

August 15, 2005

TO ALL TRANSPORTATION SERVICE PROVIDERS IN GSA'S CENTRALIZED
HOUSEHOLD GOODS TRAFFIC MANAGEMENT PROGRAM

This Request for Offers (RFO) transmits the issuance of the **2005-2006** Filing Cycle Special Instructions for the filing of rates in the General Service Administration's (GSA's) Centralized Household Goods Traffic Management Program (CHAMP) specific to the Filing Cycle for the period **November 1, 2005, through October 31, 2006**. These Special Instructions are in accordance with the Household Goods Tender of Service (HTOS) (refer to Request for Offers (RFO) Section 2-4). Transportation Service Providers who are approved to participate in CHAMP and have agreed to abide by the terms of the HTOS, supplements thereto and reissues thereof, are eligible to file rates in accordance with these instructions.

1. The term Transportation Service Provider (TSP) will be used throughout this RFO in lieu of the word carrier or participant. A TSP has the same rights and authorities as the previous term used. See **RFO Section 2-4.6** for a complete definition.
2. Electronic Rate Filing: All rate offers must be transmitted electronically. The Government will not consider any rate offer that is not transmitted electronically. Further, electronic transmissions that do not conform to formatting requirements specified in **RFO Section 6** will not be accepted. NOTE: If your firm intends to transmit its own rate offer via the FTP instead of using a Rate Filing Service Provider (RFSP) or the Transportation Management Services Solution (TMSS) system, you must contact the Program Management Office (PMO) in Kansas City, Missouri in writing on company letterhead to obtain an FTP User ID and Password (**RFO Sections 1-1.5 and 1-6**). Submissions may be received via fax. Requests may take several days to receive and process.
3. Submission of Rates: TSPs will have the option of submitting rate offers: online using the new TMSS system, via a RFSP, or by creating their own file and submitting it via FTP via the format requirements identified in **Sections 6 and 7**.
4. Electronic Rate Offers: All rate offers submitted electronically must be in accordance with the time frames identified in **RFO Section 1-2.5**.
 - A. Submission by FTP: Once a rate file is submitted, it will be processed for errors that evening and an error report will be submitted back to the RFSP or TSP FTP directory immediately following validation. An e-mail will also be sent to the TSP or RFSP identifying the number of records added, rejected, and identified as suspect. TSPs and RFSPs may continue submitting corrections until all errors are corrected or until the closing date.

Rate files and error corrections submitted on the closing date will be accepted into the system, pending any errors. A TSP will not have an opportunity to correct any errors detected in a file submitted on the closing date after final validation. Final validation of rate files will take place at 4:30 pm Central Time on the closing date identified in RFO Section 1-1.6., unless waived by the PMO. (RFO Section 1-1.7.2)

- B. Submission Via TMSS: Rate offers that are submitted via TMSS can be viewed for accuracy by the TSP under the View Rates option. TSPs may also download a copy of their rate files using this function. To obtain a receipt for rates submitted and received, TSPs can select the Rate Receipt option and TMSS will send a receipted e-mail to the TSP verifying the rates have been received. This function can be done as many times as requested by the TSP.
 - C. Continuation of Existing TMSS Rate Offers: If submitting rates via TMSS during the initial rate filing window of August 15 through September 30, 2005, please note that if a TSP has existing rates on file in TMSS that those rate offers automatically expire October 31, 2005. In order to continue those rates for an effective date of November 1, 2005, at least one change must be made to each tender on file in TMSS. If a TSP does not wish to change an existing rate or add a new rate, the tender number must at least be changed in order to "submit" the tender for an effective date of November 1, 2005. Existing tenders that do not have any changes made to them during the initial filing window will be deleted from TMSS effective October 31, 2005. Rate offers effective during the supplemental filing of May 1, 2006 do not require a change. However, TSPs have the option to modify existing rates.
5. TSPs submitting rate offers under this RFO must provide a valid Taxpayer ID number (TIN) within the header record of the rate file. TSPs submitting rates via TMSS are also mandated to provide a TIN number on the appropriate TMSS screen. A TIN is defined as a business entity's Employer Identification Number (EIN). Rate offers will not be accepted without a valid TIN on file. TSPs must also submit an email address with each rate submitted and are encouraged to provide a fax number.
 6. HTOS Changes: Effective November 1, 2005, the following changes have been made to the HTOS:
 - HTOS Section 8-5.14.1. Review of Records. [old D8-6]
Transportation Service Providers (TSPs) agree to abide by 28 U.S.C. 2415 and 41 CFR 102-118 with regards to the retention of transportation shipping documents/records. The Program Manager and any of his duly authorized representatives shall have access to and the right to examine any books, documents, papers, records, and other data regardless of type and regardless of whether such items are in written form, in the form of computer data, or in any other form from the TSPs involving transactions related to this HTOS or

