

# GENERAL SERVICES ADMINISTRATION

## CENTRALIZED HOUSEHOLD GOODS TRAFFIC MANAGEMENT PROGRAMS: DOMESTIC AND INTERNATIONAL

### CARRIER APPROVAL APPLICATION

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General Services Administration  
Federal Supply Service Bureau  
Program Management Office (6FBD-X)  
1500 East Bannister Road  
Building 6  
Kansas City, MO 64131

## INTRODUCTION

Any carrier wishing to participate in the General Services Administration's (GSA) Centralized Household Goods Traffic Management Programs, either Domestic or International, must complete an application package and be approved to participate in one or both of the programs. After approval a carrier may file rates and transport shipments.

In addition to these instructions, the following documents are available on our website, [www.gsa.gov/transportation](http://www.gsa.gov/transportation), to enable you to complete the application:

- The Household Goods Tender of Service (HTOS);
- Carrier Request to Participate and Agreement
- Trading Partner Agreement (TPA)

**Just click on Household Goods, then on the link for the RFO and HTOS Library. The Carrier Request and TPA can be found in Section 15 of the HTOS**

Two applications are provided for you through our website. You may apply

- to participate in only the Domestic Program;
- to participate in only the International Program;
- or to participate in both programs.

The Domestic Program covers interstate shipments between all points in the continental United States and Alaska, intrastate shipments between all points within each of the 48 states in the continental United States and Alaska; and Canadian province shipments between all points in the continental United States and points in Alaska.

The International Program covers shipments between points in the continental United States and points throughout the world, including Hawaii, Guam, Puerto Rico, and the Virgin Islands.

If you are applying to participate only in the Domestic Program, the only documents you need are:

- the HTOS, the Domestic Approval Application, Carrier Request to Participate and Agreement; and the Trading Partner Agreement.

If you are applying to participate only in the International Program, the only documents you need are:

- the HTOS, the International Approval Application, Carrier Request to Participate and Agreement; and the Trading Partner Agreement.

If you are applying to participate in both the Domestic and the International Programs, the documents you need are:

- the HTOS; the Domestic and International Approval Applications; Carrier Request to Participate and Agreement; and Trading Partner Agreement. Your request will not be processed

without the Request to Participate and the Trading Partner Agreement

For either or both applications, the applicant carrier must also submit the letter from the National Motor Freight Traffic Association, Inc., Washington, DC, assigning its four letter Standard Carrier Alpha Code (SCAC). **Please return a copy of the assignment to the Program Management Office (PMO).** The instructions on the following pages have been divided into sections corresponding to each of the sections you will have to complete. Since both the Domestic and International applications follow the same format, each section will deal with both.

We realize that the information we are requiring is not applicable for all carriers. If you feel that it is the case in some instances, please do not leave an answer blank but explain why it is not applicable for your firm. Should you have to provide an explanation, you must furnish it in writing, signed and printed out when you return the application. A "not applicable" or "NA" response is not acceptable. Please do not put an N/A in any of the fields in the application. If you are dealing with a number field, please put in a zero. If you are dealing with a yes or no, or true or false, please answer appropriately and the above mentioned.

Once you have completed the application(s), please return the application via e-mail to: [Reg6.Transportation@gsa.gov](mailto:Reg6.Transportation@gsa.gov). Return the required documents to the mailing address listed below:

**GSA, Traffic and Property Management Division (6FBD-X)  
1500 E. Bannister Road Building 6  
Building 6  
Kansas City, MO 64131**

Applications will not be accepted except as provided in the HTOS. Once your application is received in the PMO, it will be evaluated. **You will be notified of the approval no later than 60 days after receipt of the complete application.**

If your submission of the required information is determined to be deficient, you will be notified of the action on your application as provided in the HTOS. GSA reserves the right to request additional or supplemental information when that contained in the application is insufficient to complete the evaluation.

Filing of Rates: Information and instructions on how to file rates is provided after the carrier has been approved.

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## HOUSEHOLD GOODS TENDER OF SERVICE (HTOS)

The General Services Administration (GSA) Household Goods Tender of Service (HTOS) is the basic document for the Centralized Household Goods Traffic Management Program (CHAMP), both Domestic and International. The terms and conditions set forth in the HTOS are what you, as a participating carrier, are agreeing to abide by when you service any shipment pursuant to the HTOS. A good working knowl-

edge of the HTOS is the most important thing a carrier can have to succeed in the program.

