

September 14, 2016

TO ALL TRANSPORTATION SERVICE PROVIDERS APPROVED TO PARTICIPATE IN THE CENTRALIZED HOUSEHOLD GOODS TRAFFIC MANAGEMENT PROGRAM:

This Request for Offers (RFO) transmits the issuance of the 2016-2017 Filing Cycle Special Instructions for the filing of rate offers in the General Services Administration's (GSA's) Centralized Household Goods Traffic Management Program (CHAMP) specific to the Filing Cycle for the period December 16, 2016 through October 31, 2017. This RFO and Special Instructions (hereinafter referred to as RFO) are in accordance with the Household Goods Tender of Service (HTOS), supplements thereto and reissues thereof. Transportation Service Providers (TSPs) 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 rate offers in accordance with this RFO.

Please be aware that there are **many changes** in this RFO, most of which are due to the recently published GSA Domestic 500A-2016 Tariff (GSA500A). Below we have highlighted some of the major changes, but we strongly recommend that TSPs **read the entire** RFO, HTOS and GSA500A. We also strongly encourage TSPs to **begin the rate filing process early** to ensure adequate time to correct and resubmit any identified errors when submitting rate offers.

Due Dates: Rate offers must be submitted in accordance with this RFO by the Initial Filing due date of 10:00 PM Central Standard Time, October 27, 2016 and/or the Supplemental Filing due date of 10:00 PM Central Standard Time, March 13, 2017. Rate offers received after these dates and/or not submitted in accordance with this RFO will not be accepted.

GSA500A: The effective date of the GSA500A is December 16, 2016 and **all domestic rate offers** submitted in accordance with this RFO will be based on the GSA500A. Domestic rate offers include those filed for shipments moving between points in the United States (U.S.) (including the District of Columbia and Alaska but excluding Hawaii) and between points in the U.S. (including District of Columbia and Alaska but excluding Hawaii) and points in Canada. Below are some of the major differences between the GSA01 and the GSA500A; however, and as noted above, TSPs are strongly encouraged to read the GSA500A in its entirety.

1. Linehaul/Transportation Baseline Rates and most Additional (Accessorial) Services Rates and Charges have been increased over those in the GSA01 and will be maintained in a Microsoft Excel Workbook referred to as the Baselines Rate Tariff File (Appendix B) of the GSA500A.

2. Distance-based rates and charges between points in the U.S. are determined by PC*Miler issued by ALK Technologies, Inc. based on the applicable **5-digit postal zip codes**

obtained from the National 5-Digit Zip Code and Post Office Directory issued by the U.S. Postal Service (USPS). However, for shipments with an origin and/or destination within Canada, mileage distances will be determined by the Rand McNally Mileage Guide 19, in lieu of ALK Technologies, Inc.

3. As opposed to the county/state look up under the GSA01, Service Areas and their associated Services Cost Schedules and other non-mileage based rates and charges for services performed at points in the U.S. will now be determined based on the applicable **3-digit postal zip code** issued by the USPS. Services performed at points in Canada are based on a single cost schedule for all points in Canada.

4. To simplify the application of rates and charges, the GSA500A incorporates several of the commonly applied individual Additional Services Rates and Charges into a single Origin Service Charge (OSC) and a single Destination Service Charge (DSC) (Item 135A and 135B, respectively, of the GSA500A) that apply in addition to the linehaul/transportation charges. The included additional services are elevator service, stair and excess distance carries and the additional transportation charge (ATC). Effective December 16, 2016, individual charges will no longer apply for these identified services and TSPs will only be allowed bill the applicable OSC/DSC. **However**, TSPs will not be allowed to charge a OSC or a DSC when billing for a domestic shipment for the following Non-Alternating, Agency Specific Standing Route Orders (SROs) as all domestic rate offers submitted for these SROs must be inclusive of all of the Additional Services Rates and Charges identified within the applicable section of their specific SRO as identified in Section 3 of this RFO: ARCWW, DEADD, UPSDC, and DOSDD.