compliance with any clauses thereunder. The TSP shall furnish, upon request, copies of all documents/records necessary by the Program Manager or his designee. TSPs shall furnish copies of such documents/records at no cost to the Government.

- HTOS Section 9-3.1.4. Industrial Funding Fee

The Industrial Funding Fee amount must equal the sum of all shipment net charges reported in HTOS Paragraph 9-3.1.2, multiplied by the applicable IFF percentage. To attain further guidelines on how to calculate CHAMP IFF, reference the Request for Offers, Section 2-7.6. When calculating the IFF due GSA and fuel surcharges, the amount submitted must be rounded to the nearest whole cent or two decimal places, (for example: .864 round to .86; .865 round to .87). Any deficiencies identified will be handled in accordance with HTOS Paragraph 9-3.1.4.1. and 9-3.1.4.2.

- HTOS Section 12, Amendment 1

Due to the addition of new international countries effective with this RFO, new transit time tables have been added as an amendment to Section 12 of the HTOS.

- HTOS Section 17

Effective with this RFO, Hawaiian storage-in-transit rates have been modified to reflect storage and warehouse handling costs per 30 days for all Hawaiian Islands. Modified sections are identified below.

- 17-6.2. Service Areas, Geographic Application of Rates for Additional Services
- 17-21. Storage-in-Transit and Warehouse Handling Charge Household Goods Surface Shipment

7. Application of Industrial Funding Fee (IFF):

The IFF is due on the total net transportation charges billable to the government excluding fees for storage-in-transit (SIT) (to include first day of storage, each additional day of storage, warehouse handling, and pickup and delivery (drayage)). GSA's IFF will be assessed only against the household goods element of the net transportation charge (excluding SIT). An IFF is not assessed against POV and UAB shipments unless an agreement has been developed.

- A. Domestic: The IFF will be 2.50% of the net shipment charges of a household goods surface shipment, to include the line-haul, accessorial, packing charges, fuel surcharges, etc. Storage in transit (SIT) fees are excluded. The method of collection will remain the same, where TSPs will continue to collect and remit the appropriate IFF to GSA based on 2.50% of the net charges. (please refer to [RFO Section 2-7.6](#) for a further explanation and information on how the IFF applies on multiple element shipments.)
- B. International: The IFF will be 1.50% of the net shipment charges of a household goods surface shipment, to include the line-haul, accessorial, packing charges, fuel surcharges, etc. Storage in transit (SIT) fees are excluded. The method of collection will remain the same, where TSPs will continue to collect and remit the appropriate IFF to GSA based on 1.50% of

the net charges. (please refer to [RFO Section 2-7.6](#) for a further explanation and information on how the IFF applies on multiple element shipments.)

8. Effective with this RFO, GSA has expanded the international coverage in CHAMP-I to include 18 additional country locations. The country of China has also been separated into 5 city locations. TSPs may file general, alternating, or non-alternating rate offers to these additional countries and locations listed below. Rate filing codes for these new areas are located in [RFO Section 5-3](#). The acceptance of rate offers will be limited to TSPs which currently have China as an approved traffic lane in its approved scope of operations. TSPs filing for points in China other than those listed below must file using the country code for China (all other points), identified in [RFO Section 5-3](#).

