

TEMPLATE
PASOLS
MUTUAL LOGISTICS SUPPORT
ARRANGEMENT

BETWEEN

(Insert First Participant Details)

AND

(Insert Second Participant Details)

CONCERNING
MUTUAL LOGISTICS SUPPORT

1. INTRODUCTION

1.1 This Arrangement on Mutual Logistics Support is made between (*insert the title of the first participant – normally the government or department of defence*) and (*insert the title of the second participant*) (hereinafter referred to jointly as the "Participants") to further the effectiveness of the Participants' logistics through cooperation.

2. PURPOSE

2.1 This Mutual Logistics Support Arrangement (MLSA) establishes basic terms, conditions and procedures to facilitate the provision of mutual logistics support between the Participants.

3. DEFINITIONS

3.1. As used in this Arrangement and in any Implementing Arrangements which provide specific procedures, the following definitions apply:

3.1.1 **Contractor** means any person or entity that is not a Participant, who is engaged by a Participant to provide Logistics Support to a Participant.

3.1.2 **Implementing Arrangement (IA)** means a written supplementary arrangement related to the provision of specific Logistics Support, which sets forth additional details, and provisions, which further define and carry out this Arrangement.

3.1.3 **Information** means all information and material (including documents, materiel, equipment, computer software and other items in any form or any reproduction or translation of such information or material) regardless of whether it is transmitted orally, visually, in writing, or through the handing over of material in any other form or manner.

3.1.4 **Invoice** means a document from the supporting Participant, normally in the form of a Mutual Logistics Support Form (MLS Form), which requests reimbursement or payment for specific Logistics Support rendered pursuant to this Arrangement and any applicable IA.

3.1.5 **Logistics Support** means: Food, water, billeting, transportation, petroleum, oils, lubricants, clothing, communication services, medical/health services, ammunition, base operations support (and construction incident thereto), storage services, use of facilities, training services, spare parts and components, repair and maintenance services, calibration services and airport and seaport services. Such term also includes the temporary use of general purpose vehicles and other non-lethal military equipment.

3.1.6 **Major End Item** means a final combination of end products, component parts and/or materials which is ready for its intended use and which is not designed to provide a lethal capability, for example a truck or a bulldozer.

3.1.7 **MLS Form** means the form as shown at Annex A, providing the provisions, authorisations and other details necessary to carry out the Order.

3.1.8 **Official Duties** means duties either express or implied, that are being completed pursuant to this Arrangement or any IA.

3.1.9 **Order** means a request for the provision of specific Logistics Support pursuant to this Arrangement and any applicable IA in the MLS Form format set out in Annex A and signed by an official properly authorized to sign in accordance with this Arrangement.

3.1.10 **Third Party** means any person or entity other than the Participants to this Arrangement including any national of a third country, any third country government, and any Contractor, whether or not a person or entity is either owned, controlled or influenced by a Participant.

4. **SCOPE**

4.1 This Arrangement applies to the provision of Logistics Support to one Participant by the other Participant in accordance with the principles and procedures detailed in this Arrangement during combined exercises, training, deployments, operations, other cooperative efforts and for unforeseen circumstances or exigencies. Provision of Logistics Support pursuant to this Arrangement, for a particular situation, will normally be by the establishment of an IA.

4.2 The Participants acknowledge that the following items are not eligible for transfer under this Arrangement and are specifically excluded from its coverage:

4.2.1 Weapons systems;

4.2.2 Major end items of equipment (except for the lease or loan of general purpose vehicles and other items of non-lethal military equipment); and

4.2.4 Any items the transfer of which is prohibited by a Participant's laws or regulations.

5. **GENERAL PROVISIONS**

5.1 Each Participant will make its best efforts, consistent with its national priorities, to satisfy requests from the other Participant under this Arrangement for the provision of Logistics Support.

5.2 The Participants acknowledge that the transfer of Logistics Support between the Participants will be accomplished by an applicable IA, or where there is no IA, Orders issued and accepted under this Arrangement.

