standards as may be required in the performance of this contract and any adjustments resulting from such direction will be in accordance with the changes clause of this contract.
- c. Any violation of these health and safety rules and requirements, unless promptly corrected as directed by the Contracting Officer, shall be grounds for termination of this contract in accordance with the "Default" clause of this contract.

11. 5352.247-1000 AIR SAFETY (NOV 1991) AMCFARS

a. Contractor is obligated to comply with generally accepted standards of airmanship, training, and maintenance practices and procedures. Contractor must also satisfy DOD quality and safety requirements as described in 32 CFR Part 861 Section 861.3. In addition, Contractor shall comply with all provisions of applicable statutes, tenders of service, and contract terms, as such may affect flight safety, as well as with all applicable Federal Aviation Administration Regulations, Air worthiness Directives, Orders, Rules, and Standards promulgated under the Federal Aviation Act of 1958, as amended. Compliance with published standards may not, standing alone, constitute compliance with generally accepted standards of airmanship, training or maintenance.

b. The cleanliness and orderliness of an aircraft, including the visible components and surfaces thereof affect the ability to inspect an aircraft, may be valid indicators of the overall maintenance level of an aircraft, and may have a direct effect on the security and confidence of passengers. Therefore, Contractor's failure to keep and maintain all such components and surfaces of the aircraft used in performance of this contract clean, orderly, and in a good state of repair, may be deemed a failure to comply with generally accepted standards of maintenance to the extent the failures go beyond mere cosmetic or housekeeping deficiencies and relate in some manner to confidence in the safety, maintenance or air worthiness of the aircraft.

c. Should the Government determine that any of the following conditions exist, it may suspend or place in temporary nonuse status Contractor's further performance of airlift transportation services for the Department of Defense:

- (1) Contractor's failure to meet any of the obligations imposed by the preceding two paragraphs;
- (2) Involvement of one of Contractor's aircraft in a serious or fatal accident, incident, or operational occurrence (regardless of whether or not such aircraft is being used in the performance of this contract);
- (3) Any other condition which affects the safe operation of Contractor's flights hereunder.

d. Such suspension shall be accomplished pursuant to the Air Mobility Command (AMC) and Military Traffic Management Command (MTMC) Commercial Airlift Safety Review Procedures (32 CFR Part 861), which are hereby incorporated in this contract by reference, or any procedures that supersede same which may be adopted by HQ AMC/MTMC from time-to-time. The suspension procedures, including the temporary nonuse, reinstatement, and appeals processes, set out therein, are binding, final, and conclusive. In no event shall suspension or temporary nonuse proceedings, regardless of outcome, give rise to any liability on the part of the Government.

e. Suspension or temporary nonuse hereunder resulting in unavailability of Contractor aircraft to perform service under this contract shall be treated as failure to maintain authorization to engage in air transportation under the clause of the contract entitled, "Requirement For Authorization To Engage in Air Transportation."

12. 5352.247-1001 REQUIREMENT FOR AUTHORIZATION TO ENGAGE IN AIR TRANSPORTATION (MAR 1988) AMCFARS

a. This contract is conditioned upon the Contractor being an air carrier and holding a Certificate of Public Convenience and Necessity issued under Section 401 of the Federal Aviation Act (FAA of 1958, as amended), or is otherwise authorized by the DOT to engage in air transportation services, holding an Air Carrier's Operating Certificate issued by the FAA under Part 121 of the Federal Aviation Regulations (14 CFR 121) for airlift operated by the offeror (or in the case of a joint venture, the entity of the joint venture operating the aircraft), and participating in the CRAF, if applicable. Furthermore, the Contractor shall not be in a suspension or temporary nonuse status in accordance with the special clause in Section H, paragraph 11, entitled "AIR SAFETY."

b. If at any time during the performance period of this contract the Contractor is not in compliance with the requirements of paragraph a above, including, but not limited to, instances when the certificate demonstrating

compliance with paragraph a above is, (i) suspended by the pertinent regulatory body for any period of time even though the effect of the suspension is stayed pending review by a court of competent jurisdiction, (ii) canceled or revoked in its entirety by the pertinent regulatory body even though the effect of the cancellation or revocation is stayed pending review by a court of competent jurisdiction, or (iii) such certificate or interim operating authority has expired and has not been renewed, then the Contracting Officer may elect any one or a combination of the following courses of action:

(1) Suspend the Contractor from further performance of all or any part of this contract until such time as the suspension/temporary nonuse imposed by the pertinent regulatory body shall have expired or until such time as the suspension, temporary nonuse, cancellation, or revocation shall have been finally set aside, removed, or otherwise terminated. The period of suspension of this contract will begin at the time that notice thereof is given by the Contracting Officer to the Contractor's designee named in accordance with paragraph 6 entitled, "Contractor Point of Contact" in Section G of this contract. All flights that were scheduled to be flown during the time any such suspension is in effect will be canceled. A unilateral modification reflecting the cancellation and reducing the Government's obligation accordingly will be issued by the Contracting Officer at the termination of the period during which this contract is suspended or after the expiration of the period of performance of this contract. Any such cancellation is not for the convenience of the Government and is not a termination within the meaning of the clause entitled "FAR 52.249-2, Termination for Convenience of the Government (Fixed-Price)." Such cancellation will be accomplished at no cost to either party, and the substitute service provisions of this contract will not apply to such canceled flights.

(2) Exercise the Government's rights under the special clause of the contract entitled, "Contractor's Failure to Provide Service."

(3) Terminate this contract in whole or in part under the procedures of the clause entitled "Default." If this contract is terminated for default pursuant to paragraph b, and if it is subsequently determined that termination for default is not appropriate, this contract shall then be considered to have been canceled pursuant to subparagraph b (4) below.

(4) Cancel this contract in whole or in part. Any such cancellation will be accomplished by the issuance of a unilateral modification and will not be a termination under the provisions of the clause entitled "FAR 52.249-2, Termination for Convenience of the Government (Fixed-Price)" and neither party will be liable to the other party for costs incurred as a result of such cancellation.

13. SUBMISSION OF COST AND PRICING DATA--MOU

Contractors who are required to submit certified cost and pricing data pursuant to the MOU shall do so within the time specified by HQ AMC/LGC. Failure to provide certified cost and pricing data within the defined time may result in a reduction of such offerors' entitlement for the purpose of awarding business for the forecast year. Mobilization points may be reduced at a rate of one percentage point per day late, up to a maximum reduction of 30 percent. Requirements for submission of certified cost and pricing data are addressed in the MOU and procedures defined in FAR 52.215-1, entitled "Instruction to Offerors – Competitive Acquisition (Feb 2000) paragraph c(3)."