China

Beijing
Chengdu
Guangzhou
Shanghai
Shenyang

Additional Country Locations Added to CHAMP-I

Armenia
Belarus
Benin
Bosnia-Herzegovina
The Republic of Congo
Cote D'ivoire
East Timor
Eritrea
Georgia
* Iraq
Jerusalem – added under Israel
Libya
Serbia and Montenegro
Slovak Republic
Togo
Turkemenistan
Uzbekistan

*Shipments to Iraq will be considered door-to-door but actually delivered to a military location within the Green Zone

Effective with the 2005-2006 Request for Offers (RFO), Transportation Service Providers (TSPs) may file general, alternating, or non-alternating rates for the specific Mexican city locations identified in RFO Section 5-3.1.1. The country code of **5950** will apply to all other points in Mexico that are not already identified in the RFO.

9. Fuel Surcharge for Unaccompanied Air Baggage Shipments: Effective with this RFO, a TSP may charge as a separate line item a fuel surcharge for UAB shipments, excluding State Dept. shipments. (RFO Section 3-4.2.1.) TSPs must provide a copy of the original airway bill to the agency for reimbursement. Any excessive costs charged by foreign or overseas air carriers will be negotiated and paid at the discretion of the agency.
10. Clarification of Rates or Charges, Section 2-7.2: Clarification has been made within the RFO Sections 2-7.2.1.1.2. – 2-7.2.1.1.4., Rates or Charges, to identify discounts applicable to specific services.
11. Motorized Vehicle Shipments: All motorized vehicles shipped pursuant to this RFO are hereby certified to be exempt from applicable HAZMAT requirements (49 CFR 176.905) unless stated otherwise on the bill of lading, and therefore no charges will be permitted for HAZMAT 'shipping requirements' or 'surveys' under this RFO pursuant to these cited regulatory requirements. (RFO Section 2-7.2.2.5.2)
12. Special Agency Provisions – Alternating & Non-Alternating: In addition to offers for general transportation rates, TSPs have the option to file:
 - A. Alternating Rate Offers: TSPs may file alternating, agency-specific rates as identified in RFO Section 5-1. Alternating rate offers will specifically apply to those Federal agencies/locations identified in Section 5-1 and may alternate with any other accepted rate offer.
 - B. Non-Alternating Rate Offers: TSPs may file non-alternating, agency specific rates as identified in RFO Section 3 and Section 5-1. Non-Alternating rate offers will apply specifically to those Federal agencies/locations identified in RFO Section 3 and Section 5-1 and will not alternate with any other accepted rate offer.

Non-Alternating – Veterans Affairs

- Department of Veterans Affairs requests domestic rate offers based on a released value of \$6.50 per pound, capped at a liability of \$117,000;
- Department of Veterans Affairs requests international rate offers based on a released value of \$8.50 per pound, capped at a liability of \$153,000.

Non-Alternating – Dept. of State, Domestic

- DOS requests domestic rate offers based on a released value of \$6.50 per pound.
- Domestic offers are also inclusive of various accessorial services. Only those rates submitted and accepted for DOS domestic shipments will not incur additional accessorial charges except as those listed in Section 3. (RFO Section 3-5)

Non-Alternating – Dept. of State, International

- Department of State (DOS) requests rate offers based on a released value of \$8.50 per pound on international shipments only and has modified transit times for international shipments between the United States and foreign countries. (RFO Section 3-4.6)
- TSPs submitting international rate offers during this RFO may submit rate offers to and from additional countries as identified in RFO Section 5-3. (RFO Section 3-4.5)
- TSPs personnel must include at least one employee that is fluent in English at origin and destination services. TSP personnel must also be fluent in language of foreign country. (RFO Section 3-4.1.4)
- TSPs must ensure that packing lists do not include any items listed as “packed by owner (PBO)” or “contents unknown.” (RFO Section 3-4.1.5)
- All liftvans must be of new wood and in compliance with the ISP #15 Standard.
- TSPs submitting international rate offers during this RFO should be aware of the services included and excluded from the single factor rate filed. (RFO Section 3-4.2.1) Services that DOS will not authorize are listed below:
 - Additional land transportation charges for shipments picked up or delivered from or to storage-in-transit;
 - UAB surcharges;
 - Port congestion surcharges, and/or war risk surcharges (also known as security surcharges) for areas not affected by war.