**The HTOS can be found at our website:**

**[www.gsa.gov/transportation](http://www.gsa.gov/transportation). Just click on the Household Goods link, then on the RFO and HTOS Library link.**

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## STANDARD CARRIER ALPHA CODE (SCAC)

A carrier participating in the Domestic or International Program must have a SCAC assignment by the National Motor Freight Traffic Association, Inc. The applicant carrier must submit the letter from the National Motor Freight Traffic

Association, Inc., Washington, DC, assigning its SCAC. **Return a copy of the assignment to the PMO to the address listed on page of these instructions.**

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## FINANCIAL INFORMATION GSA FORM 527

Your firm must complete a GSA Form 527, Contractor's qualifications and financial information sheet. **The GSA Credit and Finance Section will forward this form to your firm under a separate correspondence.** If GSA Credit and Finance has on file a GSA Form 527 completed within the past 6 months, a new GSA Form 527 may or may not be requested. If requested by GSA, you must furnish any other required financial information.

How does GSA's Credit and Finance staff conduct pre-approval surveys?

One of GSA's most important procurement tasks is the pre-approval survey of prospective carriers to make sure that they are financially viable and able to fulfill all Household Goods Tender of Service Requirements. These are the steps in pre-approval surveys carried out by GSA's Credit and Finance (C&F) staff in the Finance Information Control Division (6BCD) of Region 6, Kansas City, MO. C&F conducts pre-approval surveys in accordance with FAR Part 9.104 and 105, GSAR 509.106 and other internal guidelines. A survey begins when the responsible Program Management Office (PMO) sends the Standard Form (SF) 1403, Request for Pre-approval Survey of Prospective Contractor, to the C&F office. Within 24 hours of receiving a SF 1043, C&F requests financial information from the prospective carrier by sending the carrier a GSA Form 527, Contractors Qualifications and Financial Information, and a bank reference letter. The cover letter accompanying the forms explains the who, what, when, where and why of the pre-award survey process. The prospective carrier is asked to return the requested data within 15 days from the date of the cover letter. Form 527 asks for ownership, banking, trade supplier, and financial information. The bank reference letter, which authorizes the bank to

release certain financial information to C&F is to be addressed and authorized by the prospective carrier and forwarded to its bank for completion.

Within 2 workdays of receiving a SF 1403, C&F orders a Dun & Bradstreet (D&B) report on the prospective carrier. This report serves as third party verification that the prospective carrier's payment history with suppliers, tax liens, lawsuits and other financial information.

Once the completed GSA Form 527, bank references letter, and the D&B report are received, the process to determine the prospective carrier's financial responsibility begins. If the response is incomplete, a determination is made as to any additional information that may be needed, and whether there is enough time left to request, receive, and evaluate additional information. C&F may request additional financial statements, check with the bank and/or trade references, or ask the prospective carrier for an explanation or more information.

The pre-award survey takes into account factors such as the size and type of proposed scope of operation compared to the prospective carrier's total annual sales, past performance, the financial strength, and whether the application is a renewal of previous business or for new business. If the prospective carrier has been suspended or debarred, it may be found unsatisfactory without further research or evaluation. A determination may also be generated at this point, without additional analysis, if the prospective carrier's financial information clearly demonstrates that it either is responsible or that it has sufficient finances for the respective scope of operation.

The greatest weight is given to the financial statements. This information is considered along with the D&B report, bank, and trade letters of reference, ratio analysis, industry comparison, trends in the prospective carrier's financial condi-

tion, contingencies, and other material issues. Once all the information has been analyzed, a financial determination is made.

A potential carrier is either approved, partially approved (if acceptable to the program manager), or disapproved. Approvals may be conditional or contingent on the PMO's verifying certain facts or obtaining certain needed information/documentation, and they may include cautions and suggestions to monitor or reevaluate information prior to exercising any options. Approval decisions on the SF 1403 briefly state a few reasons why approval is recommended. Partial approvals contain a recommended sales level. Disapprovals may be issued for non-response, partial response, or lack of adequate finances for the proposed scope of operations.

C&F staff realizes that "financial" responsibility determinations are only one part of determining prospective carrier's overall responsibility. C&F's mission is to provide the best technical assistance to the program manager who requests help in making a financial responsibility determination.

The following words are used in the C&F recommendations.

