

August 29, 2013

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 2013-2014 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, 2013 through October 31, 2014. This RFO and Special Instructions are in accordance with the Household Goods Tender of Service (HTOS). 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 rates in accordance with this RFO and these Special Instructions.

While we strongly encourage TSPs to read the entire RFO and Special Instructions, we've highlighted below the major changes new to this RFO and Special Instructions and others that have been carried over from previous RFOs that need to be highlighted again.

Due Date: Rate offers must be submitted in accordance with this RFO and Special Instructions by the Initial Filing due date of 10:00 PM Central Standard Time, October 7, 2013 and/or the Supplemental Filing due date of 10:00 PM Central Standard Time, March 24, 2014. Rate offers received after these dates and/or not submitted in accordance with this RFO and Special Instructions will not be accepted.

Increase to Base Rate used to Calculate Fuel Surcharges: The CHAMP Inter-Agency Advisory Group voted during their August 2013 meeting that effective November 1, 2013, the previous base rate of \$2.499 used to determine when a fuel surcharge may be calculated will be increased to \$2.999. Please refer to the detailed description of the application of a fuel surcharge found towards the end of this letter.

General Valuation: Effective November 1, 2012, all shipments moved under CHAMP, unless otherwise noted, are released at \$6.00 times the net weight of the shipment in pounds applicable to both shipments in transit and storage-in-transit (SIT). While we are in the process of making the necessary updates to the HTOS, the increase in general valuation to \$6.00 times the net weight of the shipment in pounds as identified and incorporated in this RFO and Special Instructions will supersede any reference to \$5.00 in the HTOS.

Item 40, GSA01, Annual General Rate Price Adjustment: The CHAMP Inter-Agency Advisory Group voted during their August 2013 meeting that there will be **no** increase to the GSA01 Tariff for the November 1, 2013 rate offer effective date.

Addition of New Non-Alternating Standing Route Orders (SROs): One (1) new non-alternating SRO for the Department of State's Hagerstown Warehouse (DOSHW) has been added to Section 3 and Section 5. Also note several changes made to the two (2) other

non-alternating SROs for the Department of State, Domestic (DOSDD) and International (DOSDC), in Section 3 which are highlighted in blue. And as always, please review Section 3 closely for other agency specific requirements.

New International Country and City Points: Effective November 1, 2013, the United Kingdom has been added as a country and England and Scotland have been removed. TSPs with England, Scotland and/or Northern Ireland in their approved scope of operations will now be able to file for United Kingdom – All Other Points, London, Edinburgh and Northern Ireland. Please refer to Section 5-3.1.1. International Country Codes for specific filing codes.

South Sudan: Effective November 1, 2013, South Sudan has been added as a country and the update has been made to Section 5-3.1.1. International Country Codes. TSPs with Sudan in their approved scope of operations will now also be able to file for South Sudan.

Myanmar: Effective November 1, 2013, Burma has been changed to Myanmar and the update has been made to Section 5-3.1.1. International Country Codes. TSPs with Burma in their approved scope of operations will now be able to file for Myanmar.

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

Reweighing of Shipments in Excess of 18,000 Pounds: Effective August 1, 2011, a packing allowance of 2,000 pounds was added to account for the weight of packing materials. This packing allowance is only applicable if and when an employee exceeds the 18,000 pound weight entitlement. At the request of the CHAMP Inter-Agency Advisory Group, Section 2-7.15. of this RFO and Special Instructions was updated to reflect 18,000 pounds instead of 20,000 pounds that was in a previous RFO. As a result, prior to the commencement of the unloading of a shipment weighed at origin which exceeds the 18,000 pound weight allowance, the TSP shall reweigh the shipment at destination. This reweigh must take place at a supervised scale and be conducted by an authorized weigh master. The charges to the Federal agency shall be based on the lower of the two weights and copies of both sets of weight tickets shall be provided to the Federal agency prior to submitting the invoice for payment.

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 and Special Instructions 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.

Maximum Storage in Transit (SIT): In accordance with the Federal Travel Regulations (FTR) 302-7.9, effective August 1, 2011, the maximum time limit for CONUS to CONUS SIT is 150 days. For SIT with an OCONUS origin or destination, the maximum time limit remains at 180 days.

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 HTOS (Section 2-4.8) 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, 2013 through October 31, 2014**, 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. 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 Surcharge, Effective November 1, 2013: On the first Monday of each calendar month, the national U.S. average price per gallon of diesel fuel will be determined based on the price stated by the U.S. Department of Energy (DOE) Energy Information Administration's survey of Retail On-Highway Diesel Prices. If the first Monday of the calendar month is a Federal holiday, the price will be determined based on the stated DOE price available on the next subsequent business day. Information on the current average price of diesel fuel can be obtained at www.eia.doe.gov or (202) 586-6966. The DOE fuel price obtained will apply for shipments loaded beginning on the 15th day of the month and will remain in effect through 14th day of the following month.