5.3 An Order may be issued pursuant to this Arrangement alone (without an IA) during times of active hostilities or when urgently required, provided the Participants concur. Where this occurs, the MLS Form at Annex A is to be used where possible. Explanation of the terms used in the MLS Form, and guidance on completing the form are at Appendices 1 and 2 of Annex A.

5.4 An IA may be negotiated on the part of (*insert first Participant*) by (*insert the details of the position of the first Participant's representative*) or his designated representative.

5.5 An IA may be negotiated on the part of *(insert second Participant)* by *(insert the details of the position of the second Participant's representative)*.

5.6 Whether the transfer is accomplished by an Order in conjunction with an IA or under this Arrangement alone, the documents taken together must set forth all necessary details and provisions to carry out the Order.

5.7 An IA will generally identify those personnel authorised to issue and accept orders under that IA and the Participants will notify each other of specific authorisations or limitations on those personnel.

5.8 Where there is no IA, and the need exists to raise and process Orders, the personnel authorized to issue and accept Orders will be appointed by letter. A sample appointment letter is at Annex B. Appointment of personnel authorized to issue and accept orders is made by:

5.8.1 In the case of *(in the first Participant)*, *(insert the details of the position of the first Participant's nominee)*; and

5.8.2 In the case of *(insert the second Participant)*, *(insert the details of the position of the second Participant's nominee)*.

5.9 In all transactions involving the transfer of Logistics Support, the requesting Participant acknowledges that such Logistics Support will not be provided, either temporarily or permanently, by any means to any recipient other than the forces of the requesting Participant without the prior written consent of the supporting Participant.

6. **FINANCIAL PROVISIONS**

6.1 For any Logistics Support, the Participants will mutually determine payment either in cash, in the currency specified by the supporting Participant (Reimbursable Transaction); payment in kind (Replacement in Kind Transaction) or exchange for equal value (Exchange for Equal Value Transaction). The requesting Participant will pay the supporting Participant under the conditions set out in either paragraphs 6.2, 6.3 or 6.4. Each Participant will pay outstanding balances within the required time period.

6.2 **Reimbursable Transaction.** The supporting Participant will submit a MLS Form, as an Invoice, to the requesting Participant after provision of the Logistics Support. Both Participants will maintain records of all transactions, and each Participant will pay outstanding balances within 90 days of receipt of the MLS Form. In pricing a reimbursable transaction, the Participants acknowledge the following principles will apply:

6.2.1 In the case of specific acquisition by the supporting Participant of Logistics Support from its Contractors for a requesting Participant, the price will be no less favourable than the price charged by the Contractor to the supporting Participant for identical items or services, less any amounts excluded by paragraph 7.2 of this Arrangement. The price charged may take into account differences due to delivery schedules, points of delivery, and other similar considerations.

6.2.2 In the case of provision of Logistics Support from the supporting Participant's own resources, the Participants will mutually determine a price before such provision.

6.2.3 Reimbursable Transactions may include the charging of indirect costs (including fixed and variable overhead costs of receiving, storing and issues stores or equipment), administrative surcharges, and contract administration costs.

6.3 **Replacement in Kind Transaction.** The requesting Participant will exercise payment in kind by transferring to the supporting Participant Logistics Support that is identical or substantially the same to the Logistics Support provided by the supporting Participant and which is acceptable to the supporting Participant. If the requesting Participant does not complete the exchange within the terms of a replacement schedule either mutually determined or in effect at the time of the original transaction, which time frames may not exceed 90 days from the date of the original transaction (*note that where the two Participants wish to specify differing maximum or minimum periods these should be inserted rather than the normal 90 days*), the transaction will be deemed reimbursable and governed by paragraph 6.2 above. In this case the price will be established using actual or estimated prices in effect on the date the payment in kind was to take place and an invoice is to be submitted within one hundred and eighty days of the transaction being deemed reimbursable (*note that where the two Participants wish to specify differing maximum or minimum periods these should be inserted rather than the normal 180 days*).