14. REQUIREMENT FOR INDEMNIFICATION APPROVAL

Notwithstanding the inclusion of FAR 52.250-1 and the clause entitled Definition of Unusually Hazardous Risk in Section I, indemnification will apply to performance under this contract only after Secretary of Air Force approval and after the contractor is notified by the Contracting Officer that the Commander AMC is implementing indemnification for a specific mission or missions.

15. CONTRACTOR ACQUIRED INSURANCE

a. The Contractor shall procure and maintain during the entire period of performance under this contract the following minimum insurance in addition to the insurance required by paragraph 2, of this section:

TYPE	AMOUNT
<u>Automobile</u>	
Bodily Injury Liability	\$200,000 per person
Property Damage Liability	\$500,000 per occurrence \$20,000 per occurrence
<u>Comprehensive General Liability</u>	
Bodily Injury Liability	\$500,000 per occurrence
<u>Workmen's Compensation and Employers Liability</u>	
Workman's Comp & Occupational Disease	Statutory
Employer's Liability	\$100,000

b. Contractor shall comply with the requirements of contract clause "Insurance - Work on a Government Installation" concerning notice to the Contracting Officer.

16. CRAF ACTIVATION ACCOUNTING

Separate accounting of costs during CRAF activation shall be maintained where Contractors anticipate extra contractual cost occurrences. The Contractor should maintain separate accounts, by job order or other suitable accounting procedures, of all incurred direct costs (less allocable credits) allocable to CRAF activation. If established, such accounts shall be maintained for three years after final payment under this contract.

17. PROVISIONAL PAYMENT OF EQUITABLE ADJUSTMENTS

The Contractor may submit requests for equitable adjustment for costs incurred outside the AMC uniform rate during CRAF activation in accordance with the terms and conditions of this contract. The equitable adjustment request may include a request for provisional payment against the amount requested. The Contracting Officer will review such requests and may approve a provisional payment against such requests for reasonable costs incurred outside the Uniform Rate. The provisional payment amount shall be determined by the Contracting Officer but under no circumstances will payment be approved for any costs that the Contracting Officer does not believe are reasonable, allocable to this contract and incurred as a result of the contract. Any payment made under this clause shall be deducted from the final equitable adjustment settlement. If the provisional payments exceed the final equitable adjustment settlement, the Contractor shall refund the amount of the overpayment to the Government on demand, plus interest at the current US. Treasury rate, in accordance with FAR 32.614.

18. FAA CHAPTER 443 WAR RISK HULL AND LIABILITY INSURANCE (PREVIOUSLY TITLE XIII)

The Contractor shall apply for Chapter 443 Aviation Insurance from the FAA, register all aircraft committed to CRAF as listed in Attachment 8, and supply the FAA with a complete copy of its current Hull and Comprehensive Liability commercial insurance policies. The Contractor shall promptly notify the FAA of any tail number additions, removals, and/or changes in the aircraft committed to CRAF to ensure that the Contractor is covered by Chapter 443 Aviation Insurance without delay in the event of a CRAF activation.

19. CRAF ALTERNATE LANDING PERMIT

- a. Having applied for and been issued a CRAF Alternate landing permit, the Contractor is authorized to use the following airfields as a weather alternate and technical stop: None.
- b. The following conditions apply to weather alternates: carriers may include approved weather alternates in their filed flight plans; carriers may refuel and change crews; and carriers shall not enplane or deplane passengers or cargo without approval by the installation commander.
- c. The following conditions apply to operational stops: carriers shall not include operational stops in their filed flight plans; carriers may only refuel, change crews, and perform minor maintenance; and carriers shall not enplane or deplane passengers or cargo without approval by the installation commander.
- d. The appropriate service approval authority may revoke landing permits, in whole or in part, during this contract for military reasons (for example, military operations, base closure or drawdown) without incurring any obligation on the part of the Government.
- e. The appropriate service approval authority may revoke landing rights for particular flights during this contract for military reasons (for example, military operations) without incurring any obligation on the part of the Government.
- f. This clause does not obligate the Government to provide services, supplies, equipment, or facilities other than landing, taxing and parking areas. Fuel and oil purchases, supply and service charges, and landing fees shall be governed, as appropriate, by AFI 10-1001, AR 95-2, and SECNAVINST 3770.1C. Purchases of fuel made necessary by use of a CRAF Alternate weather or technical stop shall not be considered as part of the fuel adjustment as otherwise provided under the terms and conditions of this contract.

20. 5352.247-1002 CONTRACTOR'S FAILURE TO PROVIDE SERVICE (OCT 1994)-AMCFARS (CAT-B Missions Only)

(a) In the event that contractor's aircraft is unable to depart from any station, the government may invoke remedies which are set forth in this paragraph which will neither constitute a termination within the meaning of the clause entitled "Termination for Convenience of the Government," nor in any way diminish the government's rights under the clause entitled "Default." The rights and remedies of the government provided for in this paragraph are not exclusive and do not give rise to government liability for costs incurred and are in addition to any other government rights and remedies provided for by law or by this contract.

(b) Substitute Service. This term, as used herein, applies to the substitution of an aircraft to replace contractor's aircraft which is unable to proceed from the departure station or from any en route station short of destination in accordance with schedules established pursuant to this contract. If the contractor fails to make an aircraft available for departure within 16 hours subsequent to scheduled departure time for a passenger flight or a mixed flight from an originating station or an en route station, or within 4 hours of a scheduled departure time for a passenger flight or a mixed flight from an en route station where no holding facilities for passengers are available, or within 24 hours of a scheduled departure time for a cargo flight from either the originating station or an en route station, or for any flight within such lesser time as may be agreed to by the contractor's designee, the government may: (1) cancel the requirement for further movement of the defaulted flight; (2) require the contractor to transport the defaulted passengers or cargo by substitute service within such additional time as the contracting officer may allow; (3) acquire substitute service from commercial sources; or (4) reschedule the defaulted flight or transport the defaulted passengers or cargo, or any portion thereof, itself. The exercise of any of these options will be in accordance with the following:

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(1) In the event that the requirement for further movement of the defaulted flight is canceled, the number of passengers equal to the guaranteed ACL for the flight involved, or the number of pounds of cargo equal to the guaranteed ACL of the flight involved, or the number of miles for the flight involved, will be subtracted from the government's guarantee. Any canceled requirement will be deleted from the contract by unilateral modification. If the failure to depart was from the originating station, contractor will not be paid any amount for the flight involved. If the failure to depart was from an en route station, the contractor will be paid at the AMC negotiated uniform rate for that portion of the trip over which he did transport the passengers or cargo.

