47.303-17 Contractor-prepaid commercial bills of lading, small package shipments.

(a) If it is advantageous to the Government, the *contracting officer may* authorize the contractor to ship *supplies*, which have been acquired *f.o.b. origin*, to domestic destinations, including DoD air and water terminals by *common carriers* on commercial bills of lading. Such *shipments shall* not exceed 150 pounds by commercial air or 1,000 pounds by other commercial *carriers* and *shall* not have a security classification.

(b) The *contracting officer may* authorize the *shipments* under paragraph (a) of this subsection to be consolidated with the contractor's own prepaid *shipments* for delivery to one or more destinations, if all appropriate *f.o.b. origin shipments* under one or more Government contracts have been consolidated initially. The contractor *may* be authorized to consolidate less-than-carload or less-than-truckload Government *shipments* with its own *shipments* so that the Government can take advantage of lower carload or truckload *freight* costs. The Government *shall* assume its pro rata share of the combined *shipment* cost. Agency transportation personnel *shall* evaluate overall transportation costs before authorizing any movement to ensure savings to the Government consistent with other contract and traffic management considerations. When consolidation is authorized, a copy of the commercial *bill of lading shall* be mailed promptly to each consignee.

(c) *Shipments* under prepaid commercial bills of lading, as authorized in paragraph (a) of this subsection, do not require a *contract modification*. Unless otherwise provided in the contract, the *supplies* move for the account of, and at the risk of, the Government. The *supplies* become Government property when loaded on the *carrier*'s equipment and the contractor has obtained the *carrier*'s receipt. The contractor pays the transportation charges and is reimbursed by the Government. Loss or damage *claims shall* be processed in accordance with agency regulations.

(d) The contractor's *invoice* for reimbursement by the Government *shall* show the prepaid transportation charges as agreed (see paragraph (b) of this subsection), as a separate item for each individual *shipment*. The contractor *shall* support the transportation charges with a copy of the *carrier*'s receipted *freight* bill or other evidence of receipt, except as follows:

(1) A Government agency *may* determine that receipted *freight* bills or other evidence of receipt are not required for transportation charges of $100 or less.

(2) A Government agency *may* pay an invoiced but unsupported transportation charge of $250 or less per transaction (*i.e.,* purchase, *invoice*, or aggregate billing or payment for multiple purchases), if-

(i) The contractor cannot reasonably provide a receipted *freight* bill; and

(ii) The agency has determined that the charges are reasonable. Determination of reasonableness *may* be based on-

(A) Past experience (authenticated transportation charges for similar *shipments*);

(B) Rate checks;

(C) Copies of previous *freight* bills submitted by the contractor; or

(D) Other information submitted by the contractor to substantiate the amount claimed.

(3) Receipted *freight* bills in support of invoiced transportation charges of $100 or less are not required for reimbursement by the Government, if-

(i) The underlying contract specifies retention by the contractor of all records for at least 3 years after final payment under the contract; and

(ii) The contractor agrees to furnish evidence of payment when requested by the Government.

(e) *Shipments* and *invoices shall* not be split to reduce transportation charges to $100 or less per transaction as a means of avoiding the required documented support for the charges. See paragraph (d)(2) of this subsection for unsupported transportation charges of $250 or less.

(f) The *contracting officer shall* insert the clause at 52.247-65, *F.o.b. Origin*, Prepaid *Freight*-Small Package *Shipments*, in *solicitations* and contracts when *f.o.b. origin shipments* are to be made.

Parent topic: 47.303 Standard delivery terms and contract clauses.