

47.304-1 General.

(a) The *contracting officer shall* determine f.o.b. terms generally on the basis of overall costs, giving due consideration to the criteria given in [47.304](#).

(b) *Solicitations shall* specify whether *offerors must* submit *offers f.o.b. origin, f.o.b. destination, or both*; or whether *offerors may* choose the basis on which they make an *offer*. The *contracting officer shall* consider the most advantageous delivery point, such as-

(1) *F.o.b. origin, carrier's equipment, wharf, or specified freight station near contractor's plant*; or

(2) *F.o.b. destination*.

(c) In determining whether *f.o.b. origin* or *f.o.b. destination* is more advantageous to the Government, the *contracting officer shall* consider the availability of lower *freight rates (Government rate tenders)* to the Government for *f.o.b. origin acquisitions*. *F.o.b. origin* contracts also present other desirable traffic management features, in that they-

(1) Permit use of transit privileges (see [47.305-13](#));

(2) Permit diversions to new destinations without price adjustment for transportation (see [47.305-11](#));

(3) Facilitate use of special routings or types of equipment (*e.g.*, circuitous routing or oversize *shipments*) (see [47.305-14](#));

(4) Facilitate, if necessary, use of premium cost transportation and permit Government-controlled transportation;

(5) Permit negotiations for reduced *freight rates* (see [47.104-1\(b\)](#)); and

(6) Permit use of small *shipment* consolidation stations.

(d) When destinations are tentative or unknown, the *solicitation shall* be *f.o.b. origin* only (see [47.305-5](#)).

(e) When the size or quantity of *supplies* with confidential or higher security classification requires commercial transportation services, the *contracting officer shall* generally specify *f.o.b. origin acquisitions*.

(f) When acceptance *must* be at destination, *solicitation shall* be on an *f.o.b. destination* only basis.

(g) Following are examples of situations when *solicitations shall* normally be on an *f.o.b. destination* only basis because it is advantageous to the Government (see [47.305-4](#)):

(1) Bulk *supplies*, such as coal, that require other than Government-owned or operated handling, storage, and loading facilities, are destined for *shipment* outside CONUS.

(2) Steel or other bulk *construction products* are destined for *shipment* outside CONUS.

(3) *Supplies* consist of forest *products* such as lumber.

(4) Perishable or medical *supplies* are subject to in-transit deterioration.

(5) Evaluation of *f.o.b. origin offers* is anticipated to result in increased administrative lead time or administrative cost that would outweigh the potential advantages of an *f.o.b. origin* determination.

Parent topic: 47.304 Determination of delivery terms.