(2) If the contractor is required to transport the passengers or cargo of the defaulted flight by substitute service within such additional time as the contracting officer may allow, the contractor shall arrange and pay directly all costs involved in the transportation by the substitute aircraft. Contractor will be paid, in this event the full contract price for the flight involved, irrespective of the amount paid by him for this transportation by substitute aircraft. The substitute aircraft provided by the contractor must be of like type, configured in accordance with the applicable specifications, and must be approved by the contracting officer. In lieu of, or in addition to, providing the above type substitute service, the contractor may, at his own expense, purchase the amount of space, by common carriage or otherwise, needed for the movement of the passengers or cargo of the defaulted flight. The purchase of such space must be approved by the contracting officer and must be obtained only from American Flag carriers, except that in the event an American Flag carrier is unavailable or not reasonably available for point-to-point substitute service within an overseas area, upon prior authorization of the contracting officer, the contractor may use a Foreign Flag schedule carrier for substitute service on an exceptional basis only and provided the requirements of the clause entitled "Preference for United States Flag Air Carriers," are complied with. In such event, contractor would be paid the contract price for the involved transportation. If contractor transports by purchase of common carriage only a part of the number of passengers or amount of cargo of the defaulted flight, he will only be paid for those passengers or cargo so transported, and the passengers or cargo not transported shall be deducted from the government's guarantee.

(3) The government may purchase substitute service from commercial sources. This can be by a substitute commercial aircraft or by the purchase from commercial sources of sufficient space to transport by common carriage or otherwise, the number of passengers or amount of cargo involved in the defaulted flight. In either event, the substitute service shall be deducted from the government's guarantee and the contractor would be charged by the government, any amount which the government had to pay to commercial sources which is in excess of the contract price for the transportation of the passengers or cargo involved for the distance involved. (If this substitute service is obtained for only a portion of a trip as provided in the contract, the contract price will be prorated for the distance involved in determining the amount due to the Government.) Contractor will not be paid any amount for the defaulted flight except that he will be paid at the AMC negotiated uniform rate for that portion of the trip, if any, over which he did transport the passengers or cargo on the flight involved. The contractor shall provide all services normally provided in connection with flights operating under this contract. In the event the defaulted flight was to be performed between military bases and the government procures common carriage substitute service, the defaulting contractor shall be responsible for the transportation between the military bases and the commercial terminal.

(4) The government may, in its discretion, elect to either reschedule the defaulted flight to a later time within the performance period of the contract or may move these passengers and/or this cargo, or any portion thereof. In this event, the number of passengers equal to the guaranteed ACL for the flight involved, or the number of pounds of cargo to the guaranteed ACL of the flight involved, or the number of miles for the flight involved shall be subtracted from the government's guarantee and the contractor shall be charged, by the government, the excess, if any, of the charge for this movement as computed under the provisions of AFR 76-28 over the contract price. If this movement is utilized for only a portion of a trip as provided in the contract, the contract price shall be prorated for the distance involved in determining the amount due the government. Contractor shall not be paid any amount for transportation of the passengers or cargo of the defaulted flight except that he shall be paid at the AMC negotiated uniform rate for that portion of the trip, if any, over which he did transport said passengers or cargo in the flight involved.

(c) The contracting officer may permit the contractor to provide services with substitute aircraft having a lower ACL. When such substitution of aircraft is permitted, the contractor shall be reimbursed at the rate per ton/pax mile established in the original award times the lesser ACL with a corresponding reduction in the government's guarantee. In addition or as an alternative to providing substitute aircraft having a lower ACL, the contracting officer may permit the contractor to acquire, at his own expense, the amount of space, by common carriage, needed for movement of the pax or cargo equal to the ACL of the aircraft originally scheduled for the flight, in which event the contractor shall be paid at the contract rate for the pax and/or cargo within the guaranteed ACL which are actually transported. The contracting officer may also permit the contractor to provide services with substitute aircraft having a higher ACL than the aircraft required for performance of services under the contract. In this event, the contractor shall be reimbursed only the contract price for the flight as originally awarded.

(d) The contracting officer, in making his decisions and selections for substitute service, will use his discretion in such a manner as to mitigate contractor's liability for excess costs when reasonably possible. However, military needs and urgency will be the prime consideration in the exercise of this discretion.

(e) Irrespective of any of the provisions of any subparagraph of this clause, the government may cancel any mission for movement of submarine crews if the specified aircraft or an equal substitute aircraft acceptable to the government is not positioned 2 hours prior to scheduled departure time. This cancellation, under these circumstances, is at the sole discretion of the government and shall be at no cost to the government.

(f) The provisions of Attachment 1, "Performance Work Statement Passenger Service," relative to contractor's responsibility for care of passengers, and for providing meals and billets, apply to all situations discussed in this clause, wherein the contractor failed to depart as scheduled. Contractor shall retain responsibility for passengers until such time as they are moved by the contractor or the government, or the requirement is canceled by the government.

(g) In the event the contractor fails to deliver any part of the GACL (pax or cargo) to manifested destination due to an accident, contractor shall be paid at AMC negotiated uniform rate only for that amount of pax or cargo delivered to manifested destination.

21. EXEMPTION FROM THE AIR PASSENGER DUTY IN THE UNITED KINGDOM

The Contractor shall request relief from Her Majesty's Air Passenger Duty for all passenger travel performed within the United Kingdom under the terms of this contract. Said request shall be forwarded to Head Office Control Team, HM Customs and Excise, Cambridge Excise, Lockton House, Clarendon Road, Cambridge, CB2 2BH, and shall include reference to the following:

This relief is in accordance with arrangements and agreements between the appropriate US Government authority and HM customs and Excise (reference RDM 513/539/01). All US Government personnel traveling under the authority of this contract are traveling for official purposes and the travel is reimbursed from official funds of the US Government.

Specific reference to this contract.

Failure to apply for said relief shall not be basis for a claim for equitable adjustment.

22. ALLOCATION AND ORDERING OF EXPANSION AIRLIFT

a. Expansion requirements will be awarded, based on entitlement, to the contractor who has submitted an acceptable offer in response to the Government's request for offers. Expansion entitlement will be calculated in the same manner as entitlement for the fixed, peacetime airlift award and as described in paragraph b, below. Factors used to determine the acceptability of an offer include timeliness of submission, type and weight capacity of aircraft

offered, date of availability, total cost of offer and contractor reliability/violation status. When two or more members of a Teaming Arrangement (TA) make acceptable offers for the same expansion requirement, the TA agent will determine which contractor will perform the mission.

b. Awards for expansion business will be allocated monthly based on entitlement calculated by dividing each carrier's mobilization value (MV) points by the total points of all entitled carriers offering in a category. Entitled carrier's MV points will be recalculated by the Government at the beginning of each quarter (October, January, April, July) beginning 1 Oct 00, to adjust for any aircraft offered by new carriers or for additional aircraft committed by carriers during the contract period. Entitlement percentages will be recalculated for each category of business. New carriers committing aircraft to the CRAF after the closing of the Request for Proposal (RFP) may offer as an individual contractor, as a new TA or as an addition to an existing TA. A carrier who submits an offer after RFP closing and is awarded a contract is considered a non-entitled carrier until such time as the next quarterly recalculation of MVP is completed. Prior to recalculation, the carrier will be considered for expansion business only if no acceptable offers are received from entitled carriers. If more than one non-entitled carrier offers on an expansion requirement, award will be made to the carrier who has committed the most aircraft in wide body equivalents or B727 equivalents to the CRAF. Recalculated entitlement percentages shall be utilized for expansion awards only. The Contracting Officer will attempt to make awards commensurate to every carrier's entitlement each month, however, the Government is not obligated to ensure individual carriers/TAs meet or exceed their entitlement each month. Expansion entitlement not received in one month may not be carried over to a future month.

