



DEPARTMENT OF THE AIR FORCE
HEADQUARTERS AIR FORCE SERVICES AGENCY

MAR 20 2008

NAF Contracting Policy Memo 08-C-02

MEMORANDUM FOR NONAPPROPRIATED FUND (NAF) PURCHASING PERSONNEL

FROM: HQ AFSVA/SVC
10100 Reunion Place, Ste 304
San Antonio TX 78216-4188

SUBJECT: Freight Charges on FOB Origin awards

1. This memorandum provides policy on adding a separate line item for freight on all FOB Origin awards. Effective immediately, do not add a line item for freight on any award where the method of shipment is FOB Origin. AFMAN 64-302, Attachment 3, paragraph A3.2.2, states that transportation charges for FOB Origin shipments are prepaid by the contractor and billed as a separate line item on the invoice. When selecting FOB Origin on the Purchase Order, use Code 05 in IBPS to annotate on the order/contract that the "Government pays to ship by most economical means, bill as a separate item on invoice". You can add additional funds or a percentage of order to cover the freight charges on the purchase request, but do not add a line item on the purchase order for freight.
2. If you have any questions, please contact my POC Richard Jones at DSN 487-6931.

WILLIAM A. FORAN, YC-03, DAF
Director, AF NAF Purchasing