**WORKING CAPITAL** is a prospective carrier's current assets minus current liabilities. Current assets (usually made up of cash, accounts receivable, and inventory) are assets likely to be turned into cash in 12 months or less. Similarly, current liabilities are debts that are due in one year or less. A negative working capital; position may mean the prospective carrier will have a problem paying its bill in the immediate future.

**TANGIBLE NET WORTH** is a prospective carrier's total assets minus total liabilities and intangible assets. Total assets and everything the business owns and total liabilities are everything the business owes. Intangible assets include patents, copyrights, goodwill, etc. The intangibles assets are subtracted in the net worth equation because their value is very subjective.

**SALES CAPACITY/SALES VOLUME** is the estimated amount of annual sales a prospective carrier should be able to handle based on a comparison of its financial condition in industry norm ratios.

**DUN & BRADSTREET (D&B) RATINGS** are credit reports GSA obtains on a prospective carrier. D&B rates a company's estimated financial strength (net worth) and composite credit appraisal (how they pay their bills, etc.). These reports give C&F an additional source of credit information.

**PAYMENT HISTORY** is a D&B report that gives an overview of how promptly, or how slowly, the prospective carrier pays its bills. It may show an account is on a COD basis, if the prospective carrier is paying within the terms, or if the account has been placed for collection.

**BANK REFERENCE** is a response from the prospective carrier's financial institution giving details of deposit balances and credit that has been extended and if the account is satisfactory. The bank should also be able to report any overdrafts and if the subject is complying with its loan agreements

**AFFILIATE COMPANY** is a firm related to the prospective carrier through common ownership. For example, if B Company owns all the stock of C, Inc., all the stock of D, inc., then C and D are affiliated companies.

**CORPORATE GUARANTY** is a guaranty or written promise of the parent company to provide the necessary financial resources for the satisfactory completion of the agreement. Guaranties are used when the subsidiary's finances are combined and cannot be separated from their parent company or appear too marginal or questionable for the agreement under consideration. The guaranty allows the financial strength of the parent to be used for the subsidiary.

**MARGINAL** prospective carriers appear to be barely having the minimum financial resources for the award. A "marginal" financial decision should alert the HTOS officer that C&F has some reservations concerning the bidder's financial capability. Examples include companies with very heavy debt or light asset base, or when the company is rather small compared to the size of the award.

## REGARDING THE APPROVAL APPLICATION FILES

### BASIC INFORMATION

The Domestic and International Applications are currently online at our website, [www.gsa.gov/transportation](http://www.gsa.gov/transportation). Please put the application(s) you need on your hard drive. The Domestic application file name is **CHAMPD.xls**. The International application file name is **CHAMPL.xls**. Microsoft Excel Version 5.0 or higher software is necessary to complete these files. These workbooks contain worksheets for each of the various categories of information you must complete. You must complete all worksheets for the program you are applying for. **DOM** identifies Domestic and **INT** identifies International. The name of the worksheet is on the tab at the bottom of the Excel® window. Enter the information requested in the outlined box. For carrier name, enter the complete legal name of your firm. **The worksheets are locked in such a way**

**that you can only enter information at the left of the outlined box.**

### WORKSHEET - APPLICANT INFORMATION

In the worksheet, Applicant Information, you will provide information about your firm such as name, address, and telephone numbers. For the Domestic Approval, you will have to provide your operating authority numbers. For International Approval, you will have to provide international tariff number. You will also be asked about any moving companies you do business with.

**WORKSHEET -  
BUSINESS STATISTICS**

In the worksheet, Business Statistics, you will provide information about your overall operation based on shipments you handle as a carrier, those shipments handled by you as an agent in conjunction with your principal carrier, and claims information.

**For the domestic application, provide information pertaining only to domestic operations.**

**For the international application, provide information pertaining only to international operations.**

**WORKSHEET -  
CORPORATE ACCOUNTS**

In the worksheet, Corporate Accounts, you will provide information about your commercial corporate accounts for the applicable calendar years. Since Federal civilian household goods traffic is most like corporate account traffic in terms of shipment characteristics, relocating employee position, and traffic manager expectations, we use corporate account data to measure a firm's commitment to the marketplace as a reflection of the commitment we can expect.

For the domestic application, a corporate account is defined differently depending on whether you are applying for approval as an intrastate carrier only, or as a combination of interstate and intrastate.

- Intrastate carrier only - a corporate account is defined as any commercial, non-governmental account booking at least three shipments per calendar year with your firm as an intrastate carrier.
- Combination of interstate and intrastate - a corporate account is defined as any commercial, non-governmental account booking at least seven shipments per calendar year with your firm as an interstate or intrastate carrier.