c. Task Orders. The Government will request and contractors shall submit offers for expansion airlift electronically, telephonically, or by telefax.. An offer submitted by a carrier is considered a firm offer that, when accepted by the Government, becomes binding. Issuance of a task order (DD Form 1155) serves as Government acceptance of the contractor's offer. Task orders shall set forth (1) the services being ordered, (2) performance date, (3) price, (4) fund cite, and (5) any other pertinent information. An executed copy of each task order will be provided to the Contractor.

23. RESERVED

24. DEFICIT TRAFFIC

a. This term applies to a situation where the Contractor's aircraft did depart, but where the full amount of traffic within the guaranteed ACL could not be transported on the flight involved due to reasons caused by the Contractor. The deficit shall be charged from the station where it is incurred through to the first Government scheduled traffic stop where the deficit is corrected and the Government may utilize the space. Contractor shall be paid at the AMC negotiated uniform price for that portion of the trip, if any, over which he did transport said traffic less a seat mile or ton mile reduction caused by the deficit. The Contractor shall not bill for the dollar value of the deficit traffic, and the Government's guarantee with respect to that mission is reduced accordingly. Deficit traffic moved by a Contractor on any subsequent flight will be considered as newly generated traffic.

b. Below is an example of deficit traffic calculation. The rates are approximations, not the current uniform rate. Actual deficit reduction will be based on actual uniform rates for the appropriate period of performance.

ROUTE: KNKT-(PANC)-(RJTY)-RODN-(RJTY)-(PANC)-KNKT

MILES: 16,020

RATE: \$.06 (round-trip passenger rate per seat mile)

ACL: 190 seats

Situation: Two seats were unavailable for use from Kadena AB (RODN) to Cherry Point MCAS (KNKT). The two-seat deficit is calculated as follows:

8010 miles (RODN-(RJTY)-(PANC)-KNKT); times, \$.06 per seat mile (RATE); times, two seats (number of seats not available for AMC use) = \$961.20 Total Deficit.

25. TRIP CANCELLATION-CATEGORY B (Peacetime)

a. **General.** The Contracting Officer may unilaterally cancel an occasional mission, provided notification is given the Contractor. Any verbal notification will be confirmed in writing. Large-scale cancellations or long term reduction of requirements will not normally be covered by this paragraph. Any reference to days in this clause means a continuous 24-hour period. All "days" in this clause refer to "calendar days."

(1) A cancellation charge will be paid on missions canceled with notification given within the time frames noted below. Times are all prior to scheduled departure. The cancellation charge will be applied to the trip price for the route segment only (ferry, Eurocontrol surcharge or any other additional charges will not be included). Cancellation charges will not apply to missions terminated or canceled due to weather situations beyond the control of the Contractor or the Government. The charges are as follows:

- (a) Seven days or less:
 - Passenger -- 31.8%
 - Cargo -- 31.6%
 - Combi -- 31.6%
- (b) 8 to 14 days:
 - Passenger -- 19.8%
 - Cargo -- 21.8%
 - Combi -- 21.8%
- (c) 15 to 30 days:
 - Passenger -- 11.3%
 - Cargo -- 10.2%
 - Combi -- 10.2%
- (d) 31 to 45 days:
 - Passenger -- 7%
 - 31 to 75 days: Cargo -- 7%
 - 31 to 75 days: Combi -- 7%
- (e) Beyond 45 days:
 - Passenger -- 0.0%
 - Beyond 75 days: Cargo -- 0.0%
 - Beyond 75 days: Combi -- 0.0%

(2) Missions awarded less than 14 days prior to the operating date and subsequently canceled will be paid a cancellation charge of 19.8% for passenger and 21.8 % for cargo and combi.

(3) Missions awarded less than 5 days prior to the operating date and subsequently canceled will not be paid a percentage cancellation charge. The Contractor shall submit actual incurred mission costs for reimbursement consideration.

(4) Contractor may elect to accept replacement missions in lieu of a cancellation charge.

b. No Cost Cancellations

(1) The Government will accrue one no-cost cancellation per quarter (beginning Oct, Jan, Apr, and Jul) from all Contractors (in the event of a teaming arrangement, each individual member of the team) who have operated 30 or more missions during the previous quarter (Oct will be based on missions from the previous contract), with a maximum accumulation of 4 per contract period. These no-cost cancellations may be applied to either basic or expansion buys.

(2) No-cost cancellations may be used by the Government in lieu of paying a cancellation charge for

missions canceled with at least 7 days notice and can be used at any time during the contract periods. If a mission is canceled with less than 7 days notice, the application of a no-cost cancellation is subject to mutual agreement.

- (3) No-cost cancellations will not be carried over from the current contract to the next contract.

26. AIRFIELD APPROACH DATA

Airfield approach data acquired and generated by AMC for use in military flight operations will be provided to the Contractor at no cost. The information is provided without warranty of accuracy or suitability for commercial aircraft operations. The Contractor remains responsible for safety of flight to include verifying the accuracy and suitability of airfield approach data and reconciling any conflict that may exist between AMC provided data and standard commercial data. The Contractor may communicate AMC provided data to other parties only if disclaimer of US Government responsibility for accuracy and suitability is prominently incorporated. AMC airfield approach data information will be passed at the time of mission scheduling except for after duty hours or for short-notice missions where departure has a window of less than 24 hours. Under such circumstances, the Contractor should contact the TACC at (618) 229-1748 (East Cell) and 1749 (West Cell).

27. AEROMEDICAL DATA

The aeromedical capability of AMC includes the B-767 aircraft modified with the Aeromedical Evacuation Ship Set (AESS). The AESS is connected to the aircraft's electrical system through an electrical connector which shall be installed by the Government's contractor, E-Systems. The following data is required from those carriers with B767s committed to the Aeromedical program and shall be provided no more than 90 days after the CRAF contract effective date: (Data shall also be provided at the time of any change of aircraft tail number committed to the AE segment of CRAF, or at the time of any change in the electrical load that would affect the FAA work order for the kit installation.)