6.4 **Exchange for Equal Value Transaction.** The term "equal value" means Logistics Support defined in monetary terms using actual or estimated prices in effect at the time a transaction is approved. The requesting Participant will exercise payment by providing the supporting Participant Logistics Support that is equal in value to the Logistics Support provided by the supporting Participant and which is acceptable to the supporting Participant. If the requesting Participant does not pay in "equal value" within the terms of an exchange schedule either mutually determined or in effect at the time of the original transaction, which time frames may not exceed twelve (12) months from the date of the original transaction (*note that where the two Participants wish to specify differing maximum or minimum periods these should be inserted rather than the normal 12 months*), the transaction will be deemed reimbursable and governed by paragraph 6.2 above. An invoice is to be submitted within one hundred and eighty days of the transaction being deemed reimbursable (*note that where the two Participants wish to specify differing maximum or minimum periods these should be inserted rather than the normal 180 days*).

6.5 **Loan of Equipment.** The loan of equipment will be mutually determined in writing and rental fees may be charged. The supporting Participant may also recover incremental costs for additional expenses incurred as a result of the loan. These incremental costs may include transportation, packaging, loss, damage beyond fair wear and tear, repairs, laundering, and any preparatory work required to adapt the material to the requirements of the borrower and upon return of the material, to restore it to its original condition.

6.6 **Price Undetermined.** When a definitive price for an order is not mutually determined in advance, the MLS Form, pending determination of the final price, will indicate a maximum limitation of liability for the requesting Participant. The Participants will then promptly enter into negotiation to establish the final price.

6.7 **MLS Form Invoice.** The MLSA Form will normally be issued as an invoice. In the case of support being provided under an Order under this Arrangement rather than under an

IA, reference to this Arrangement is to be inserted in the appropriate data field of the MLS Form. Where the MLS Form is not available, the Invoice will be accompanied by evidence of receipt by the receiving Participant and will contain the minimum data elements listed in the MLS Form. Where discrepancies are identified, the Invoice will be adjusted in a way mutually acceptable to both Participants.

6.8 **Price Verification.** The Participants will grant each other access to documentation and information sufficient to verify, when applicable, that pricing principles in accordance with this Arrangement have been followed and prices do not include waived or excluded costs. The designated points of contact for gaining access to pricing documentation are *(insert titles and addresses/contact details for the points of contact for each Participant)*.

6.9 **Pricing Under Other Arrangements.** No provision in this Arrangement will serve as a basis for an increased charge for Logistics Support, if such Logistics Support would be available without charge or for a lesser charge under the terms of another Arrangement.

6.10 **Termination of MLSA.** Should this MLSA expire or be terminated prior to finalisation of any Logistics Support transactions (payment, replacement or exchange) both Participants will provide details of outstanding obligations to the other within *(insert time period for provision of invoice or other obligation)*, and will finalise payment, replacement or exchange within a further *(insert time period for finalisation obligation)*.

7. **CUSTOMS DUTIES AND TAXES**

7.1 The provisions of any tax and customs relief arrangements or exemptions applicable to the Logistics Support received by the requesting Participant will apply to Logistics Support transferred under this Arrangement. The Participants will cooperate to provide proper documentation to maximise tax relief.

7.2 If in providing Logistics Support, the supporting Participant will be required to pay customs duties or taxes from which the requesting Participant would ordinarily be exempt, and those customs duties or taxes will not be recoverable, the Participants will enter into consultation prior to the Logistics Support being provided. In the event that the Participants mutually determine that the Logistics Support will be provided notwithstanding the foregoing, the requesting Participant may, if practicable, replace the Logistics Support as an exchange transaction in lieu of monetary reimbursement for the Logistics Support. If exchange is not practicable, the price paid by the requesting Participant in addition to the price of the Logistics Support will include only those customs duties or taxes not recoverable by the supporting Participant.

