

International Shippers' Association
5904 Richmond Highway, Suite 404
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SOLICITATION OF THE INTERNATIONAL SHIPPERS' ASSOCIATION (ISA)
FOR AGENTS TO NEGOTIATE,
UNDER ISA'S DIRECTION, SERVICE CONTRACTS WITH ISA

July 21st, 2010

- A. Background: Since its inception, ISA has entered into service contracts with TAAFLO containing lower rates than otherwise available. To date these contracts and services thereunder have been negotiated and performed by North Atlantic Services and Pasha International. Although the services by these agents have been fully responsive to the needs of ISA and its members, the ISA Board of Directors has determined to issue this solicitation in the event that other companies may be interested and qualified.
- B. Term of the Agency Agreements: The present agency agreements are exclusive and do not terminate until close of business on October 14, 2011. Therefore the exclusive agency agreements being solicited will become effective October 15, 2011, and will extend through the close of business on May 28, 2013. This term will align the agency agreements with the term of SDDC's DP 3 procurement and will cover two service contracts with TAAFLO.
- C. Nature of the Solicitation: The performance required under the agency agreements is far more important than price. As a result, this is a best value, not a cost-driven solicitation, with performance being 80 percent and cost being 20 percent of the evaluation.
- D. Contract Requirements: In addition to the specific requirements set forth below, every company responding to this solicitation must supply a commitment executed by an unaffiliated company showing its ability and willingness to fulfill all the requirements of the agency agreement should the responding company become unable to meet these requirements for financial or other reasons.

The specific requirements are as follows:

- a. Financial Requirements: Furnish an audited financial statement (both balance sheet and operations statement) for the most recent fiscal year.
- b. Demonstrate the ability to carry up to 12 million USD in accounts receivable.
- c. Demonstrate that your administrative and operational systems are capable of billing 50,000 invoices, paying an additional 20,000 invoices, while managing the associated accounts receivable during each period covered by the service contracts negotiated with TAAFLO.
- d. Demonstrate the financial ability required to post an irrevocable letter of credit in the amount of \$5 million USD which is required under the current TAAFLO service contract.

- e. Show your current activities as a licensed OTI.
- f. Furnish a copy of your OTI license.
- g. Submit evidence of your current service to shippers in the consolidation of military shipments for ocean transportation and of your arranging for various services required in connection therewith.
- h. Describe your operating system currently used to manage military shipments and which can be used to manage shipments moving under the TAAFLO contracts, including invoicing and credit management.
- i. Set forth any recent experience you have in negotiating service contracts or charter parties with ocean carriers.
- j. Demonstrate knowledge of U.S. cargo preference laws.
- k. Describe your operating system which will be used to provide ISA members the lowest rates to which they are entitled under the TAAFLO service contracts, as well as the web-accessed system which will permit ISA members to track and trace their shipments, print manifests and ocean freight invoices from your website.
- l. Demonstrate the ability to provide all the administrative services required under the TAAFLO service contracts, including monthly reporting.
- m. Demonstrate the ability to provide pro-rated manifests to ISA members whose shipments are co-loaded in a steamship container.
- n. Advise the amount per FEU you will remit to ISA for each FEU transported under ISA's service contracts with TAAFLO.
- o. Agree to provide ISA with an accounting in form satisfactory to ISA which shows the FEUs moved under the TAAFLO service contract during the contract year by each participating member.
- p. Agree to pay ISA on a monthly basis its compensation due under your response.

E. Date for Intent to Respond: A notice of your intent to respond to this solicitation must be received by September 1, 2010.

F. Date for Submission of Proposals: Your complete response to this solicitation must be received by November 1, 2010.

G. Contact for Questions: All responses and communications relating to this solicitation should be sent to Terry R. Head, Managing Director, International Shippers' Association, 5904 Richmond Highway, Suite 404, Alexandria, VA 22303.