

SOLICITATION / CONTRACT / ORDER FOR COMMERCIAL ITEMS
OFFEROR TO COMPLETE BLOCKS 12, 17, 23, 24, & 30

1. REQUISITION NUMBER PR600100136	PAGE 1 OF 35
5. SOLICITATION NUMBER	6. SOLICITATION ISSUE DATE
b. TELEPHONE NUMBER (No collect calls)	8. OFFER DUE DATE/ LOCAL TIME

2. CONTRACT NO.	3. AWARD/EFFECTIVE DATE 08/25/2010	4. ORDER NUMBER DTMA1P10048
7. FOR SOLICITATION INFORMATION CALL: a. NAME		

9. ISSUED BY
 DOT/Maritime Administration, MAR-380
 1200 New Jersey Ave SE, MAR380 W26-429
 Washington, DC 20590
 TEL: (202) 366-0514 ext.
 FAX: (202) 366-3237 ext.

10. THIS ACQUISITION IS
 UNRESTRICTED OR SET ASIDE: 0.00% FOR:
 SMALL BUSINESS EMERGING SMALL BUSINESS
 HUBZONE SMALL BUSINESS 8(A)
 SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESS
 NAICS: 562910
 SIZE STANDARD: 251-500

11. DELIVERY FOR FOB DESTINATION UNLESS BLOCK IS MARKED
 SEE SCHEDULE

13a. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 700)

13b. RATING
 RFP IFB RFP

15. DELIVER TO
 DOT/Maritime Administration, MAR-610
 1200 New Jersey Ave., SE, MAR610, W25-209/212
 Washington, DC 20590
 Attn: Shaun Ireland

16. ADMINISTERED BY
 DOT/Maritime Administration, MAR-380
 1200 New Jersey Ave SE, MAR380 W26-429
 Washington, DC 20590

17a. CONTRACTOR/OFFEROR
 Esco Marine, Inc.
 16200 Joe Garza Sr Rd
 Brownsville, TX 78521-1920
 TELEPHONE NO.(956) 831-4531 ext.

18a. PAYMENT WILL BE MADE BY
 DOT/ Enterprise Services Center (ESC) OFO/FAA, Oklahoma City
 MARAD A/P Headquarters Invoices Branch AMZ-150 PO Box 25710
 Oklahoma City, OK 73125

17b. CHECK IF REMITTANCE IS DIFFERENT AND PUT SUCH ADDRESS IN
 OFFER

18b. SUBMIT INVOICES TO ADDRESS SHOWN IN BLOCK 18a UNLESS BLOCK BELOW IS CHECKED
 SEE ADDENDUM

19. ITEM NO.	20. SCHEDULE OF SUPPLIES/SERVICES	21. QUANTITY	22. UNIT	23. UNIT PRICE	24. AMOUNT
(Use Reverse and/or Attach Additional Sheets as Necessary)					

25. ACCOUNTING AND APPROPRIATION DATA
 2010 - 70 - X17680 - 00 - 1S - DSDS - CP - 00 - 0000 - - 160000 - - 25433 - 61 - 00 - 6600

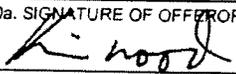
26. TOTAL AWARD AMOUNT (For Govt. Use Only)
 \$ 600,706.00

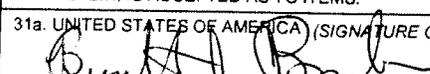
27a. SOLICITATION INCORPORATES BY REFERENCE FAR 52.212-1, 52.212-4, FAR 52.212-3 AND 52.212-5 ARE ATTACHED. ADDENDA ARE ARE NOT ATTACHED

27b. CONTRACT/PURCHASE ORDER INCORPORATES BY REFERENCE FAR 52.212-4, FAR 52.212-5 IS ATTACHED. ADDENDA ARE ARE NOT ATTACHED

28. CONTRACTOR IS REQUIRED TO SIGN THIS DOCUMENT AND RETURN 1 COPIES TO ISSUING OFFICE. CONTRACTOR AGREES TO FURNISH AND DELIVER ALL ITEMS SET FORTH OR OTHERWISE IDENTIFIED ABOVE AND ON ANY ADDITIONAL SHEETS SUBJECT TO THE TERMS AND CONDITIONS SPECIFIED HEREIN.