5. When submitting rate offers, origins will now be submitted using the new Origin Service Area Codes identified in Section 5-2.1. of the RFO (for example, MO00 for Missouri) as opposed to the applicable Service Area Code containing that State (for example, 0800). When submitting rate offers for destinations, the current Destination Service Area Codes as identified in Section 5-2.1. of this RFO will continue to be used. This change in origin filings will allow accepted rate offers to apply from all points within the individual State specified by its Origin Service Area Code to all points within the State or States included in the Destination Service Area Code as opposed to previous filings where a rate offer applied from all points within a State or States included in a Service Area Code to all points within a State or States included in a Service Area Code. Please note that all rate offers filed must still be in a TSP's approved scope of operation. See Section 6 of this RFO and for additional formatting instructions.

6. Unless specifically noted otherwise, Linehaul/Transportation, Storage-in-Transit (SIT) and Additional Services Rates and Charges will be based on the origin address as identified on the Bill of Lading and/or the destination address as identified on the Bill of Lading.

7. Individual per-carton packing and unpacking rates and MaxPak charges have been replaced by Full Packing and Unpacking Service rates (Item 105A of the GSA500A) that apply based on the net weight of the shipment. A TSP's accepted Linehaul/Transportation Percentage/Discount will apply to the total of the Full Packing and Unpacking Service.

8. In accordance with Note 8 of Item 105 of the GSA500A, when a TSP, to ensure safe transportation, determines it necessary to unpack and repack cartons and/or containers that have been packed by the Owner, no additional labor, unpacking and/or additional re-packing charges will apply beyond the applicable Full Packing Service rates.

9. Under the GSA500A, TSPs are no longer allowed to charge a flat fee for the use of specially designed cartons to ship LCD, LED and Plasma televisions with screen sizes 60 diagonal inches or less. Crating charges also do not apply, except as provided for in Note 9 of Item 105 of the GSA500A when written authorization by the Bill of Lading Issuing Officer (BLIO) is provided for flat screen television in excess of a 60 inch diagonal screen size.

10. TSPs now have the ability to file a Code C rate offer(s) for the movement of household goods shipments in a container. This is an optional filing and a TSP's approved scope of operation applies. TSP's may only charge Code C rates when a shipment via containerized movement is specifically requested by the shipping Agency. All provisions apply to a containerized shipment as do to a regular shipment moved in a motor van (see the GSA500A and also Sections 2-7.2.1. and 6-3. of this RFO for additional information).

11. TSPs submitting rate offers from/to Canada will now be required to submit a UAB Percentage/Discount. The same UAB provisions that currently apply with regards to Alaska will now also apply to Canada. Please also note that the UAB Baseline Rates identified in Section 2-7.2.1.3 of the RFO have also been increased.

12. Most of the provisions in the GSA01 specific to shipments moving from/to Alaska have been incorporated throughout the GSA500A in similar provisions that apply to all shipments. Please note that under the GSA500A, the compensation methodology for all shipments between the U.S. (including the District of Columbia but excluding Hawaii) and Alaska will be based on the Ocean Waterhaul table (Section 6 of Appendix B of the GSA500A) utilizing the Port of Tacoma, WA. TSPs electing to use the Alcan Highway will be compensated based on the Ocean Waterhaul table utilizing the Port of Tacoma (see Item 227 of the GSA500A and applicable Sections of this RFO for additional information).

13. Item 33, Impractical Operations and Application of Shuttle Service, of the GSA500A has been clarified to identify shuttle service as a truck to truck transfer. However, provisions have been added for rare and/or unique circumstances only to allow for a shipment or portions thereof to be moved via the use of smaller equipment only and without a transfer to a TSP's linehaul equipment when it will best meet the needs of the Agency. Please refer to Item 33.2.g. of the GSA500A for specifics on obtaining written pre-approval from the BLIO, the documentation required to support approval by the BLIO and the documentation required for billing. Please also see Item 125 of the GSA500A for additional information.

General Valuation: All shipments moved under CHAMP are released based on Full Replacement Value – at \$6.00 times the net weight of the shipment in pounds applicable to both shipments in transit and SIT (see specific SROs for exceptions to the \$6.00 valuation).