8. **CLAIMS**

8.1 Each Participant will waive all claims against the other for any damage to or loss of its property or for any injury to or death of any of its personnel caused by the acts or omissions of the other Participant's personnel, servants or agents, not including Contractors, in the performance of their Official Duties in connection with this Arrangement or any IA.

8.2 With respect to Third Party claims (other than contractual claims) for any damage to, or loss of property, or for any injury or death or any other loss which arises out of any act or omission of either of the Participants, liability will be apportioned as follows:

8.2.1 Where the Participants mutually determine that responsibility for damage, loss, injury or death can be attributed to one Participant, the cost of handling and settling the claim will be the sole responsibility of that Participant.

8.2.2 Where it is mutually determined that both Participants are responsible for the damage, loss, injury or death, the Participants will enter into consultation to resolve the handling and settling of the claim, with each Participant paying an apportioned share based on their degree of responsibility for the damage, loss, injury or death.

8.2.3 Where it is mutually determined that it is not possible to attribute responsibility for damage, loss, injury or death, the costs of handling and settling the claim will be apportioned equally between the Participants.

8.3 Where it is mutually determined that the damage, loss, injury or death was caused by a reckless act or omission, negligence, or wilful misconduct, attributable to the employee of a Participant, the cost incurred as a result of the claim will be the sole responsibility of the Participant.

8.4 In the event that one Participant receives notice of such claims, the requesting Participant will inform the other Participant as soon as practicable. The Participants will assist each other in the procurement of evidence related to such claims.

8.5 Claims arising under a contract will be resolved in accordance with the contract. Unless otherwise mutually determined by the Participants, the costs, of claims arising as a consequence of a contract awarded in order to provide Logistics Support will be the sole responsibility of the parties to the contract. The Participants will not indemnify Contractors against Third Party liability claims.

9. SECURITY, EXCHANGE AND HANDLING OF INFORMATION

9.1 Proposals for the exchange of Information may be put forward by either Participant. Neither Participant will use any Information exchanged or otherwise disclosed by the other Participant pursuant to this Arrangement or its IAs for any purpose other than that for which it was provided unless the written approval of the Participant providing the Information is first obtained.

9.2 Subject to paragraph 9.3 neither Participant will disclose, allow access to, transfer or otherwise provide any Information exchanged or otherwise disclosed under this Arrangement and its IAs, to a Third Party without the prior written approval of the Participant who provided the Information, unless the same Information has been previously received from another source without similar limitations, or the same Information is in the public domain prior to the date when the Information is passed to the Third Party .

9.3 Each Participant will endeavour to take all appropriate lawful steps available to it to keep free from disclosure under any legislative provision Information exchanged or disclosed under this Arrangement and its IAs. In the event that it becomes probable that such Information may have to be disclosed to a Third Party including any judicial body, immediate notification in writing will be given to the originating Participant.

9.4 Any Information exchanged or disclosed pursuant to this Arrangement and its IAs will be clearly labelled by the Participant which discloses the Information with a restrictive

legend that identifies: the country of origin; the level of classification; any protective markings or any other limitations on its use or disclosure; the stated use to which the Information can be put; any Intellectual Property rights in the Information; and that the Information was exchanged or disclosed pursuant to this Arrangement and its IAs.

9.5 Participants will not be accountable or liable to each other for any alleged misuse of Information that is not marked or identified in accordance with the provision of Section 9.4 of this Arrangement.

10. **DISPUTE RESOLUTION**

10.1 Any disputes regarding the interpretation or application of this Arrangement and its IAs will be resolved through consultation between the Participants and will not be referred to any Third Party for settlement.

11. **AMENDMENT, TERMINATION AND EFFECTIVE DATE**

11.1 This Arrangement may be amended at any time by the written mutual determination of the Participants. Either Participant may, at any time, request amendment of this Arrangement by giving the other Participant ninety (90) days advance written notice. In the event such a request is made, the Participants will promptly enter into negotiations for the purpose of concluding the requested amendments.