29. AWARD OF CONTRACT: REF. DTMA1Q09001 OFFER DATED 11/06/2008 YOUR OFFER ON SOLICITATION (BLOCK 5), INCLUDING ANY ADDITIONS OR CHANGES WHICH ARE SET FORTH HEREIN, IS ACCEPTED AS TO ITEMS:

30a. SIGNATURE OF OFFEROR/CONTRACTOR


31a. UNITED STATES OF AMERICA (SIGNATURE OF CONTRACTING OFFICER)


30b. NAME AND TITLE OF SIGNER (Type or print)
 Kris Wood, Vice President

30c. DATE SIGNED
 8/26/10

31b. NAME OF CONTRACTING OFFICER (Type or print)
 Benedict J. Burnowski

31c. DATE SIGNED
 08/26/2010 11/10/10

AUTHORIZED FOR LOCAL REPRODUCTION
 PREVIOUS EDITION IS NOT USABLE

	Document No. DTMA1P10048	Document Title Vessel AMERICAN RACER	Page 23 of 35
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calculated by multiplying the percent complete by the weighted dollar amount for that activity, less any previous earned amounts.

D. A Performance Schedule Impact Analysis shall be provided, for all changes that affect the schedule in a narrative format that comprises the following:

1. The Contractor shall provide ongoing Schedule analyses by comparing actual progress to planned progress as identified by the original baseline production schedule and shall report in the Summary Status Report the percentage ahead or slippage of his to date progress.
2. The Schedule Impact Analysis shall demonstrate how the Contractor proposes to incorporate the changes into the Schedule and shall explain the affect if any, on milestone accomplishment, Schedule Critical Path, Schedule logic, resources, and costs and completion date.
3. Any changes and events which the Contractor does not indicate in the Schedule and Schedule Impact Analysis is assumed to have no affect on the Production Schedule.
4. Failure by the Contractor to include any element of work required for performance of the Contract shall not excuse the Contractor from completing all work within the Contract performance period and/or in accordance with any Contract-required Milestone Date(s).

E. Recovery Plan. If slippage has occurred from the Contractor's original accepted baseline performance schedule, or any previously revised/accepted Performance Schedule, the Contractor shall provide a written analysis, in narrative format, that identifies the cause of the slippage and proposes a plan of corrective action that will be taken to complete the remaining work within the contract performance period.

F. Late Completion Notification. If at any time, the updated Critical Path of the Performance Schedule indicates a late delivery or late completion date, notify the COTR in writing the next working day, and/or prior to the beginning of any period when no work will occur, such as a holiday period. This notification shall include identification of the problem and shall propose corrective actions for schedule recovery.

G. The Performance Schedule and required reports shall be delivered to the COTR for review and acceptance within (7) seven days after Contract award. Status reports shall be prepared bi-weekly and submitted one day prior to the next scheduled progress meeting, to reflect the addition, deletion, or modification of Work Items, and changes made by the Contractor.

1. Upon acceptance of the Schedule by the COTR, the Contractor shall proceed in accordance with the reviewed and accepted plan and shall not modify the Schedule without the prior approval of the COTR. Modifications to the Schedule do not constitute a modification to the Contract.
2. Any changes in the Schedule desired by the Contractor in the job approach as reflected by the network logic, activity duration, and resource loading shall be submitted in writing to the COTR and reviewed and accepted by the COTR.
3. Any changes in the Schedule resulting in an extension of the Contract performance period shall be submitted for review and approval of the Contracting Officer.

H. The contractor shall manage and schedule all subcontractors' production work and progress, material procurement, and interface control to support the overall Performance Schedule.

1. Provide and Maintain a Subcontractor Listing on file beginning within (3) three days after the Contract Start Date. A revised list is to be updated whenever changes occur to the list. The subcontractor list shall include:

- a. The Subcontractor's business address, telephone number and point of contact.
- b. All Work Item(s) and scheduled activity(s) number and a brief description of the specific work to be accomplished.