Services that DOS may authorize, at the discretion of the agency, include the items listed below:

- War and security surcharges for areas affected by war, at the discretion of the agency;
- Bunker fuel surcharges. Charges must be separately stated on the GBL/CBL and supported by prorated paid ocean TSP invoices of the actual amount

13. Verification of Industrial Funding Fee (IFF): To ensure that the GSA IFF for every shipment is properly accounted for and appropriately applied to the quarter for which the submission is received, GSA is requesting in RFO Section 2-7.6 that TSPs furnish shipment identifying information either on or appended to the check register.
14. Failure to Submit IFF: Failure to submit the Industrial Funding Fee due GSA for household goods shipments handled, will result in immediate placement of the TSP in temporary non-use status pending revocation of the TSP’s approval.
15. International Fuel Surcharge: An international TSP can only be compensated for a fuel surcharge on that portion of the shipment which was handled under traffic in the conterminous United States to the port of debarkation and from the port of embarkation to a location in the conterminous United States. The fuel surcharge shall be calculated on the first Monday of each calendar month and be based on the national U.S. average price per gallon of diesel fuel as published by the Dept.

of Energy. Information on the current average price of diesel fuel can be obtained at (202) 586-6966 or www.eia.doe.gov .

16. Calculation of Unaccompanied Air Baggage Charges: Unaccompanied air baggage shipments will be post-audited based on the following formula: dimension of container divided by 166 (converts to volume kilogram) x 45.36 x base line rate x TSP percentage. Volume weight is defined as the length, times the width, times the height (in inches), divided by 166 and multiplied by 0.4536. Where gross weight exceeds volume weight, TSP must charge for gross weight.
17. International Performance Bond: All TSPs approved to provide International General Transportation and Move Management Services are required as part of its filing to furnish a performance bond, in accordance with the HTOS (Section 2-4.7) and subject to the provisions of **RFO Section 1-4**. The performance bond **MUST** clearly identify that the bond is in force for the period **November 1, 2005, through October 31, 2006**, or later. A Certification of Continuation of Bond is acceptable. **A performance bond or Certification of Continuation of Bond currently on file does not satisfy this requirement and copies will not be accepted.** TSPs filing international rate offers are also required to adhere to the performance bond provisions outlined in **RFO Section 1.4.1.3.1**. Performance bonds must be submitted before the closing date of the rate filing window identified in **RFO Section 1-2.5**.
18. Basis for Determining Applicable Distance/Mileage: The following provision of this RFO supersedes all mileage references in the HTOS, with regard to determining applicable mileage/distance or Governing Publications. Per this RFO, auditing of household goods shipments handled pursuant to the HTOS will be based on mileage provided by ALK Technologies, Inc., Version **19** (coincides with PC*Miler **19**). The TSP industry will be notified of any future Version updates. Below is the basis for construction of mileage within the conterminous United States:
 - GENERAL: borders closed, shortest mileage, ferry on

For a full description of Default Settings, please refer to:

<http://dtod-mtmc.belvoir.army.mil>

Once there, click on "industry" and then on "PC*Miler Default Settings."

Exception: GSA has determined that all surface household goods shipments between any point in the conterminous United States and a Canadian province will be based on Rand-McNally mileage.

19. Terms and Conditions for Bills of Lading Issued for Government Shipments: The following provision of this RFO supersedes any reference to the term "Government Bill of Lading" within the HTOS. Per this RFO, all Government shipments handled pursuant to the HTOS will be subject to the terms/conditions of 41 CFR 102-117 and 102-118. For a complete description of the terms/conditions, go to <http://www.gsa.gov>, look under "Policy" and "Transportation Management" and follow links to "41 CFR 102-117 Transportation Management" or "41 CFR 102-118 Transportation Payment and Audit."

20. Separate Billings: All Federal agency household good billings must be billed to the appropriate Federal agency separately, one per voucher. Any agency owing payment to a TSP for a shipment of household goods, UAB, and/or a POV must be billed separately for each element of the shipment.

As a reminder, rates submitted via TMSS must have at least one character change per tender in order to become effective for November 1, 2005. GSA will not be held responsible for a TSPs rates being deleted from TMSS due to noncompliance with this RFO, including Paragraph #4C of this cover letter.

Any questions or comments may be directed to Kim Chancellor at (816) 823-3646 or via e-mail at Kim.Chancellor@gsa.gov

Sincerely,

/s/ Ed Hodges

Ed Hodges. Director
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Enclosure