- a. A work order with FAA approved data from the air carrier describing the modification in detail such that the E-Systems FAA Repair Station can perform the work and return the aircraft to service (limited to the electrical connector installation effort). The work order shall address location of the circuit breakers to be added to the P31, P32 power panels, primary pickup connection points, routing of the new harnesses and location of the added electrical connectors. Circuit breakers, which must be collared to meet the electrical load requirements of the CRAF AESS load, shall also be identified in the work order.
- b. Appropriate modified electrical load analysis validating the availability of the required CRAF electrical power at the new connectors.
- c. Appropriate modified weight and balance data validating the electrical connector installation.

28. PERFORMANCE INCENTIVE AWARD PROGRAM

At the end of each of the first three quarters of the contract (Oct-Dec, Jan-Mar, Apr-Jun), each carrier's reliability statistics, calculated by AMC/DOYM, will be reviewed. Carriers having flown at least fifteen missions and achieving a 93% reliability rate for that quarter will earn an incentive award of one additional expansion mission. Carriers must also meet the violation standards of this contract in order to be eligible. This mission will not count against entitlement and can only be awarded under this contract. For the purposes of eligibility, the definition of mission is the same as the definition used for computing reliability statistics. However, the incentive award may be a one-way or roundtrip mission.

After the incentive is earned, the first expansion mission determined by the Government to be suitable to the carrier's fleet will be offered to the carrier as the incentive award. The carrier may elect to use the incentive award at that time or hold it for a future mission. If the government is unable to offer any suitable mission during the contract period after the carrier earns the incentive, the carrier will receive a monetary award equal to 9 percent of the trip price for an 8,000 mile round trip mission using the standard ACL of the carrier's largest aircraft. If the carrier is offered a

mission and elects to defer to a future mission, it is the carrier's responsibility to notify the expansion buyer of their intent to utilize their incentive award later. In addition, if the carrier elects to defer to a future mission and is then unable to utilize the incentive by the end of the contract, their incentive is forfeited.

Should two carriers holding incentive awards elect the same mission, the carrier with the highest reliability percentage in the winning quarter will receive the mission. If the reliability percentages are exactly the same, the carrier with the most missions in the winning quarter will receive the chosen mission. In the event a tie still exists, the carrier with the most entitlement will receive the mission.

29. CREW DUTY DAY REQUIREMENTS

a. Scheduling Limits: Crew duty will be limited to 16 hours for 2-pilot crews, 18 hours for 3 or more pilot crews, and 24 hours for aircraft with FAA-approved crew rest facilities. Crew duty will be considered as beginning when the crew member reports for duty (including non-local company-directed deadhead), and ending at block-in of the final DoD segment for that crew.

b. Execution Limits: Crew duty execution limits are the same as scheduled, except that the limits can be extended by 2 hours for 2 and 3-pilot crews. This extension is at company discretion and does not apply to the 24-hour duty limit associated with crew rest-equipped aircraft. A statistical tracking of the number of times this extension is utilized will be maintained by each company and provided to HQ AMC/DOB upon request.

c. Crew Rest: Minimum crew rest, prior to first DoD segment or between DoD segments, is 10 hours. At the carrier's discretion, that rest can be reduced to 9 hours if the crew is still able to receive 8 hours of uninterrupted rest. NOTE: The reduced rest can not be combined with the 2-hour crew duty extension during a preceding or subsequent duty period.

d. Deadhead Transportation: All deadhead transportation, not local in nature, will be considered as part of the crew duty day for DoD limits.

30. LONG TERM EXPANSION

Known transportation requirements that have not been reduced to final schedules may be purchased as "Long Term Expansion" and shall be procured using the following procedures:

a) CLINs designated as "Long Term Expansion" shall describe the Government's generic requirements (estimated number of passengers to be moved in a window of time, normally one week). Carriers will offer, and award will be made, based on the Government's best estimate for the requirement.

b) All aircraft will be considered, but preference will be given to widebody aircraft. Factors to be considered in award are found in paragraph H-22.

c) At a minimum of 90 calendar days prior to the earliest estimated mission date, firm schedules and ACL will be negotiated and incorporated by modification. The estimated dollar amount for the mission will be adjusted accordingly.

d) Although this Long Term Expansion has been included in the fixed buy, it will be negotiated and awarded as a separate category. If entitlement is not obtained in one category, it will not be transferable to the other category.

e) In the event a mission does not materialize or is cancelled in its entirety, the Government will attempt to replace the entitlement with other expansion business.

d) Aside from the above, all terms and conditions for operating fixed passenger business shall apply.

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PART II - CONTRACT CLAUSES

SECTION I - CONTRACT CLAUSES

1. The following clauses are incorporated by reference:

<u>FAR NUMBER</u>	<u>CLAUSE TITLE</u>	<u>DATE</u>
52.202-1	DEFINITIONS	OCT 1995
52.203-3	GRATUITIES	APR 1984
52.203-5	COVENANT AGAINST CONTINGENT FEES	APR 1984
52.203-6	RESTRICTIONS ON SUBCONTRACTOR SALES TO THE GOVERNMENT	JUL 1995
52.203-7	ANTI-KICKBACK PROCEDURES	JUL 1995
52.203-8	CANCELLATION, RESCISSION, AND RECOVERY OF FUNDS FOR ILLEGAL OR IMPROPER ACTIVITY	JAN 1997
52.203-10	PRICE OR FEE ADJUSTMENT FOR ILLEGAL OR IMPROPER ACTIVITY	JAN 1997
52.203-12	LIMITATION ON PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS	JUN 1997
52.204-2	SECURITY REQUIREMENTS	AUG 1996
52.209-6	PROTECTING THE GOVERNMENT'S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED, OR PROPOSED FOR DEBARMENT	JUL 1995
52.215-2	AUDIT AND RECORDS - NEGOTIATION	JUN 1999
52.215-8	ORDER OF PRECEDENCE--UNIFORM CONTRACT FORMAT	OCT 1997
52.215-10	PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA	OCT 1997
52.215-12	SUBCONTRACTOR COST OR PRICING DATA	OCT 1997
52.215-15	PENSION ADJUSTMENTS AND ASSET REVERSIONS	DEC 1998
52.215-18	REVERSION OR ADJUSTMENT OF PLANS FOR POST RETIREMENT BENEFITS (PRB) OTHER THAN PENSIONS	OCT 1997
52.215-19	NOTIFICATION OF OWNERSHIP CHANGES	OCT 1997
52.216-18	ORDERING	OCT 1995
	The blank in para (a), line 5 is completed as follows: <u>1 Oct 2001 through 30 Sep 2002</u>	
52.216-19	ORDER LIMITATIONS	OCT 1995
	The blanks are completed as follows: Para (a), line 2 <u>\$1,240</u> Para (b)(1) <u>\$4,000,000</u> Para (b)(2) <u>\$10,000,000</u> Para (b)(3) <u>5 days</u> Para (d), line 3 <u>5 days</u>	
52.216-22	INDEFINITE QUANTITY	OCT 1995
	The blank in para (d), last line is completed as follows: <u>30 Sep 2002</u>	
52.219-8	UTILIZATION OF SMALL BUSINESS CONCERNS	OCT 2000
52.219-9	SMALL BUSINESS SUBCONTRACTING PLAN	OCT 2000
52.219-16	LIQUIDATED DAMAGES - SUBCONTRACTING PLAN	JAN 1999
52.222-1	NOTICE TO THE GOVERNMENT OF LABOR DISPUTES	FEB 1997