C1-3.3 Performance Schedule Milestones: The Contractor shall incorporate into the performance schedule the following major contract milestones and their required due dates as listed.

Milestones	Due Date
Deliver Sub-Contractor Listing	3 days after Contract Start Date.
Deliver Key Personnel Roster	3 days after Contract Start Date.
Deliver Certificates of Company Insurance (Required prior to issuance of NTP)	NLT 10 days after Contract Start Date.
Deliver Certificate of Asbestos Abatement Liability	5 days after Contract Start Date.
Deliver Performance Bond NLT (Required prior to issuance of NTP)	10 days after Contract Start Date.
Deliver Initial Performance Schedule	7 days after Contract Start Date.
Deliver Tug Safety Management Certificate	10 days after Contract Start Date.

	Document No. DTMA1P10048	Document Title Vessel AMERICAN RACER	Page 24 of 35
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Deliver Performance Schedule Activity	7 days after Contract Start Date.
Weighted Average Breakdown	5 days after NTP.
Deliver Surveyor's Trip in Tow Recommendation Report	Not later than 7 days prior to tow.
Deliver Liquid Load /Ballast Plan for towing	Prior to fleet departure date Sep 24, 2010.
Complete Inland Tow Preparations	10 days after Contract Start Date, but not later than 3 days prior to the vessel oceanic tow.
Deliver Vessel Afloat Monitoring Plan	10 days after Contract Start Date, but not later than 3 days prior to oceanic tow.
Deliver Oil Spill Contingency Plan Emergency Contact Notification List	NLT 3 days prior to vessel departure from oceanic tow.
Deliver Towers Insurance	NLT 3 days prior to oceanic tow.
Deliver Facilities Pollution Insurance	Prior to the oceanic tow.
Deliver U.S.C.G. Load line Exemption /Order for Departure	September 24, 2010
Vessel departs fleet and dry docked	4 hours after completion of underwater hull cleaning,
Conduct joint underwater hull inspection during daylight hours, COTR to Schedule	September 30, 2010
Vessel is undocked and shifted to the pier	NLT 3 to 5 days after undocking at BAE.
Remove Vessel from BAE's Facility	4 days after vessel arrival.
Deliver Pre-Arrival/Arrival Reports	10 days after vessel arrival.
Deliver Hazardous Materials/Wastes Inventory/Contractor Estimate.	10 days after vessel arrival.
Deliver Tank Content Verification Report	20 days after vessel arrival.
Deliver Validation of Contractor HM/HW estimates by sampling and analytical results	TBD by contractors performance schedule.
Complete PCB Abatement	TBD by contractors performance schedule.
Complete Asbestos Abatement	TBD by contractors performance schedule.
Complete all Hazmat Removal/Disposal	TBD by contractors performance schedule.
Move Vessel into Dismantling Slip	TBD by contractors performance schedule.
Begin Vessel Dismantling	TBD by contractors performance schedule.
Remove Last Structural Piece from Slip	TBD by contractors performance schedule.
Complete Vessel Dismantling	TBD by contractors performance schedule.
Complete Facility Cleaning and Restoration	30 days after removal of last structural piece from the slip.
Deliver Certificate of Destruction	30 days after removal of last structural piece from the slip.
Deliver Closeout-Report and Final Schedule	30 days after removal of last structural piece from the slip.

FAILURE TO MAINTAIN PROPER SCHEDULES:

1. Schedules required by this item will be used to determine earned value for calculating contract financing payments. Failure to submit updated and timely schedules will result in a lack of basis for determining contract financing payments and could delay payment to the contractor.
2. Acceptance by the COTR of submitted schedules and associated reports does not relieve the Contractor of performance to the requirements of the Contract. Nor does acceptance serve to approve, warrant, or indicate agreement by the COTR as to the accuracy of the Contractor's schedules.
3. Extension of the delivery date will be granted only to the extent the equitable time adjustments to the activity affected by the Change Order, Delivery Order, or delay, exceeds the total (positive or zero) float of a critical activity and extends the delivery date.