For the international application, a corporate account is defined as any commercial, non-governmental account booking at least ten shipments per calendar year with your firm as a carrier.

At any time an account does not book the required number of shipments, it is no longer considered for this application an account. If in a following year, the account meets the criteria, it is considered a new account.

The corporate account information requested is the number of accounts only. We will not ask you to name any of your corporate accounts.

**For any application, the US Department of Defense, other federal government agencies, and state and local government activities do not qualify as corporate accounts under any conditions. For the International application, foreign governments and their agencies or instrumentalities, including regional or local governments do not qualify as corporate accounts under any conditions.**

**WORKSHEET -  
HOUSEHOLD GOODS TENDER OF  
SERVICE (HTOS) QUESTIONNAIRE**

In the worksheet, HTOS Questionnaire, you will be asked questions about many provisions in the Household Goods Tender of Service. Most questions are *true* or *false*, with some being multiple choice.

For the *true* or *false* questions, do not key in *true* or *false*; key in T or F (either upper or lower case). For the multiple-choice questions, key in the letter corresponding to your choice of the correct answer. Answers to all questions may be found in the HTOS.

**WORKSHEET -  
PROCESS CONTROL QUESTIONNAIRE**

In the Worksheet, Process Control Questionnaire, you will be asked questions about most aspects of your firm's operation. The Process Control questions in both the Domestic and International applications are the same but they are not in the same order.

In both questionnaires, you can answer either *yes* or *no*. Do not key in *yes* or *no*; key in Y or N.

**WORKSHEET -  
DOMESTIC  
ACTUAL SCOPE/PROPOSED SCOPE**

In the worksheet, Actual Scope/Proposed Scope, you provide information about your actual traffic for the applicable calendar years. In addition, you will load your proposed scope of operations.

For the domestic application, provide for each calendar year the actual number of shipments that you handled as a carrier (own operating authority) between/within service area pairs, plus Canadian provinces. The bottom portion of the worksheet is for intrastate service. If proposing Alaska traffic, specific points will be broken out within Alaska upon rate filing submission, subsequent to approval. These points will include: Anchorage, Cordova, Fairbanks, Juneau, Ketchikan, Kodiak, Petersburg, Sitka, and Wrangell.

In the Proposed Scope portion of the worksheet, you must indicate the territorial scope in which your firm proposes to handle federal shipments under the Domestic Program. Your firm's approval to participate in the domestic program will be limited to a certain scope of operations. The information provided in previous worksheets together with the information in this worksheet will form a basis for our decision about that scope of operations. After approval, the carrier will be able to file rates for that approved scope of operations. In subsequent rate filing periods, the carrier's approved scope of operation may be changed depending on the level of customer satisfaction.

Simply place an X in the box corresponding to the service area pair for which your firm proposes to provide service.

If proposing to provide service on an intrastate basis, you must also provide the operating authority number for all states proposed.

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**WORKSHEET -  
INTERNATIONAL  
ACTUAL SCOPE OF OPERATIONS**

In the worksheet, Actual Scope, you provide information about your actual traffic for the applicable calendar years.

For the International application, provide for each calendar year the actual number of shipments that you handled as a carrier between each of the states in CONUS, plus Alaska and Canada, and nearly 200 foreign countries and off shore territories.

The information you provide will allow the PMO to determine if the actual service you have performed in the last five calendar years justifies your proposed service for the Government.

**WORKSHEET -  
INTERNATIONAL  
PROPOSED SCOPE**

In the Proposed Scope portion of the worksheet, you must indicate the territorial scope in which your firm proposes to handle federal shipments under the International Program. Your firm's approval to participate in the international program will be limited to a certain scope of operations. The information provided in previous worksheets together with the information in this worksheet will form a basis for our decision about that scope of operations. After approval, the carrier will be able to file rates for that approved scope of operations. In subsequent rate filing periods, the carrier's approved scope of operation may be changed depending on the level of customer satisfaction.

Simply place an X in the box corresponding to the international country for which your firm proposes to provide service.

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**FINAL CHECKLIST**

To complete your application, the following items must be provided to the addresses contained on page two of these instructions.

1. E-mail/attachment containing Domestic and/or International Application(s)
2. Completed Carrier Request to Participate and Agreement
3. Completed Trading Partner Agreement
4. Standard Carrier Alpha Code (SCAC) Certification Letter

