Agreement entered into effective as of the (day of the month written numerically) day of (month), (year), between (name of shipper) [in parentheses place the commonly referred to name of the shipper], with a principal place of business at (shipper's physical address), and (name of [carrier](http://freight.about.com/od/Glossary/g/For-Hire-Carrier.htm)) [in parentheses place the commonly referred to name of the carrier], with a principal place of business at (carrier's physical address).

Shipper requires transportation logistics services, including the use of commercial motor vehicles, in order to meet its needs. Carrier is engaged as a third party logistics (3PL) in the business of arranging and providing for the transport of property for compensation and has agreed to provide said services to Shipper on the terms and conditions hereinafter set forth.

**1. Accordingly, Shipper and Carrier agree, as follows:**

Definitions. For all purposes of this Agreement, the following terms shall have the following meanings. Such meanings to be equally applicable to both the singular and plural forms of the terms defined, even if not so noted below.

[Here there must be a specific listing of definitions of work product. This will be unique to each company.]

**2. Services to be Provided by Carrier**

2.1 Carrier hereby agrees to provide to Shipper during the term of this Agreement the Transportation Logistics Services and Transportation Services more fully specified in the following paragraphs of Section 2, as requested from time to time by Carrier.

Carrier shall provide such services in accordance with the specifications set forth in Exhibit [list exhibit letter such as A, B, or C], and any additional obligations as set forth in Exhibit [list exhibit letter] (as each may be reasonably changed from time to time by Shipper, for the compensations provided for in Section 3.

In fulfilment of its obligations to Shipper hereunder, Carrier shall:

1. Arrange for and carry out not less than (designate percentage) of the Transportation Services associated with the shipment of Products and Goods from and to each (specify locations).
2. Arrange for and carry out the Transportation Services associated with the shipment of Products and Goods from and to any secondary location, but only to the extent specifically requested for specific shipments by Shipper. It is understood and agreed any secondary locations shall be primarily serviced by another third party logistics provider or carrier contracted with directly by Shipper.
3. Arrange for the safe and timely shipment of Products and other Goods throughout the continental United States, to, from and between primary location, customers, suppliers and other authorised recipients of the products, and any secondary location if so, requested by Shipper, for the business tendered to it under Section 4.1.
4. As time is of the essence with respect to shipment of Products, provide all equipment necessary to effect the timely and safe shipment of Products from origin to destination, Carrier agrees that it will not give any other party higher priority than given Shipper with regard to equipment availability.
5. Provide direct service from origin to destination for the Goods tendered to it under Section 4.1.
6. Optimise the Product loads for delivery from each location on a real-time basis based on orders for Products as specified by Shipper for each location, in order to minimise the cost of Product shipment, maximise truck utilisation, and deliver products as expeditiously as practicable. Shipper shall be given access to the load optimisation system so that it may perform load optimisation as needed, for testing and modelling purposes or actual use, at no additional charge to Shipper. Specifications for the load optimisation system and processes are defined in Exhibit (list exhibit letter).
7. Use its best efforts to effect cost savings for Shipper in either the rates charged by Carrier or by improving the processes and procedures for shipment of Goods by Shipper.
8. Arrange for the transportation of returnable Goods (list examples of what are considered returnable Goods) from Customers and Suppliers in the states listed in Exhibit (list exhibit letter) to Shipper or other locations as may be designated by Shipper and attempt to minimise the stock of returnable Goods at Customer locations while minimising the return freight cost, in accordance with the Performance Requirements specified in Exhibit (list exhibit letter). Returns for states not listed in Exhibit (list exhibit letter) shall be specifically authorised by the Transportation Representative.
9. Provide information to and receive information from Shipper computer, production, and order systems, as reasonably requested by Shipper.
10. Perform specialised services for Shipper, that may include, but are not limited to, expedited transit, expedited claim processing and/or the use of specialised equipment such as (list specialised equipment that may be necessary).

2.2 Carrier shall have the right to subcontract the Transportation Services required hereunder to other carriers, provided any such carrier shall be reasonably acceptable to Shipper and qualified to perform the required Transportation Services. All subcontractors appointed by Carrier shall be subject to the terms and conditions set forth herein. In no event shall Carrier subcontract any of its Transportation Logistics Services, including its services as a Transportation Services broker.

2.3 The services rendered shall be consistent with the operating authority held by Carrier, and any extensions or additions thereto. In addition, Carrier shall have and maintain at all times during the course of this Agreement, and subcontract Transportation Services only to carriers who demonstrate that they have, appropriate licenses to carry and ship (list primary products shipped by Shipper), as may from time to time be required by any applicable governmental or regulatory bodies. During the period of time that this Agreement is in effect, it is understood that Carrier is providing Transportation Services and that all shipments tendered to Carrier or its authorised agents and designated subcontractors under this Agreement are transported pursuant to the terms and conditions of this Agreement.

2.4 Carrier agrees to comply during the life of this contract with all rules and regulations established by the Interstate Commerce Commission and other federal or state agencies having jurisdiction over the Transportation Services to be performed pursuant to this Agreement. Carrier shall also maintain a satisfactory safety rating with the Department of Transportation.

**3. Rates, Changes and Payments**

3.1 Carrier will be compensated on the basis of the provisions, rates, and charges as per the schedules attached hereto as Exhibit (list exhibit letter) and incorporated herein by reference (including subsequent revisions thereof approved in the manner provided for by amendments to this Agreement, all as set forth in Section 2.2. Except as expressly provided for in this Agreement, the provisions, rates, and charges in Exhibit D shall include all costs associated with the services provided by Carrier, its agents and designated subcontractors, under this Agreement.

3.2 Carrier and Shipper shall mutually agree on an acceptable method of calculating mileage. In the absence of a mutually agreed upon mileage program, all miles shall be calculated using the most current version of the (list the mileage program to be used). Such method shall be applied to all rate calculations and other charges based upon mileage during the term of this Agreement, unless the parties mutually agree to use another method. Shipper shall have the right to have a third party audit the freight invoices for mileage and charging accuracy.

3.3 In addition to the rates set forth in Exhibit (list exhibit letter), Shipper shall pay a fuel surcharge of (designate surcharge amount) on the portion of shipments hereunder, for every (designate time frame) that the diesel fuel index (the "Fuel Index") exceeds (designate dollar amount), Shipper will receive a rebate of (list percentage) for every (list dollar amount) that the Fuel Index falls below (list dollar amount). This surcharge/rebate shall be applicable commencing on the first Monday following the weekly fuel index closing date. The fuel surcharge or rebate shall be invoiced on each applicable freight bill.

3.4 The rates set forth in Exhibit (list exhibit letter) shall be applicable to shipments from (beginning date) through (ending date). Rates for each subsequent year shall be mutually agreed on in September of the prior year. Other than adjustments for fuel surcharges per Section 3.3, such rates shall not increase over the prior year by more than (insert number) of the percentage increase in the Consumer Price Index. Increases in fuel costs shall be accommodated for via the fuel surcharge described in Section 3.3.

3.5 Notwithstanding the fuel surcharge/rebate provided for in Section 3.3 and the annual rate setting provided for in Section 3.4, Shipper or Carrier may each seek an adjustment by lane, over and above that provided for by Sections 3.3 and 3.4, in the rates or provisions set forth herein by written request to the other party due to unusual, unavoidable and unanticipated occurrences. Such adjustments to the rates shall be allowed once per calendar quarter, and shall be retroactive to the date of the occurrence necessitating the adjustment. The parties shall use their best efforts to agree upon such mutually accepted rate adjustments.

3.6 If during the term of this Agreement, Shipper changes its locations by adding a warehouse (the "New Location") to the list set forth in Exhibit (list exhibit letter), Shipper may initially award the New Location to Carrier for a period not to exceed six (6) months, at rates proposed by Carrier calculated on the same economic basis as the then-current agreed-upon rates. During this six (6) month period, Shipper will request rate proposals for transportation and shipment services to and from the New Location from Carrier and other third party transportation providers. Upon completion of this proposal process, and in Shipper's sole discretion, Shipper may award the new Location Transportation Services to a carrier deemed by Shipper as the most appropriate. Unless expressly agreed otherwise in writing, any New Location services awarded to Carrier shall be under the terms of this Agreement.

3.7 If during the term of this Agreement, Shipper discontinues production at the primary location or ceases operations at the primary warehouse covered by this Agreement, Shipper shall provide Carrier one (1) month notice prior to ceasing operations at the relevant location. Carrier shall continue to provide Transportation Services to the relevant location until such time as Shipper ceases all operation at that location. Carrier shall continue to provide Transportation Services as described herein for shipments from the remaining primary locations and warehouses. Shipper shall not be obligated to replace lost volume, nor shall Shipper be liable to Carrier for any costs associated with any lost business arising from the discontinuance of a location.

3.8 Carrier will invoice Shipper on the first business day of the week for the freight charges incurred the previous week and will provide to Shipper weekly an electronic version of such invoices. Shipper shall pay such invoices within thirty (30) days of receipt of a correct and proper invoice. All other amounts otherwise chargeable to Shipper hereunder shall be invoiced by Carrier reasonably promptly in accordance with normal business practices following the month in which such are incurred by Carrier.

Such timely invoices shall similarly be paid by Shipper promptly in the ordinary course in accordance with Shipper's normal business practices. Shipper shall have the right to designate a third party to directly receive and pay freight invoices as described hereunder.

3.9 Carrier shall be responsible for all expenses and costs incurred by Carrier that are associated with computer equipment, software, telecommunication lines and other items required to communicate with Shipper, for transmittal of electronic data, and as set forth in Section 3.8 above. Shipper shall bear the cost and expense of items reasonably needed at its (list city) office for the electronic data transmittal implementation contemplated hereunder.

3.10 In the event that Carrier transports Goods tendered by Shipper on a "freight collect" basis, Shipper will guarantee payment of such freight charges in the event that consignee fails to remit payment to Carrier within sixty (60) days, provided that Carrier shall have made every effort to collect such charges from the consignee, and Carrier shall have provided Shipper with complete documentation regarding loading and delivery of such Goods to consignee.

**4. Obligations and Rights of Shipper**

4.1 Shipper, or its duly authorised designees, shall tender to Carrier for the duration of this Agreement (number) of the shipments of Products from the primary location, and if circumstances require based on Shipper's unique needs and in its sole discretion, a portion of the shipments from the secondary locations. Notwithstanding the foregoing, Carrier understands that it may not be tendered any shipments from the secondary locations. Shipper shall provide other information as reasonably required by Carrier in order for Carrier to render services and complete its obligations hereunder.

4.2 Shipper shall have the right at any time to approve or request a change of any Carrier personnel or representatives to be located at any Shipper facility, or other location.

4.3 In no event shall Carrier personnel located at Shipper locations be considered employees, representatives or agents of Shipper for any purpose whatsoever. Carrier personnel located at Shipper locations shall be subject to the same general rules and regulations regarding work hours, and safety and security procedures and processes, as generally apply to the non-Carrier employees at the Shipper location and shall work closely with a Shipper-designated representative at the location.

**5. Performance Requirements**

Carrier shall provide the services described in Section 2 hereof as specifically set forth in Exhibit (list exhibit letter) to this Agreement. In the event that Carrier fails to meet a scheduled out-bound shipment from any Shipper location, Carrier shall have twenty-four (24) hours from notification electronically or via facsimile by Shipper to remedy such failure. If Carrier does not remedy its failure to perform within the allowed time, Carrier shall not be entitled to any compensation with respect to the failed shipment, and Carrier shall be liable to Shipper for incremental cost of alternative transportation as well as any storage costs incurred relating to the failure.

**6. Term; Termination**

Read More: Dispatcher

6.1 This Agreement shall commence on (date) and shall continue in effect until terminated pursuant to the following provisions of this Section 6.

6.2 Either party may terminate this Agreement without cause upon (insert time frame) prior written notice to the other party, such termination not to be effective prior to (insert time frame).

6.3 Carrier shall have the right to terminate this Agreement on thirty (30) days' prior written notice if Shipper has failed to comply with the terms for payment of any undisputed amount for more than thirty (30) days, and such amount remains outstanding for more than thirty (30) days after written demand for payment by Carrier.

6.4 Shipper shall have the right to terminate this Agreement immediately on notice to Carrier, if, in the reasonably judgment of Shipper, Carrier has failed to provide Transportation Logistics Services in accordance with the required standards, or has consistently failed to provide such services on a timely basis, as set forth in Exhibit (list exhibit letter), provided Carrier has been notified in writing and such failure(s) continues for thirty (30) days after receipt by Carrier of such notice.

6.5 If either party files a petition in bankruptcy or is adjudicated bankrupt or insolvent, or makes an assignment for the benefit of creditors, or an arrangement pursuant to any bankruptcy law, then the other party may immediately terminate this Agreement on notice.

6.6 Shipper shall have the right to terminate this Agreement immediately if Carrier fails to maintain the licenses referred to in Section 2 of this Agreement or subcontracts Transportation Services to a Carrier not duly licensed.

6.7 In the event of a breach of this Agreement not set specifically forth in Sections 6.3 through 6.6, the non-breaching party shall have the right to terminate the Agreement upon thirty (30) days' prior written notice delivered by registered mail, return receipt requested, to the breaching party, unless such breach is cured within thirty (30) days from notice.

**7. Claims**

7.1 Loss and Damage – Procedures for the handling of loss and damage claims shall be set forth.

7.2 Timing of Claims – Claims for alleged overcharge or undercharge shall be filed with the appropriate party within one (1) year of the date of Carrier's invoice. Claims against Carrier by Shipper for damages arising under this Agreement shall be filed within nine (9) months from the incident giving rise to such claim. Claims by either party beyond such date shall be deemed invalid.

7.3 Limitation Period on Invoices – Shipper shall not be liable for invoices not submitted within ninety (90) days of service.

**8. Bill of Lading**

Shipper locations or other authorised representatives, shall issue a bill of lading for each shipment, and the terms therein are to be incorporated herein, except to the extent that such terms are contrary to the provisions of this Agreement. In the event of any such conflict, the terms of this Agreement shall prevail. Carrier shall retain Bills of Lading and delivery receipts for a period of at least four (4) years.

**9. Insurance**

At all times during the term of this Agreement, Carrier shall procure and maintain, and shall confirm that each Carrier has procured and is maintaining, at the sole cost and expense of Carrier, as applicable, the following:

1. Workers' compensation coverage in an amount equal to that which is required by state statute, or, if not so required by state statute, then in an amount not less than (enter amount);
2. Broad form cargo liability in an amount equal to that which is required by statute, or, if not so required, then in an amount not less than (enter amount); and
3. General comprehensive liability insurance insuring against any and all liability for injury to or death of a person or persons and for damage or destruction of property occasioned by or arising out of or in connection with the Transportation Services to be provided hereunder, including coverage for losses due to theft, hijacking, damage in transit.

The limits of liability of such insurance shall not be less than (enter amount) combined single limit and shall be written by an insurance company or companies licensed to do business in the states in which Carrier does business. Shipper shall be named as an additional named insured on all such insurance. The insurance afforded by these policies, except for workers compensation shall apply to Shipper as an additional insured but only to the extent of the obligations of Carrier as provided under this Agreement. Shipper shall be named as a certificate holder under Carrier's workers compensation insurance. Carrier shall provide Shipper with a certificate to such effect from all applicable insurers. Such policies shall provide for thirty (30) days' notice to Shipper from the insurer by registered or certified mail, return receipt requested, in the event of any modification, cancellation or termination of such policies.

**10. Risk of Loss; Liability**

10.1 Shipper and Carrier acknowledge and agree that the risk of loss to Goods during transit shall be borne by Carrier once the Carrier's truck leaves the Shipper's dock. The driver shall have the right to inspect each shipment for damage prior to leaving the loading dock and shall have the right to refuse damaged Goods tendered for delivery. In addition, Carrier's driver shall note and bring to the attention of the appropriate loading dock personnel at the location any damage detected prior to leaving the loading dock where it is receiving goods on behalf of Shipper. In the event that damage occurs to Goods prior to delivery at the ultimate destination, the driver shall note such damage on the bill of lading and further shall so advise the party receiving the shipment, through delivery of a copy of the bill of lading setting forth a description of damaged goods.

10.2 With respect to returnable Goods, Carrier shall bear the risk of loss once the Carrier's truck leaves the loading dock of a location where Goods are tendered to it on behalf of Shipper, until such time as the Goods reach the ultimate destination as designated on the bill of lading.

10.3 Carrier bears the risk of loss for Goods while in transit, Carrier shall arrange for appropriate insurance for such Goods in transit, the cost of which shall be deemed to be included in the rates set forth in Section 3.

10.4 Carrier shall be liable to Shipper for any loss or injury to Goods caused by the negligence or omissions or failure to act of Carrier.

10.5 Carrier's liability under this Agreement shall be limited to (enter amount). In no event will Carrier be liable for special, incidental or consequential damages regardless of its knowledge of the potential for such. Carrier shall not be liable for any loss or damage to the extent such is due to a force majeure event, as defined in Section 18 of this Agreement, or an act or default of Shipper.

**11. Indemnification by Carrier**

Carrier agrees that it shall protect, defend, indemnify and hold harmless Shipper, from and against all liabilities, losses, costs, damages, expenses, claims, attorneys' fees, and disbursements of any kind or of any nature whatsoever imposed upon Shipper, whether incurred directly or indirectly by Shipper, by virtue of, or in connection with, or arising out of any:

1. Failure of Carrier to maintain appropriate licenses to carry out the purposes of this Agreement, resulting in the inability to, among other things, ship products for Shipper;
2. Claims made by any employees or agents of Carrier or by any operations of Carrier related to Carrier's provisions of Transportation Logistics Services to Shipper under the terms of this Agreement, including any claim by Carrier personnel that they are Shipper employees for any purpose;
3. Claims arising from the negligence of Carrier in performing Transportation Logistics Services pursuant to the terms of this Agreement; or
4. Other claims arising directly or indirectly out of the transportation of Goods on behalf of Shipper by Carriers selected by Carrier, including but not limited to claim arising from accidents involving equipment used to transport Goods.

The foregoing indemnities shall not apply to the extent that such liability arises from or as a result of any negligent act or omission of Shipper.

**12. Confidential Information**

12.1 Carrier hereby agrees to continue to honour its obligations under the Confidentiality Agreement previously entered into with the Shipper, a copy of which is attached hereto as Exhibit (enter exhibit letter).

12.2 Shipper hereby agrees to maintain in strict confidence, and not disclose to any unauthorised third party, or otherwise use or license any proprietary or confidential information, including strategies, business plans and rates, of Carrier that it may receive from Carrier during the term of this Agreement, without Carrier's prior written consent. Carrier hereby acknowledges that disclosure of certain information to employee, representatives and agents of the Shippers shall be deemed authorised third parties, unless Carrier and Shipper specifically agree otherwise in writing.

12.3 The parties obligations of confidentiality under this Section 12 shall continue during and after the termination of the Agreement.

**13. Severability**

If any clause or provision of this Agreement is illegal or unenforceable under present or future laws, then such clause or provision shall be deemed separable and shall not affect the validity of any other provision.

**14. Applicable Law**

This Agreement shall be subject to and governed by the interpreted and construed in accordance with the laws of the (name Shipper's state).

**15. Arbitration**

Any disagreement, dispute, controversy or claim with respect to the validity of this Agreement or arising out of or in relation to the Agreement, or breach hereof, shall be finally settled by arbitration in (name Shipper's city and state), in accordance with Australian guidelines. Each of the Shipper and Carrier shall select one arbitrator, and the two arbitrators so selected shall mutually agree to the selection of a third arbitrator, or, failing such mutual agreement, the third arbitrator shall be selected by the Australian Arbitration Association.

**16. Right of Offset**

Carrier and Shipper agree that, to the extent that either of them is at any time owed money by the other Party, including on regular invoices sent as provided herein, such Party may set off such amount against any undisputed monies owed by it to such Party from time to time, any such set-off to be accomplished by written notice to the owing Party, effective upon being sent.

**17. Assignment**

This Agreement shall be binding on and inure to the benefit of the parties thereto, their successors and their legal representatives. Neither of the parties shall assign this Agreement, or any interest or right therein, without the prior written consent of the other party, except that (i) Shipper shall have the right to assign the Agreement to an affiliated party and (ii) Carrier shall have the right to subcontract Transportation Services, as contemplated by this Agreement.

**18. Force Majeure**

If, and to the extent that either party may be precluded by a circumstance of force majeure, authority of laws, strikes, lockouts or other causes beyond its control from performing hereunder, such failure or non-performance shall be excused to the extent that it is necessitated by such cause. The party affected by the force majeure event shall use due diligence to remedy such default. If Carrier is unable, by reason of a labour dispute, governmental action, act of God or the like, to provide Transportation Logistics Services to the extent contemplated by this Agreement, it shall, in any event, to the extent it is still able to provide for shipment and transportation, continue to provide such services to Shipper in proportion to the amount that Carrier's business consisted of such services to Shipper prior to the occurrence of the event in question.

**19. Trademarks**

19.1 Carrier is hereby granted the right to use the trademarks, trade names, service marks, or logos owned by Shipper (collectively, the "Trademarks"), solely to the extent required specifically in the performance of its duties under this Agreement, including the right to permit Carriers to affix Trademarks to vehicles when carrying Products; provided, however, that such use shall specifically exclude use which might in any way represent any derogatory connotations that might become attributable to Shipper, its Products or Trademarks, as a result of the derogatory manner in which the Trademarks are used. Except as expressly granted herein, Carrier acknowledges that no trademark or trade name rights in any of the Trademarks are granted by this Agreement.

19.2 Shipper hereby represents, warrants and covenants that it has and will maintain the right to use the Trademarks and will indemnify and hold harmless Carrier from any claim of alleged infringement brought by any party against Carrier, including, but not limited to, Carrier's reasonable costs of legal expenses, provided that Carrier immediately notifies Shipper of any such action.

**20. Entire Agreement**

This Agreement constitutes the complete and entire agreement between the parties. If any provisions shall be declared invalid by a court of competent jurisdiction, the remainder thereof shall remain in full force and effect. This Agreement supersedes al prior agreements and/or understandings, whether written or oral, between the parties.

**21. Amendments**

No amendment, change or modification of any of the terms, provisions or conditions of this Agreement shall be effective unless made in writing and signed on behalf of the parties hereto by their duly authorised representatives.

**22. Authorisation**

It is agreed and warranted by the parties that the individuals signing this document on behalf of the respective parties are duly authorised to execute such an Agreement. No further proof of authorisation is or shall be required.

**23. Non-Waiver**

The mention in this Agreement of any particular remedy shall not preclude Shipper or Carrier from any other remedy Shipper or Carrier might have, either in law or in equity. The failure of Shipper or Carrier to insist at any time upon the strict performance of any covenant or agreement or to exercise any option, right, power or remedy contained in this Agreement shall not be construed as a waiver or a relinquishment thereof for the future. The receipt and acceptance by Carrier of fees, or the payment of same by Shipper, with knowledge of the breach of any covenant contained in this Agreement shall not be deemed a waiver of such breach.

**24. Notices**

All notices given, or that may be required, shall be in writing, and shall be sent to the parties hereto, by registered or certified mail, return receipt requested, or by courier service and shall be deemed to have been given when received by the party to whom addressed. Notices shall be addressed to the parties at the addresses set forth on Exhibit (list exhibit letter), as the same may be amended from time to time. Either party may change its address for notice by delivering notice of such change to the other party in accordance with the foregoing, which change of address shall be effective five (5) days after notice is received.

In Witness Whereof, Shipper and Carrier have executed this Agreement in duplicate as of the day and year first written above.

(Insert full name of Shipper) (Insert title of authorised signatory)

(Signature line) (Signature line)

(Insert name of authorised signatory) (Signature line)

(Insert full name of Carrier) (Insert title of authorised signatory)

(Signature line) (Signature line)

(Insert name of authorised signatory) (Signature line)