C1-4 HAZARDOUS MATERIAL/HAZARDOUS WASTE REMOVAL AND DISPOSAL

The Contractor is responsible for all steps necessary to remove and dispose of all hazardous materials/hazardous regulated wastes in compliance with all contract requirements which are consistent with U.S. statutory and regulatory requirements including, but not limited to, the Toxic Substances Control Act (TSCA), the Resource Conservation and Recovery Act (RCRA), Occupational Safety and Health Act (OSHA) as well as international laws, treaties, conventions, and agreements as applicable. Additionally, the Contractor is required to implement an effective Environmental Management Plan (EMP)

	Document No. DTMA1P10048	Document Title Vessel AMERICAN RACER	Page 31 of 35
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SAFETY AND HEALTH STANDARDS FOR SHIPBUILDING Attention of the Contractor is directed to Public Law 91-596, approved December 29, 1970 (84 Stat. 1590, 29 USC 655) known as the "OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970" and to the "OCCUPATIONAL SAFETY AND HEALTH STANDARDS FOR SHIPYARD EMPLOYMENT" promulgated there under by the Secretary of Labor (29 CFR. 1910 and 1915). These regulations apply to all shipbuilding and related work, as defined in the regulations. Nothing contained in this contract shall be construed as relieving the Contractor from any obligations, which it may have for compliance with the aforesaid regulations.

C2-2 PERMITS AND RESPONSIBILITIES

The Contractor shall, without additional expense to the Government, be responsible for obtaining any necessary licenses and permits, and for complying with all contractual requirements which are consistent with U.S. statutory and regulatory requirements including, but not limited to, the Clean Water Act (CWA), Toxic Substances Control Act (TSCA), the Resource Conservation and Recovery Act (RCRA), Occupational Safety and Health Act (OSHAct), and the National Pollution Discharge Elimination System (NPDES) as well as international laws, treaties, conventions and agreements, in connection with any movement over the public highways of overweight/over dimensional materials. The Contractor shall ensure that the Performance Bond submitted as outlined in 10 CONTRACT FINANCING, is maintained throughout the contract performance and until such time as a written release has been issued by the Contracting Officer.

SECTION F -- DELIVERIES OR PERFORMANCE

F.1 52.211-11 LIQUIDATED DAMAGES--SUPPLIES, SERVICES, OR RESEARCH SEPTEMBER 2000 AND DEVELOPMENT

(a) If the Contractor fails to deliver the supplies or perform the services within the time specified in this contract, the Contractor shall, in place of actual damages, pay to the Government liquidated damages of \$600 per calendar day of delay.

(b) If the Government terminates this contract in whole or in part under the Default-Fixed-Price Supply and Service clause, the Contractor is liable for liquidated damages accruing until the Government reasonably obtains delivery or performance of similar supplies or services. These liquidated damages are in addition to excess costs of repurchase under the Termination clause.

(c) The Contractor will not be charged with liquidated damages when the delay in delivery or performance is beyond the control and without the fault or negligence of the Contractor as defined in the Default-Fixed-Price Supply and Service clause in this contract.

F.2 PERIOD OF PERFORMANCE

PERIOD OF PERFORMANCE for Recycling Services of the Vessel AMERICAN RACER PERIOD OF PERFORMANCE (Including Contract Award Date and Notice to Proceed Date) This Contract Performance shall start no later than seven (7) days after the Award Date and will be coordinated with the dry-docking dates at BAE Systems San Francisco Ship Repair. The Contractor cannot begin work on any aspect of this contract, including incurring any costs for acquiring such items as bonding, insurance and vessel marine surveys until the Contracting Officer issues an official contract start date. The contract milestones will be calculated from the contract start date unless specifically instructed by the Contracting Officer. The Contractor will not be liable for the submittal of any contract deliverables until the Contracting Officer issues written notification of the contract start date. The contract start date will be the official commencement date at which time the contractor may incur costs in the performance of the contract and bear responsibility for compliance with the terms and conditions in the contract. The contract start date designated by the Contracting Officer, but will normally be no later than 7 days after the award date. The Contractor bears all responsibility and costs associated with preparing the vessel for tow and MARAD will not reimburse the Contractor for expenses incurred prior to issuance of a Notice to Proceed (NTP) except for the inspection by a Marine Surveyor for the purpose of developing the Trip in Tow survey that will be the only activity allowed aboard the Obsolete Vessels(s) prior to the issuance of the NTP. The NTP will only be issued after the Contractor has received acceptance by MARAD of all insurances and surety submittals. The Contractor is advised that MARAD fleet sites will not allow the Contractor access to the vessel to