<u>FAR</u> <u>NUMBER</u>	<u>CLAUSE TITLE</u>	<u>DATE</u>
52.222-3	CONVICT LABOR	AUG 1996
52.222-21	PROHIBITION OF SEGREGATED FACILITIES	FEB 1999
52.222-26	EQUAL OPPORTUNITY	FEB 1999
52.222-29	NOTIFICATION OF VISA DENIAL	FEB 1999
52.222-35	AFFIRMATIVE ACTION FOR DISABLED VETERANS OF THE VIETNAM ERA	APR 1998
52.222-36	AFFIRMATIVE ACTION FOR WORKERS WITH DISABILITIES	JUN 1998
52.222-37	EMPLOYMENT REPORTS ON DISABLED VETERANS AND VETERANS OF THE VIETNAM ERA	JAN 1999
52.223-6	DRUG-FREE WORKPLACE	JAN 1997
52.224-1	PRIVACY ACT NOTIFICATION	APR 1984
52.224-2	PRIVACY ACT	APR 1984
52.225-13	RESTRICTIONS ON CERTAIN FOREIGN PURCHASES	FEB 2000
52.226-1	UTILIZATION OF INDIAN ORGANIZATIONS AND INDIAN-OWNED ECONOMIC ENTERPRISES	JUN 2000
52.227-1	AUTHORIZATION AND CONSENT	JUL 1995
52.227-2	NOTICE AND ASSISTANCE REGARDING PATENT AND COPYRIGHT INFRINGEMENT	AUG 1996
52.227-6	ROYALTY INFORMATION	APR 1984
52.228-3	WORKERS' COMPENSATION INSURANCE (DEFENSE BASE ACT)	APR 1984
52.228-4	WORKERS' COMPENSATION AND WAR-HAZARD INSURANCE OVERSEAS	APR 1984
52.228-5	INSURANCE--WORK ON A GOVERNMENT INSTALLATION	JAN 1997
52.229-3	FEDERAL, STATE, AND LOCAL TAXES	JAN 1991
52.229-5	TAXES--CONTRACTS PERFORMED IN U.S. POSSESSIONS OR PUERTO RICO	APR 1984
52.229-6	TAXES--FOREIGN FIXED-PRICE CONTRACTS	JAN 1991
52.232-4	PAYMENTS UNDER TRANSPORTATION CONTRACTS AND TRANSPORTATION-RELATED SERVICES CONTRACTS	APR 1984
52.232-8	DISCOUNTS FOR PROMPT PAYMENT	MAY 1997
52.232-9	LIMITATION ON WITHHOLDING OF PAYMENTS	APR 1984
52.232-11	EXTRAS	APR 1984
52.232-17	INTEREST	JUN 1996
52.232-18	AVAILABILITY OF FUNDS	APR 1984
52.232-23	ASSIGNMENT OF CLAIMS	JAN 1986
	ALTERNATE I	APR 1984
52.232-25	PROMPT PAYMENT	JUN 1997
52.232-33	PAYMENT BY ELECTRONIC FUNDS TRANSFER (CCR)	MAY 1999
52.233-1	DISPUTES	DEC 1998
	ALTERNATE I	DEC 1991
52.233-3	PROTEST AFTER AWARD	AUG 1996
52.237-2	PROTECTION OF GOVERNMENT BUILDINGS, EQUIPMENT, AND VEGETATION	APR 1984
52.242-13	BANKRUPTCY	JUL 1995
52.243-1	CHANGES--FIXED-PRICE	AUG 1987
	ALTERNATE IV	APR 1984
52.244-2	SUBCONTRACTS	AUG 1998

<u>FAR</u> <u>NUMBER</u>	<u>CLAUSE TITLE</u>	<u>DATE</u>
52.245-4	GOVERNMENT FURNISHED PROPERTY (SHORT FORM)	APR 1984
52.246-25	LIMITATION OF LIABILITY - SERVICES	FEB 1997
52.247-5	FAMILIARIZATION WITH CONDITIONS	APR 1984
52.247-12	SUPERVISION, LABOR, OR MATERIALS	APR 1984
52.247-21	CONTRACTOR LIABILITY FOR PERSONAL INJURY AND/OR PROPERTY DAMAGE	APR 1984
52.247-27	CONTRACT NOT AFFECTED BY ORAL AGREEMENT	APR 1984
52.247-63	PREFERENCE FOR U.S.-FLAG AIR CARRIERS	JAN 1997
52.248-1	VALUE ENGINEERING	FEB 2000
52.249-2	TERMINATION FOR CONVENIENCE OF THE GOVERNMENT (FIXED-PRICE)	SEP 1996
52.249-8	DEFAULT (FIXED-PRICE SUPPLY AND SERVICE) ALTERNATE I	APR 1984 APR 1984

<u>DEFENSE</u> <u>FAR SUP</u> <u>NUMBER</u>	<u>CLAUSE TITLE</u>	<u>DATE</u>
252.201-7000	CONTRACTING OFFICER'S REPRESENTATIVE	DEC 1991
252.203-7001	PROHIBITION OF PERSONS CONVICTED OF FRAUD OR OTHER DEFENSE- CONTRACT-RELATED FELONIES	MAR 1999
252.203-7002	DISPLAY OF DOD HOTLINE POSTER	DEC 1991
252.204-7000	DISCLOSURE OF INFORMATION	DEC 1991
252.204-7003	CONTROL OF GOVERNMENT PERSONNEL WORK PRODUCT	APR 1992
252.204-7004	REQUIRED CENTRAL CONTRACTOR REGISTRATION	MAR 2000
252.205-7000	PROVISION OF INFORMATION TO COOPERATIVE AGREEMENT HOLDERS	DEC 1991
252.209-7000	ACQUISITION FROM SUBCONTRACTORS SUBJECT TO ON-SITE INSPECTION UNDER THE INTERMEDIATE-RANGE NUCLEAR FORCES (INF) TREATY	NOV 1995
252.209-7004	SUBCONTRACTING WITH FIRMS THAT ARE OWNED OR CONTROLLED BY THE GOVERNMENT OF A TERRORIST COUNTRY	MAR 1998
252.215-7000	PRICING ADJUSTMENTS	DEC 1991
252.215-7002	COST ESTIMATING SYSTEM REQUIREMENTS	OCT 1998
252.219-7003	SMALL, SMALL DISADVANTAGED AND WOMAN-OWNED SMALL BUSINESS SUBCONTRACTING PLAN (DOD CONTRACTS)	APR 1996
252.222-7000	RESTRICTIONS ON EMPLOYMENT OF PERSONNEL	MAR 2000
252.223-7002	The blank in para (a), line 2 is completed as follows: <u>HAWAII/ALASKA</u> SAFETY PRECAUTIONS FOR AMMUNITION AND EXPLOSIVES	MAY 1994
252.223-7003	CHANGE IN PLACE OF PERFORMANCE-- AMMUNITIONS AND EXPLOSIVES	DEC 1991
252.223-7004	DRUG-FREE WORK FORCE	SEP 1988
252.223-7006	PROHIBITION ON STORAGE AND DISPOSAL OF TOXIC AND HAZARDOUS MATERIALS	APR 1993
252.225-7026	REPORTING OF CONTRACT PERFORMANCE OUTSIDE THE UNITED STATES	JUN 2000
252.225-7031	SECONDARY ARAB BOYCOTT OF ISRAEL	JUN 1992

