

Combined Federal Civilian Agencies  
Household Goods Relocation and Freight Committee  
Crystal Mall 3 – Room C-43  
May 26, 2004  
9am - noon

Meeting Facilitator - Scott Tiedt, Chief, Transportation Programs Branch (FBLF)

Scott opened and facilitated the meeting and presented Charlie Hill, National Oceanic & Atmospheric Administration, Executive Director, Household Goods Relocation Committee, with a Plaque in appreciation for his dedicated service to GSA and federal agencies. Charlie will be retiring from federal service in June 2004. Rocky Loewner, Federal Emergency Management Agency, Executive Director, Freight Committee, was on vacation.

Attendees introduced themselves.

Discussion Topics

1. What is the Pre and Post contract auditors review process? Can Pre and Post contract auditors disallow services that do not require authorization?

41 CFR 102-118.265 What is a prepayment audit?

A prepayment audit is a review of a transportation service provider (TSP) bill that occurs prior to your agency making payment to a TSP. This review compares the charges on the bill against the charge permitted under the contract, rate tender, or other agreement under which the TSP provided the transportation and/or transportation related services.

41 CFR 102-118.270 Must my agency establish a prepayment audit program?

(a) Yes, under 31 U.S.C. 3726, your agency is required to establish a prepayment audit program. Your agency must send a preliminary copy of your prepayment audit program to:

General Services Administration  
Office of Transportation and Personal Property (MT)  
1800 F Street, NW.  
Washington, DC 20405

(b) The final plan must be approved and in place by April 20, 2000.

Jim Fitzgerald, Director, Transportation Audits Division (FBA), addressed these two questions. Jim explained that 41 CFR 102-118 Transportation Payment and Audit states that agencies have options to meet the required prepayment audits process. All agencies must have a prepayment process in place. Options are:

- a. Do their own prepayment audits if they can demonstrate that they have the staff and processes in place to effectively do the job.
- b. Choose a contractor under GSA Schedule to perform prepayment audits (98% of prepayment audits are done this way).
- c. Hire a contractor recognized as an audit firm not on GSA Schedule (one agency did this a couple of years ago).

Exemptions:

- a. Charge Card. Use the government charge card to pay for transportation costs (two agencies use this method). Because of the nature of charge card transactions being processed so quickly, a prepayment audit cannot be done. DOD, however, uses US Bank's PowerTrack system that satisfies the prepayment requirement.
- b. Airline Tickets. Because of the nature of processing airline tickets, a prepayment audit is not required.

Jim said prepayment auditors are paid for every invoice they review and they can disallow charges or short pay TSPs. Postpayment auditors are paid on commission, receiving a percentage of overcharges, and have up to three years to file overcharges. Congress mandated that GSA find overcharges; not undercharges. The Transportation Audits Division is a watchdog for this mandate.

2. Are there problems with 3<sup>rd</sup> party prepayment auditors?

A representative from FAA Finance indicated her office was experiencing problems with their prepayment auditor (e.g., lost documents, documents returned in an untimely manner, received other agencies' documents).

Jim suggested a meeting with the prepayment auditor to follow-up on the issues sent in writing. If problems persist, Jim suggested emailing him the list of issues and he and the COTR would schedule a meeting with the prepayment auditor to intervene on behalf of FAA. If necessary, Jim will involve the Contracting Officer.

The largest prepayment auditor on GSA Schedule reported an unusually high volume of invoices during March and April this year. This caused delays in distributing documents to agencies.

GSA added twenty new contractors to the prepayment auditor Schedule this year, creating more competition and choices for agencies if they are not satisfied with their contractors. Jim and Scott pointed out how important it is to create task orders that allow agencies to easily switch to another contractor if the one they chose does not perform satisfactorily.

3. Some agencies are still using GBLs or Transportation Service Orders (TSOs); is this okay?

Jim reiterated that the OGP retired the GBL; however, there are many hard copies out there and it is a valid document that TSPs accept and finance offices pay from, along with the SF 1113 Public Voucher. Agencies should use a CBL vs. GBL or TSO for domestic shipments. There are no standard rules for the TSO; each agency seems to make up its own rules and this causes confusion for auditors regarding agreements between shippers and TSPs. The TSO was a stop-gap solution when the GBL was retired; it was meant to provide TSPs with information for the CBL; it is not a CBL.