11.2 This Arrangement may be terminated by the mutual written determination of the Participants. Alternately, either Participant may terminate this arrangement by providing one hundred and eighty (180) days written notice to the other Participant. If this arrangement is terminated, the Participants will continue to participate up to the effective date of termination.

11.3 Upon termination or expiration of this Arrangement, all provisions conferring benefits or imposing commitments on the Participants concerning liability and claims, the protection of Information and intellectual property and the sale, supply, transfer and payment for provision of Logistic Support will remain in effect as if the Arrangement had not been terminated or expired.

11.4 This Arrangement will come into effect on the date of last signature and will remain in effect for ten (10) years unless terminated by either Participant. It may be extended by the written mutual determination of the Participants.

FOR *(Insert first Participant)*

FOR *(insert second Participant)*

Signature

Signature

Name

Name

Title

Title

Date

Date

Annexes:

- A. MLS Form
 - Appendix 1 to Annex A MLS Form Explanation of Entries
 - Appendix 2 to Annex A Procedures for Executing a MLS Form
- B Sample Appointment Letter

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**MUTUAL LOGISTICS SUPPORT
ORDER/RECEIPT/INVOICE FORM
(MLS FORM)**

. The requesting Participant must complete areas 1-11, 15-17, 19, 21, 24, 27
 . The supporting Participant must complete areas 12-15, 18, 20-23, 25, 26
 . The financial activity must complete area 28.

Distribution: Annex A to
 One copy - invoice
 Two copies - Requesting Participant
 Two copies - supporting Participant

1. Request Number		3. From: (Requester)				5. Implementation Arrangement Number			
2. Date of Request		4. To: (Issuing Activity)							
6. Fund Cite (U.S. use only)					7. Date of Requested Delivery				
8. Stock number	9. Description of requested support (Detailed description may be attached)			10. Units	11. Quantity Required	12. Quantity Delivered	13. Unit Price	14. Total	15. Remarks
16. Place of Delivery of requested support	17. Method of Reimbursement		Proposed	Agreed	18. Total Amount Claimed			19. Liability Limitations	
	Cash				20. Payable To			21. Add'l Remarks & Transaction Codes	
	Replacement-in-kind				22. Payment Forwarded To				
Equal Value Exchange									
23. Schedule for Replacement/Exchange and Place of delivery of replacement item									
Name/Grade	24. Authorised Requesting Officer		25. Authorised Supplying Officer		26. Issuing Individual (Supplier's Agent)			27. Received, Inspected & Accepted by (Requester's Agent)	
	Organisation								
Signature									
28. Signature block of payment receiving Officer									
I certify that I received _____ from _____ representing the _____ (Amount, Cash or Exchange Item/Service) _____ (Official's Name) _____ Government on _____. This payment represents the _____ payment due under this invoice. The amount of payment still outstanding is _____. _____ (Country) _____ (Date) _____ (Amount, Cash or Exchange Item/Service)									
_____ (Signature, Title and Date of (Country) Official)									

