

SUBCHAPTER G—CONTRACT MANAGEMENT

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SUBCHAPTER G—CONTRACT MANAGEMENT

PART M847—TRANSPORTATION

Subpart M847.1—General

M847.105 Transportation assistance

Contracting officers shall contact their Traffic Manager, or COR, for assistance and expertise in transportation management, and transportation related issues.

Subpart M847.3—Transportation in Supply Contracts

M847.303 Standard delivery terms and contract clauses.

M847.303-1 F.o.b. origin.

Shipments falling within this category must be shipped on a bill of lading, except as provided in 41 CFR 102-118.40 (i.e. where government payment mechanisms are not available or acceptable). Contracting officers must comply with 41 CFR Parts 102-117 and 102-118.

M847.303-70 F.o.b. origin, freight prepaid, transportation charges to be included on the invoice.

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

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

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

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

(b) Orders issued on VA Form 90-2138, Orders for Supplies or Services, must identify shipping instructions. When VA Form 90-2138 is not used, the contracting officer shall, via contract terms and conditions, ensure that the vendor do the following:

(1) Consistent with the terms of the contract, pack, mark, and prepare shipment in conformance with carrier requirements to protect the personal property and assure

the lowest applicable transportation charge. Follow package specifications found in the National Motor Freight Classification 100 Series.

(2) Add transportation charges as a separate item on the invoice. The invoice must include the following certification: "The invoiced transportation charges have been paid and evidence of such payment will be furnished upon the Government's request."

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

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

(c) Each contracting officer is responsible for:

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

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

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

M847.306 Transportation factors in the evaluation of offers.

Contracting officers shall comply with VAAR 847.306-70, Records of claims, for all transportation contracts.

M847.306-70 Utilization of environmental transportation evaluation factors.

(a) There are many opportunities to consider environmental criteria in evaluation of offers. A Pass/Fail approach may be appropriate for establishing basic green product requirements, or when market research shows that other sustainable practices are common in the commercial marketplace (i.e. specify minimum recycled content requirements for all supplied packaging materials – an offeror can either meet this requirement (pass) or it cannot (fail), or use of SmartWay participation on a pass/fail basis if market research indicates potential offerors can meet the requirement.

(b) If using a best value tradeoff approach, weighing a vendor's ability to offer desirable sustainable practices above and beyond minimum contract requirements in

relation to other factors, such as price, may be desirable. The following are examples of using these evaluation criteria:

(1) Technical Approach and/or Sustainability Plan – Evaluate the contractor’s technical approach and plans to implement sustainable practices. Require contractors to detail how they will reduce fuel use and emissions of pollutants (including GHGs), increase use of alternative vehicles and renewable fuels, minimize packaging waste, ensure proper disposal of waste materials, and report on their progress.

(2) Past Performance – Evaluate how the contractor has performed similar services, including their recorded and published emissions metrics and the types of fuels, vehicles, and efficiency practices used.

(3) Life cycle costs for the project, not just the price offered (i.e. specifying take-back of packaging may add cost to a contract, but may save disposal and labor costs).

M847.306-71 Mandatory environmental transportation factors.

In accordance with FAR Subpart 23.1 and Executive Order 13693, contracting officers shall include evaluation factors for transportation contracts to ensure contractors use or supply products covered by the following environmental programs, when applicable:

(a) SmartWay - Includes trucks, rail, multi-modal, and other freight carriers.

(b) BioPreferred - Includes thermal shipping containers and packing and insulating materials.

(c) [Comprehensive Procurement Guidelines \(CPG\)](https://www.epa.gov/smm/product-resource-guides-comprehensive-procurement-guideline-cpg-program) - Transportation and vehicular products, pallets, manual-grade strapping, industrial drums, various paperboard and packaging products, and other products as applicable. CPG guidelines can be found at the following link: <https://www.epa.gov/smm/product-resource-guides-comprehensive-procurement-guideline-cpg-program>

M847.306-72 Optional environmental transportation factors.

Consider the following optional environmental factors when defining performance requirements and evaluation criteria related to transportation, especially as they relate to (1) managing transportation impacts; (2) directly contracted transportation; and (3) inbound goods transportation:

(a) Preferences for contractors to participate in the EPA SmartWay Transport Partnership. SmartWay is a voluntary public-private partnership that aims to reduce the environmental impacts and costs of transportation. Transportation companies that participate in SmartWay use tools developed by EPA to monitor and share emissions data for customer use. SmartWay partners also get technical assistance to green their networks.

(b) Preferences for contractors who will report on the carbon emissions associated with shipping requirements, either directly or through SmartWay.

(c) Preferences for contractors who will purchase high-quality carbon offsets to further reduce the environmental impact of shipping goods to VA. Some transportation vendors package carbon offsets with services to create “carbon-neutral” shipping options, which can be included in the cost proposal and evaluated as part of the overall solicitation.