Agencies should check with Jim's office for the okay to use the GBL numbers and destroy the hard copy GBLs. Another option is to come up with a unique numbering system and get approval from Jim's office to use the numbers for CBLs, not TSOs, which are not legal transportation documents. Scott added that the TSO is not a contractually binding transportation document. Auditors need to see the Public Voucher SF 1113 and bill of lading, not the TSO.

Charlie said NOAA uses a TSO as an internal document. Trying to get a bill of lading from a TSP before the driver arrives is very difficult. They give the TSO to the TSP, which converts it to a bill of lading, submitting it—not the TSO—to NOAA's finance office along with the Public Voucher. The finance office then matches the submitted bill of lading with the internal TSO before paying the charges. This seems to work out fine. Jim said this was okay.

FAA uses the TSO. Jim reiterated that TSO rules are not standard among agencies. It's important to communicate to the prepayment auditor what your agency's rules are (e.g., whether or not a signature is required). Bills of lading are the way to go—especially electronically.

DOJ requires the TSO number to be put on the bill of lading. They also use the TSO for internal control and tracking/cross referencing purposes.

Jim said that he envisioned most agencies a couple of years from now using a transportation electronic system and the TSO going away. About 94% of postpayment audits are handled electronically. FBA use to deal with 40 DOD offices; now it's down to five. And with PowerTrack; it's one.

#### 4. How does TMSS' numbering system work?

TMSS' bills of lading numbers are embedded in the system. However, the numbers are 14 characters long and some TSPs have a problem since the old GBL was 8 characters long. They said they would have to reprogram multiple systems to handle the 14 characters. GSA is looking at this issue and might change it. Either way, the unique numbering system will have FBA's blessing and continue to be embedded in TMSS to avoid duplications. GSA will discuss the issue with TSPs at its June 9<sup>th</sup> partnership meeting.

5. What is the future of the Public Voucher SF 1113 and are there plans to retire it?

Ted Bembenek, OGP Transportation, said they have been reviewing the form and processes over time and will likely take steps to eliminate it.

6. Does OGP plan to publish a regulation to require agencies to use an electronic transportation management system to process its shipments?

Ted said OGP does plan to publish a proposed regulation in the Federal Register soon, requiring agencies to use electronic methods to process household goods and freight shipments. 41 CFR 102-117 already recommends this, but OGP will be more specific and require it.

Ted stressed the need for managers to move to electronic order entries, billing, payments, reports, and trend analysis. FSS has TMSS and is adding more modules to manage transportation and capture valuable data for analysis. DOD's Surface Deployment and Distribution Command (SDDC) is in the process of hiring a contractor to do trend analysis on transportation charges and other related data.

One agency representative requested from FBA data on pre and postpayment audits to look at trends. It's also important for an agency with volume to know trends of price functions for various years (e.g., up, down, compare to inflation rate).

Ted reiterated the importance of capturing and manipulating data in an electronic environment to be able to make sound decisions.

7. Do traffic managers arranging for transportation via tenders and tariffs need to be warranted?

Rocky Loewner, FEMA traffic manager, approached OGP with this question, which has led to a lot of questions, according to Ted. For instance, are Civilian Transportation Officers (TOs) really authorized to act on behalf of the federal government? DOD covered its bases by issuing warrants to its TOs.

How do we determine if someone is qualified to buy transportation services? OGP does not have the staff to form guidelines/rules for certification or training. Therefore, OGP is looking for a few good men and women to fill the gap and be part of a working group to help OGP with this challenge.

The working group needs to determine criteria/requirements for small, medium, and large volume agencies. Should we contract with DOD, Universities, or someone else for transportation acquisition training?

This is Ted's number one priority right now, much more than retiring the SF 1113. He would like to have a working group made up of field experts from different agencies within a month. OGP must tap into what

transportation experts in the field know to effectively address this important issue.

Transportation experts interested in joining the working group should email Ted at [ted.bembenek@gsa.gov](mailto:ted.bembenek@gsa.gov).

OGP wants to “let no stone be overturned.”