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Appendix 1 to Annex A to

MLS FORM EXPLANATION OF ENTRIES

Ser	Data Field	Explanation
1.	Request No.	Completed by requesting Participant (Requisition Number)
2.	Date of Request	Date form completed by requesting Participant
3.	From	Authorised name/appointment/address of person submitting request (include phone number or email for easy access to agree prices/method of payment/delivery details etc.
4.	To	Person/appointment authorised to accept orders.
5.	IA Number	Number of the IA under which supply is to be arranged
6.	Fund Cite	Not applicable – to be left blank.
7.	Date of Requested Delivery	Date item or service is needed
8.	Stock Number	Item identification number
9.	Description	Brief description of support requested (attach details if necessary)
10.	Units	Unit of issue (each, box, metres, kilograms etc.)
11.	Quantity Required	Amount of units requested by the requesting Participant
12.	Quantity Delivered	Amount of units issued by Supporting Participant.
13.	Unit Price	Price per unit to be charged requesting Participant (must be agreed prior to delivery of Logistics Support) and may include freight.
14.	Total	Total price for all like units
15.	Remarks	Descriptive remarks as required
16.	Place of Delivery	Address to which requested support is to be delivered. To be completed by requesting or supporting Participant after agreement between Participants.
17.	Method of Reimbursement	Proposed and agreed method of reimbursement—Cash, Replacement-in-Kind or Equal Value Exchange
18.	Total Amount Claimed	Total amount for all transactions on this MLS form (Shown in the currency of the supplying country)
19.	Liability Limitation	Total order cost that requesting Participant will not exceed (if price is not agreed prior to submission of request).
20.	Payable To	Person/appointment/cheque payee/account number or other details identifying the receiver of the payment.
21.	Additional Remarks/ Transaction Code	Additional comments or unique codes.
22.	Payment Forwarded To	Address or other details of the location to which the payment should be made.
23.	Schedule for Replacement/ Exchange and Place for delivery of replacement item	When and where the replacement and/or exchange will be made (not to exceed one year from supply date).
24.	Authorised Requesting Officer	Appointed official of requesting Participant (name, rank, signature, organisation)
25.	Authorised Supplying Officer	Appointed official of supporting Participant (name, rank, signature, organisation) authorising the transaction
26.	Issuing Individual (Supplier's Agent)	Issuing individual's name, rank, signature and organisation
27.	Received, Inspected, and	Receiving individual's name, rank signature and organisation

	Accepted by (Requestor's Agent)	
28.	Payment Receiving Official	Signature and title of official receiving payment for this transaction. Note amount/item/services received, individual/organisation providing payment, name of paying Participant, number of payment against transaction (1st, 2nd, final etc) and amount still outstanding (zero if final payment)

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PROCEDURES FOR EXECUTING A MLS FORM

1. The requestor of support will initiate the transaction by:
 - a. completing blocks 1-5; 6 (if applicable); 7-11; 13 (if known); 15; 16; 17; 19; 21 and 24 of the MLS form; and
 - b. forwarding a minimum of two copies of the form to the potential Supplier.
2. If support will be provided, the Supplier will:
 - a. complete the following blocks 13; 15; 17; 20; 22 and 25; and.
 - b. return two copies of the form to the Requestor.
3. If support will not be provided in full, the potential Supplier is to complete Block 21 with a short statement explaining why.
4. When support is provided in full, the Supplier will complete Blocks 12; 14; 16 (if by mutual agreement the delivery place is different from Requestor's advice); 18; 23 (if applicable); and 26.
5. Upon receipt of support, the Requestor will complete Block 27.
6. After completion of the transaction, copies of the completed MLS form will be provided to the Supplier and Requestor for internal distribution. The MLS form will serve as an invoice for billing purposes. Upon receipt of payment, whether by cash, replacement or exchange, the payment-receiving officer will complete Block 28.

SAMPLE APPOINTMENT LETTER

From: (Authorising Authority as per sub-para 5.8)
To: (Authorising Authority as per sub-para 5.8)

LOGISTICS SUPPORT APPOINTMENT LETTER – *INSERT ACTIVITY DETAILS*
(Operation/Exercise, etc)

1. In accordance with the provisions of the Implementing Arrangement between the Australian Defence Force and the French Armed Forces concerning provision of mutual logistics support during *(insert name of Activity)*, the following named individuals are hereby authorised to issue and accept orders for logistics support on behalf of their respective service or unit.

Unit	Appointment	Name	Rank
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2. Blanket Authority is given for the following individuals to request and authorise provision of mutual logistics support.

Unit	Appointment	Name	Rank
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3. Limited Authority is granted for the following individuals to request and authorise provision of mutual logistics support.

Unit	Appointment	Name	Rank
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4. No other individuals other than those listed above are authorised to request and authorise provision of mutual logistics support.

(Signature Block)

Copies to: Individual Appointees