	Document No. DTMA1P10048	Document Title Vessel AMERICAN RACER	Page 32 of 35
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perform Marine Surveyor required tow preparations prior to the Contracting Officer's issuance of NTP. At no time prior to vessel departure from the fleet shall any materials, components or artifacts be removed from the vessel by the Contractor.

The period of performance for the dismantlement of the vessel shall be expressed in calendar days and shall cover the entire contract time frame from contract start date through final reporting. Workdays shall pertain to specific days and or durations within the performance period linked to the accomplishment of specific activities and or milestones. The period of performance from the undocking date for this contract is predicated on the Contractor's integrated ship schedule submitted with its price verification dated June 22, 2010. The period of performance from the day after undocking at the Shipyard through the delivery of the final report shall not exceed 264 calendar days. The baseline schedule shall be submitted in accordance with contract provisions and shall not exceed the total performance period duration. The contractor shall incorporate all existing work and the dismantlement schedule for the contracted vessel into a master schedule and clearly indicate any dependent relationships between projects. All milestones and deliverables required under this contract shall be due beginning with the issuance by the Contracting Officer of notification of the official Contract start date. If after acquiring tug service to move the vessel, or at any time during the transit of the vessel from the fleet to the contractors facility, the tug towing the vessel is taken out of service for more than three calendar days, the Contractor shall contract for additional towing services to continue to transit of the vessel to the Contractor's facility at no additional cost to the Government. The Contractor shall immediately notify the Government of the actions taken to minimize disruption of the transit of the vessel.

SECTION H -- SPECIAL CONTRACT REQUIREMENTS

H.1 H.1 DAMAGES

Damages (Suisun Bay Reserve Fleet). Commencement of the work to be performed on the SBRF vessels covered under this Contract requires precise timing. Because of this, the Government will likely incur additional damages if the Contractor fails to tow the vessels from the dry dock facility within 3-5 days after undocking as stipulated in the contract; therefore, offerors are notified that the contract will contain a provision requiring the Contractor to pay the actual damages incurred by the Government due to the Contractor's failure to timely commence towing. Such actual damages may include, but are not limited to, the cost of daily lay berth charges, re-dry-docking the vessel, tug demurrage, etc. The Contractor will not be charged for actual damages when the delay is beyond the control and without the fault or negligence of the Contractor as defined in FAR 52.249-8(c) Default (Fixed-Price Supply and Service)(Apr 1984). These actual damages are in addition to the liquidated damages for late performance of the remediation and dismantlement services in the contract. Note that if the Government terminates the contract for cause under FAR 52.212-4 (m), Contract Terms and Conditions - Commercial Items (Mar 2009), Termination for Cause, the Contractor will also be liable for such actual damages, if incurred, as well as liquidated damages and excess costs of repurchase in accordance with FAR 52.211-11(b) Liquidated Damages - Supplies, Services, or Research and Development (Sep 2000).

H.2 H.2 DEMURRAGE

The Contractor is responsible for the payment of the first five (5) days of demurrage from the scheduled undocking date incurred by its subcontracted towing service while performing the Statement of Work. The Government is not responsible for any demurrage incurred prior to the un-docking of the vessel from BAE's dry-dock as referenced in Paragraph 4 of Section C1-1 SCOPE OF WORK. Should the un-docking be delayed beyond the scheduled undocking date and occur later than the required 3-5 day departure window (from the unscheduled un-docking date) the Contractor shall be entitled to collect demurrage from the Government in accordance with FAR 52.212-4(f) Excusable Delays clause as it states in the sub-paragraph of FAR 52.212-4 Contract Terms and Conditions-Commercial Items, March 2009 as follows: