Broker-Carrier Agreement (Template)

Template from TraceDispatch (tracedispatch.com). General information, not legal advice. Have a transportation attorney review any agreement before you sign it.

1. Parties

- Broker: [legal name], MC [number], USDOT [number], address [address].
- Carrier: [legal name], MC [number], USDOT [number], address [address].
- Effective date: [date].

2. Term and termination

- This Agreement runs from the effective date until either party ends it with [number] days' written notice.
- Loads tendered and accepted before termination are completed and paid under this Agreement.

3. Status of the parties

- Broker holds active FMCSA property broker authority and the required $75,000 surety bond or trust fund, and will keep both in effect.
- Carrier holds active FMCSA motor carrier authority and is an independent contractor. Carrier controls its drivers, equipment and operations.

4. Loads and rate confirmations

- Each load is offered by a written rate confirmation stating the rate, pickup and delivery details, equipment and any accessorials.
- Carrier may accept or decline any load without penalty. A load is accepted only when Carrier signs the rate confirmation.
- If a rate confirmation conflicts with this Agreement, [this Agreement / the rate confirmation] controls for that load.

5. Payment

- Broker pays Carrier within [number] days of receiving a complete invoice with signed proof of delivery.
- Quick pay, if offered: payment within [number] days for a fee of [percent]% of the line haul.
- If Carrier has assigned its invoices to a factoring company, Broker pays the factor named in the notice of assignment.
- Broker may not withhold payment on one load to offset a claim on another without Carrier's written consent.
- Carrier may review Broker's record of each transaction as provided in 49 CFR 371.3.

6. Accessorials

- Detention: $[amount] per hour after [number] hours at pickup or delivery, documented by in and out times.
- Layover: $[amount] per day. Truck ordered not used (TONU): $[amount] when a load is cancelled after dispatch.
- Lumper and other approved charges are reimbursed with receipts within the normal payment terms.

7. Cargo loss and damage

- Carrier is liable for loss or damage to cargo in its care as provided by 49 U.S.C. 14706, up to $[amount] per load unless the rate confirmation states otherwise.

- Claims must be filed in writing with supporting documents within [number] days of delivery or scheduled delivery.
- Broker will not deduct a claim from Carrier's pay before the claim is resolved, except with Carrier's written consent.

8. Insurance

- Carrier keeps auto liability of at least $[amount] and cargo coverage of at least $[amount], and names Broker as certificate holder.
- Carrier notifies Broker in writing of any cancellation or material change in coverage.

9. No re-brokering

- Carrier will transport each load on its own equipment under its own authority and will not re-broker, co-broker, assign or interline any load without Broker's written consent.

10. Non-solicitation

- For [number] months after the last load, Carrier will not directly solicit freight from a shipper that Broker introduced to Carrier, where Carrier first learned of that shipper through Broker.
- This section does not restrict business Carrier had with the shipper before this Agreement, or freight the shipper offers Carrier on its own initiative.

11. Indemnification

- Each party indemnifies the other against claims caused by its own negligence or breach of this Agreement.

12. Fines and chargebacks

- No fines, penalties or chargebacks apply unless stated on the rate confirmation for that load, with the amount and the exact condition.

13. Governing law and disputes

- This Agreement is governed by the laws of [state]. Disputes are resolved in [county, state] [or by arbitration under (rules)].

14. Signatures

- Broker: name [name], title [title], signature _____, date [date].
- Carrier: name [name], title [title], signature _____, date [date].