Changes to Non-Alternating, Agency Specific SROs: Changes have been made to the SROs for the Department of Treasury, Administrative Resource Center (ARCWV), the Drug Enforcement Administration (DEADD), the U.S. Postal Service (USPDC) and the Department of State (DOSDD and DOSDC (which also applies to DOSHW and DOSSA)) as identified in Section 3 of this RFO. These changes have been highlighted in “red.” And as always, please review Section 3 of this RFO closely for any other Agency specific requirements and changes.

Mileage Application: Effective December 16, 2016, Web Based Version **30** of ALK Technologies, Inc. will apply (see 2-7.1.1. of this RFO for additional information and application).

Certified Weight Scales: A certified weight scale as provided at 49 CFR 375.103 must be used to determine shipment weights. If a certified weight scale is not available at an international location, the TSP must document on the weight ticket submitted for payment that a certified weight scale was not available. All weight tickets must be signed by the Weigh Master performing the weighing and must include the following information as identified in 49 CFR 375.519:

1. The complete name and location of the scale;
2. The date each shipment was weighed;
3. Identification of the weight entries (tare, gross, and/or net weights);
4. Company or TSP identification of the vehicle;
5. Owner’s last name as it appears on the Bill of Lading; and
6. The TSP’s shipment registration or Bill of Lading number.

Hawaiian Transit Times: The current HTOS does not contain transit times between Hawaii and any State, Trust Territory, or Possession of the U.S. While we are in the process of making the necessary updates to the HTOS, by identification in this RFO a transit time of 47 days will apply between Hawaii and any State, Trust Territory, or Possession of the U.S.

Reweighing of Shipments in Excess of 18,000 pounds. When the initial weighing of a shipment results in a weight which exceeds 18,000 pounds, the TSP **MUST** reweigh the shipment prior to the actual commencement of unloading the shipment for delivery to residence or into storage. The reweigh must take place at a certified scale as provide at 49 CFR 375.103, must be signed by the Weigh Master and must include the information as identified in 49 CFR 375.519. For International shipments, if a certified scale is not available, the TSP must document on the weight ticket submitted for payment that a certified weight scale was not available. The charges to the Agency shall be based on the lower of the two net weights and copies of both sets of weight tickets shall be provided to the Agency prior to submitting the invoice for payment. **If a reweigh is not performed, the TSP MAY NOT invoice for more than 18,000 pounds.**

Change to External Crating Charge Specified in HTOS Section 12-11.B. International: While we are in the process of making the necessary updates to Section 12-11.B. of the

HTOS, by identification in this RFO, effective November 1, 2012, external crating charges will be based on the provisions below:

HTOS, Section 12-11.B.

External shipping containers are authorized for items that will not fit into standard HHG shipping containers.

- (1) Compensation: **US\$7.00** per cubic foot, (**US\$233.85** per cubic meter) no minimum charge.
- (2) Container becomes property of the Government.

International Performance Bond: All TSPs approved to provide International General Transportation and International Move Management Services are required as part of their filings to furnish a performance bond in accordance with the Section 2-4.8 of the HTOS and subject to the provisions of Section 1-4 of this RFO. The performance bond **MUST** clearly identify that the bond is in force for the period **November 1, 2016 through October 31, 2017**, 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 Section 1.4.1.3.1. of this RFO. Performance bonds must be submitted prior to the transmission of rate offers as the system will not validate submitted rate offers without a valid bond on file.

Domestic Industrial Funding Fee (IFF): 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. 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 Section 2-7.6 of this RFO for a further explanation and information on how the IFF applies on multiple element shipments.

International Industrial Funding Fee: 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. 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 Section 2-7.6 of this RFO for a further explanation and information on how the IFF applies on multiple element shipments.

Fuel Policy:

1. For domestic shipments, please refer to Item 16 of the GSA500A.
2. For international relocations, the TSP can only be compensated for a fuel surcharge on that portion of the shipment handled under traffic in the conterminous U.S. to the port or from the port to a point in the conterminous U.S. The fuel surcharge shall be calculated in accordance with the Fuel Policy identified in Item 16 of the GSA500A. In the event the shipment is transported from origin to port or port to destination on an ocean line through bill

of lading, the TSP is not entitled to the GSA fuel surcharge calculation and can only pass through any fuel surcharge that may be generated from the ocean line. The TSP must provide a copy of the original bill to the Agency for reimbursement.

Fuel Surcharge for Unaccompanied Air Baggage (UAB) Shipments: A TSP may charge as a separate line item a fuel surcharge for UAB shipments. 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. There is no fuel surcharge calculation for land transportation for UAB. Please refer to Section 3 of this RFO for Department of State requirements.

Bunker Fuel Surcharges: A TSP may charge as a separate line item a fuel surcharge for bunker charges on International shipments and/or Alaskan water charges. The TSP must provide a copy of the original bill to the Agency for reimbursement. Please refer to Section 3 of this RFO for Department of State requirements.

Snow Removal Clarification: Unless it is for TSP convenience, snow removal is the responsibility of the relocating employee. If a TSP runs in to issues with this, they are to immediately contact the BLIO.

Submission of Rate Offers: All rate offers in the Transportation Management Services Solutions (TMSS) system automatically expire on December 15, 2016. Due to the changes in the Origin Record Field (positions 15-18) of the Rate Record Format Requirements identified in Section 6.3 of this RFO from a Service Area Code to the new Origin Service Area Codes identified in Section 5.2.1 of this RFO, TSPs will not be allowed to “carry over” their domestic rate offers currently on file. New rate offers, using one of the options identified below, **MUST** be used. If a TSP has international rate offers currently on file and does not want to make any changes to their currently filed international rate offers, they may go in to TMSS and choose to “carry over” existing rate offers for an effective date of December 16, 2016 – again, any domestic rate offers currently accepted in TMSS **Will NOT** “carry over.” If a TSP does not “carry over” existing international rate offers, does not upload new international rate offers or does not upload new domestic rate offers during the Initial Filing window, any rate offers currently in TMSS will be deleted effective December 16, 2016. Rate offers effective during the supplemental filing period of May 1, 2017 do not require a change; however, TSPs have the option to modify existing rate offers and/or to add new rate offers during the supplemental filing window.

TSPs have four (4) different options when filing rate offers:

1. Utilize the rate filing capabilities of TMSS:
 - TSPs must have access to the “HHG Rate Filing” module within TMSS. A firm’s TMSS Group Administrator can give access to this module. Once the “HHG Rate Filing” module has been accessed, a continuation of existing International Rate Offers ONLY button will be displayed as a pop-up screen. The message

will prompt the TSP to either accept or reject all International Rate offers to be carried over to the next rate filing cycle;

- If a TSP accepts the continuance of all International Rate Offers, TMSS will display a statement that all International Rate Offers will be copied over during the nightly batch process. TMSS will also display a message to the TSP identifying the number of records that were carried over;
- If a TSP wishes to change an existing International Rate Offers, add a new International Rate Offer and/or add Domestic Rate Offers (to include Code C rate offers) after submitting the request to carry over all current International Rate Offers, the TSP may go into the “HHG Rate Filing” module the **following day** and do so; and
- If a TSP rejects the continuance of rate offers, the rate filing module screens will be displayed so that the TSP may begin the rate filing process.

2. Utilize the Format and Electronic Submission instructions found in Sections 6 and 7 of this RFO.

3. Utilize the “HHG Spreadsheet” from the TMSS Main page. This spreadsheet will allow for the download of a copy of the existing International Rate offers only. TSPs may then make additions and/or deletions prior to re-uploading it for validation and acceptance. For instructions on how to use this spreadsheet, please contact one of the points of contact at the end of this letter.

4. Utilize the services of a Rate Filing Service Provider (RFSP).

Questions may be directed to Robyn Bennett at robyn.bennett@gsa.gov or (816) 823-3644 or Kim Chancellor at kim.chancellor@gsa.gov or (816) 823-3650.

Sincerely,

/s/ Robyn L. Bennett

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