<u>DEFENSE FAR SUP NUMBER</u>	<u>CLAUSE TITLE</u>	<u>DATE</u>
252.225-7042	AUTHORIZATION TO PERFORM	JUN 1997
252.225-7043	ANTITERRORISM/FORCE PROTECTION POLICY FOR DEFENSE CONTRACTORS OUTSIDE THE UNITED STATES The blank in paragraph (c) is completed as follows: <u>HQ AFSFC/SFPT</u> <u>Commercial: (210)671-0927/0928</u>	JUN 1998
252.231-7000	SUPPLEMENTAL COST PRINCIPLES	DEC 1991
252.242-7000	POSTAWARD CONFERENCE	DEC 1991
252.243-7001	PRICING OF CONTRACT MODIFICATIONS	DEC 1991
252.243-7002	REQUESTS FOR EQUITABLE ADJUSTMENT	MAR 1998

2. 52.250-1 INDEMNIFICATION UNDER PUBLIC LAW 85-804 (APR 1984) FAR

(a) "Contractor's principal officials," as used in this clause, means directors, officers, managers, superintendents, or other representatives supervising or directing--

- (1) All or substantially all of the Contractor's business;
- (2) All or substantially all of the Contractor's operations at any one plant or separate location in which this contract is being performed; or
- (3) A separate and complete major industrial operation in connection with the performance of this contract.

(b) Under Public Law 85-804 (50 U.S.C. 1431-1435) and Executive Order 10789, as amended, and regardless of any other provisions of this contract, the Government shall, subject to the limitations contained in the other paragraphs of this clause, indemnify the Contractor against--

- (1) Claims (including reasonable expenses of litigation or settlement) by third persons (including employees of the Contractor) for death; personal injury; or loss of, damage to, or loss of use of property;
- (2) Loss of, damage to, or loss of use of Contractor property, excluding loss of profit; and
- (3) Loss of, damage to, or loss of use of Government property, excluding loss of profit.

(c) This indemnification applies only to the extent that the claim, loss, or damage (1) arises out of or results from a risk defined in this contract as unusually hazardous or nuclear and (2) is not compensated for by insurance or otherwise. Any such claim, loss, or damage, to the extent that it is within the deductible amounts of the Contractor's insurance, is not covered under this clause. If insurance coverage or other financial protection in effect on the date the approving official authorizes use of this clause is reduced, the Government's liability under this clause shall not increase as a result.

(d) When the claim, loss, or damage is caused by willful misconduct or lack of good faith on the part of any of the Contractor's principal officials, the Contractor shall not be indemnified for--

- (1) Government claims against the Contractor (other than those arising through subrogation); or
- (2) Loss or damage affecting the Contractor's property.

(e) With the Contracting Officer's prior written approval, the Contractor may, in any subcontract under this contract, indemnify the subcontractor against any risk defined in this contract as unusually hazardous

or nuclear. This indemnification shall provide, between the Contractor and the subcontractor, the same rights and duties, and the same provisions for notice, furnishing of evidence or proof, and Government settlement or defense of claims as this clause provides. The Contracting Officer may also approve indemnification of subcontractors at any lower tier, under the same terms and conditions. The Government shall indemnify the Contractor against liability to subcontractors incurred under subcontract provisions approved by the Contracting Officer.

(f) The rights and obligations of the parties under this clause shall survive this contract's termination, expiration, or completion. The Government shall make no payment under this clause unless the agency head determines that the amount is just and reasonable. The Government may pay the Contractor or subcontractors, or may directly pay parties to whom the Contractor or subcontractors may be liable.

(g) The Contractor shall--

(1) Promptly notify the Contracting Officer of any claim or action against, or any loss by, the Contractor or any subcontractors that may be reasonably expected to involve indemnification under this clause;

(2) Immediately furnish to the Government copies of all pertinent papers the Contractor receives;

(3) Furnish evidence or proof of any claim, loss, or damage covered by this clause in the manner and form the Government requires; and

(4) Comply with the Government's directions and execute any authorizations required in connection with settlement or defense of claims or actions.

(h) The Government may direct, control, or assist in settling or defending any claim or action that may involve indemnification under this clause.

3. DEFINITION OF UNUSUALLY HAZARDOUS RISK

1. Definitions:

a. "Civil Reserve Air Fleet (CRAF) Mission" means the provision of airlift services under this contract (1) ordered pursuant to authority available because of the activation of CRAF or (2) directed by Commander, Air Mobility Command (AMC/CC) or his successor for missions substantially similar to or in lieu of those ordered pursuant to formal CRAF activation.

b. "Airlift Services" means all services (passenger, cargo, or medical evacuation) and anything the contractor is required to do in order to conduct or position the aircraft, personnel, supplies, and equipment for a flight and return. Airlift Services include Senior Lodger and other ground related services supporting CRAF missions. Airlift Services do not include any services involving any persons or things which, at the time of the event, act, or omission giving rise to a claim, are directly supporting commercial business operations unrelated to a CRAF mission objective.

c. "War risks" means risks of:

(1) War (including war between the Great Powers), invasion, acts of foreign enemies, hostilities (whether declared or not), civil war, rebellion, revolution, insurrection, martial law, military or usurped power, or attempt at usurpation of power.

(2) Any hostile detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

(3) Strikes, riots, civil commotions, or labor disturbances related to occurrences under subparagraph (1) above.

(4) Any act of one or more persons, whether or not agents of a sovereign power, for political or terrorist purposes and whether the loss or damage resulting therefrom is accidental or intentional, except for ransom or extortion demands.

(5) Any malicious act or act of sabotage, vandalism, or other act intended to cause loss or damage.

(6) Confiscation, nationalization, seizure, restraint, detention, appropriation, requisition for title or use by or under the order of any Government (whether civil or military or de facto) or public or local authority.