The Fuel Surcharge on domestic and international shipments will be calculated based on the shipment's origin and destination, and if applicable, the distance for delivery in or delivery out of SIT, using the billable mileage as currently identified by ALK Technologies.

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 United States to the port or from the port to a point in the conterminous United States. The fuel surcharge shall be calculated in accordance with the fuel surcharge policy that became effective November 1, 2013. 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.

For origins and/or destinations in Canada, Rand-McNally mileage will be used in lieu of ALK Technologies. Rand-McNally will also be used for mileage between the gateways on Alaskan shipments traveling by land through Canada.

When the cost of diesel fuel exceeds **\$2.999** as identified by the DOE on the first Monday of the month, with an effective date of the 15th of the same month, the TSP may calculate a fuel surcharge based on the difference between the DOE price and the trigger price of **\$3.00**.

To determine the fuel surcharge, the TSP must divide the billable miles **by five (5)** to determine the number of gallons of fuel used. The total gallons will then be multiplied by the cost difference between the DOE price and **\$2.999**.

Example

DOE Fuel \$4.595	Miles 750
$750/5 = 150$ gallons	$\$4.595 - 2.999 = 1.59$
$\$1.59 \times 150 = \238.50	Fuel surcharge = \$238.50

To eliminate rounding issues, calculations will be truncated at 2 decimals for the gallons consumed, the difference in the cost of fuel, and the calculation of the charge. No rounding up or down will take place.

Gallons Consumed

1187 miles	$1187/5 = 237.40$
1283 miles	$1283/5 = 256.60$

Fuel Cost

DOE price \$4.711	$\$4.711 - \$2.999 = \$1.712$	\$1.71 will be used
DOE price \$4.686	$\$4.686 - \$2.999 = \$1.687$	\$1.68 will be used

Calculation

$$\$1.71 \times 237.40 = \$405.954$$

\$405.95 will be used

$$\$1.68 \times 256.60 = \$431.088$$

\$431.08 will be used

POV Fuel Surcharge: If the POV is transported on the same truck with the household goods, the TSP is not entitled to charge a separate fuel surcharge for the POV. If the POV is not going to be transported with the household goods, then prior to the commencement of loading the TSP must notify the Federal agency and receive written approval for the alternate mode and identify that a surcharge maybe required. If the POV is transported via a car hauler and the car hauler charges a fuel surcharge, that surcharge can be passed through to the Federal agency as a separate line item. The TSP must provide a copy of the original bill to the agency for reimbursement. If the POV is transported via a separate household goods trailer, the TSP may calculate a surcharge using the standard fuel surcharge calculation that went into effect November 1, 2013.

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 for Department of State requirements.

Fuel Surcharge on Domestic SIT: Calculation of the fuel surcharge for SIT will take place in the same manner as the fuel surcharge that went into effect November 1, 2013. At billing, the TSP will need to provide documentation of the distance between the SIT facility and the shipment origin (for SIT at origin) or the distance between the SIT facility and the shipment destination (for SIT at destination), using the billable mileage as currently identified by ALK Technologies and the applicable RFO and Special Instructions. The TSP must also provide documentation identifying the date of the pickup to SIT or delivery out of SIT.

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 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 federal agency's Responsible Transportation Officer.

Submission of Rate Offers: All rate offers in the Transportation Management Services Solutions (TMSS) system automatically expire on October 31, 2013. If a TSP does not want to make any changes to their currently filed rate offers, but wants them to become effective again on November 1, 2013, the TSP must go in to TMSS and "carry over" their rates as identified in #1 below. If a TSP does not "carry over" existing rates or does not upload new rate offers during the initial filing window, any rate offers currently in TMSS will be deleted

from TMSS effective November 1, 2013. Rate offers effective during the supplemental filing period of May 1, 2014 do not require a change; however, TSPs have the option to modify existing rates or add rates during the supplemental filing window.

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

1. Utilize the rate filing capabilities in 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 rates button will be displayed as a pop-up screen. The message will prompt the TSP to either accept or reject all rate offers to be carried over to the next rate filing cycle;
 - If a TSP accepts the continuance of rate offers, TMSS will display a statement that all rates 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 rate or add a new rate after submitting the request to carry over all current rates, 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 rate offers. 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).

Any questions or comments 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

Robyn L. Bennett
Lead Traffic Management Specialist
Relocation Services Branch (QMCCB)
Center for Transportation Management