(7) Hijacking or any unlawful seizure or wrongful exercise of control of the aircraft or crew (including any attempt at such seizure or control) made by any person or persons on board the aircraft or otherwise, acting without the consent of the insured.

(8) The discharge or detonation of a weapon or hazardous material while on the aircraft as cargo or in the personal baggage of any passenger.

2. For the purpose of the contract clause entitled "Indemnification Under Public Law 85-804 (APR 1984)," it is agreed that all war risks resulting from the provision of airlift services for a CRAF mission in accordance with the contract are unusually hazardous risks, and shall be indemnified to the extent that such risks are not covered by insurance procured under Chapter 443 of the Federal Aviation Act or other insurance, because such insurance has been canceled, has applicable exclusions, or has been determined by the Government to be prohibitive in cost. The Government's liability to indemnify the contractor shall not exceed that amount for which the contractor commercially insures under its established policies of insurance.

3. Indemnification is provided for personal injury and death claims resulting from the transportation of medical evacuation patients whether or not the claim is related to war risks.

4. Indemnification of risks involving the operation of aircraft, as discussed above, is limited to claims or losses arising out of events, acts, or omissions involving the operation of an aircraft for airlift services for a CRAF mission, from the time that aircraft is withdrawn from the contractor's regular operations (commercial, DOD, or other activity unrelated to airlift services for a CRAF mission) until it is returned for regular operations. Indemnification with regard to other contractor personnel or property utilized or services rendered in support of CRAF missions is limited to claims or losses arising out of events, acts, or omissions occurring during the time the first prepositioning of personnel, supplies and equipment to support the first aircraft of the contractor used for airlift services for a CRAF mission is commenced until the timely removal of such personnel, supplies and equipment after the last such aircraft is returned for regular operations.

5. Indemnification is contingent upon the contractor maintaining, if available, non-premium insurance under Chapter 443 of the Federal Aviation Act and normal commercial insurance, as required by this contract or other competent authority. Indemnification for losses covered by a contractor self-insurance program shall only be on such terms as incorporated in this contract by the Contracting Officer in advance of such a loss.

4. LOSS OF USE SET RATE

a. In lieu of seeking actual damages for loss of use under the contract indemnification clause, FAR 52.250-1, (Section I para 2), the contractor elects to accept the Loss of Use Set Rate described below. The election to use the set rate is binding upon the contractor during the term of the contract for losses resulting from unusually hazardous or nuclear risk and subject to indemnification under Public Law 85-804.

b. The Loss of Use Set Rate shall be determined as follows:

(1) If the contractor insures commercially for loss of use, the contractor shall be paid the amount that would have been due from the insurer.

(2) If the contractor's commercial insurance does not include coverage for loss of use, loss of use is deemed to be the subject of a contractor self-insurance program. This is subject to P.L. 85-804 indemnification on the terms set forth in this clause. The loss of use set rate shall be determined using the following formula:

$$\text{utilization}^1 \times 500 \text{ mph} \times \text{ACL}^2 \times \text{adjusted AMC uniform rate}^3 = \text{aircraft value per day}$$

c. The election to use the set rate versus claiming for actual losses is binding upon the contractor for incidents arising during the term of this contract. The set rate is only available for temporary loss of use of the aircraft. It anticipates the contractor will act with due diligence in bringing the aircraft back on line. Loss of Use, beyond 30 days, may be approved by the Contracting Officer subject to determining that the contractor's plan for return of the aircraft is fair and reasonable. If the Government so determines, it may total out the loss in lieu of paying the set rate. The set rate does not preclude claim for, or payment of, other damages subject to indemnification; e.g., cost of repair.

d. The contractor shall notify the administrative Contracting Officer at HQ AMC/DOY of the loss, request payment, and provide pertinent information relating to the cause of loss. If the administrative Contracting Officer determines the loss qualifies for indemnification under Section I, paragraphs 2 and 3, the parties shall negotiate the payment terms. In the event the administrative Contracting Officer later determines the loss does not qualify for indemnification, then the contractor shall refund the amount of overpayment to the Government on demand.

5. 52.252-2 CLAUSES INCORPORATED BY REFERENCE (FEB 1998) FAR

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be addressed electronically at this/these address(es): <http://farsite.hill.af.mil/>

¹ Airborne hours per day. If loss occurs during a Civil Reserve Air Fleet Mission ordered pursuant to authority available because of the activation of CRAF, the hours of utilization will be equal to the guaranteed utilization specified in Part I, Section B. If loss occurs during a Civil Reserve Air Fleet Mission directed by the Commander, Air Mobility Command, or his successor, for a mission substantially similar to or in lieu of those ordered pursuant to formal CRAF activation, the hours of utilization will be the contractor's average daily utilization based on aircraft flight logs for the aircraft type during the 12 months prior to the beginning of the period of performance of the contract.

² AMC allowable cabin load per Uniform Rates and Rules.

³ AMC uniform rate less costs not incurred (e.g., fuel, maintenance) and less profit.

PART III - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS**SECTION J - LIST OF ATTACHMENTS AND EXHIBITS****ATTACHMENTS**

<u>NO.</u>	<u>NAME</u>	<u>NUMBER OF PAGES</u>
1	Performance Work Statement Passenger Service, dated 29 Jan 01	11
2	Specifications, Terms and Conditions for Category-B Passenger Aircraft used in International Operations, dated 10 Jan 01	3
3	Inflight Meal Schedule/Service, dated 10 Jan 01	2
4	Procedures for Interlining Baggage for Passengers, dated 10 Jan 01	3
5	Performance Work Statement Cargo Service, Category B Cargo, dated 10 Jan 01	5
6	Performance Work Statement Cargo Service, Category A Cargo, dated 10 Jan 01	4
7	Specifications, Terms and Conditions for Mixed Passenger and Cargo Aircraft used in International Operations, dated 10 Jan 01	1
8	List of Aircraft, dated 10 Jan 01	1
8A	List of Aircraft Supporting Use of Another Carrier's MVP, dated 10 Jan 01	NA
9	Civil Reserve Air Fleet (CRAF), dated 02 Feb 01	48
10	Publications and Forms, dated 10 Jan 01	4
11	DD Form 254, Department of Defense Contract Security Classification Specification, dated Dec 99	2
12	Performance Work Statement Cargo Service, Less Than A Full Pallet Load Cargo, dated 10 Jan 01	3
13	Intercompany Route Support Request and Authorization Format, dated 10 Jan 01	1
14	Revenue Route Support Request and Authorization Format, dated 10 Jan 01	1
15	Reserved	
16	Government Furnished Equipment, dated 1 Aug 01	1
17	Fuel Adjustment Procedures, dated 1 Aug 01	2
18	Reserved	
19	Public Voucher for Transportation Charges, Standard Form 1113, dated 1 Aug 01	1