OGP is hiring a consultant to go to agencies to ask questions about transportation regulations, forms, what needs changing, what they like or don't like. The consultant will report back to OGP by the end of the fiscal year. OGP will make the report available to all agencies. The statement of work is already completed.

OGP's Becky Rhoads wants to form an executive committee for OGP Transportation, made up of 6-8 senior executive service (SES) members from key agencies. The committee will ask questions like, “how does transportation affect—or not affect—your mission?”

8. Contracts vs. Tenders – is there room for both?

Tony Cicala, GSA, believes there is room for both. However, it is his understanding that multiple award schedules would not completely address specific requirements. Tony sees the need for training and possibly the issuance of warrants so TOs can effectively deal with transportation contracts under the Federal Acquisition Regulations (FAR).

9. New freight and household goods rates became effective May 1, 2004. Agencies that need a Standing Route Order should notify the Program Management Office in Kansas City at 816-823-3646 or their respective GSA customer service office in the chart under number 10 below.

10. Transportation Service Agreements (TSAs) must be signed by June 1, 2004 to use GSA's discounted tenders under its Freight Management Program, as well as TMSS freight modules. This does not apply to those who use GSA's Household Goods Programs.

Agencies should contact their respective GSA customer service representative with questions about the TSA, depending on their location. See the chart below.

GSA Freight Program  
Agency Responsibility by State  
National Account Management

Office	Agencies Served by State
National Capital Region Washington, DC 202-619-8956	CT, DC, DE, MA, MD, ME, MI, NH, NJ, NY, PA, PR, RI, VA, VT, WV
Southeastern Region Atlanta, GA 404-331-5121	AL, AR, FL, GA, KY, LA, MS, NC, OH, SC, TN
Heartland Region Kansas City, MO 816-823-3646	IA, IL, IN, KS, MN, MO, NE, OK, TX, WI
Pacific Rim Region San Francisco, CA 415-522-2850	AK, AZ, CA, HI, ID, NV, OR, WA
Central Office Denver, CO 303-236-7440 Arlington, VA 703-605-5618	CO, MT, ND, NM, SD, UT, WY

11. Full Valuation on freight shipments – STOS clarification status.

The Kansas City Freight Program Management Office plans to update the STOS to clarify the responsibility of shippers to declare the value of a shipment on the document that constitutes the contract of carriage. Below is the proposed language and rationale for the update. The Committee had no comments on the proposed language.

GSA Freight Standard Tender of Service

SECTION 1 - GENERAL

ITEM 1-1 SCOPE OF THE TENDER OF SERVICE (TOS):

EXISTING LANGUAGE:

D. CARRIER LIABILITY: Notwithstanding any provision of 41 CFR Part 102-118, property transported under provisions of this TOS shall be valued at full value.

PROPOSED LANGUAGE:

D. CARRIER LIABILITY: Notwithstanding any provision of 41 CFR Part 102-117 and 102-118, cargo transported under provisions of this TOS shall be valued at full value unless otherwise stated on the document that constitutes the contract

of carriage. However, the shipper should provide the actual value of the shipment on the document that constitutes the contract of carriage between the shipper and carrier (also known as the Transportation Service Provider (TSP)) to ensure full value protection is provided. To avoid the risk of loss and damage claims, shippers should also describe the cargo on the document that constitutes the contract of carriage. Full value is stated in dollars and is considered the actual value of the cargo for reimbursement purposes.

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This statement incorporates the Interstate Commerce Act (ICA) "Carmack Amendment" (see 49 U.S.C. 14706(a)(1)), which states, in essence, that the TSP is liable for the actual loss incurred during transport. This full value service is the hallmark of our program.

However, to get full value protection, the shipper must also provide the "stated value" of the shipment on the bill of lading, the document that constitutes the contract of carriage between the shipper and TSP. This has been upheld in several General Services Board of Contract Appeals (GSBCA) cases (GSBCA 13877, 11/6/97; and 13869, 12/22/97). The Board has found that while a TSP is responsible for the contents of the bill of lading, a TSP is only responsible for what the parties have apparently mutually agreed to.

GSA's General Counsel advises us that where there is no indication of the actual value or contents of a STOS shipment on the bill of lading beyond a general description, the GSBCA would likely find that the contract bill of lading failed to place the TSP on notice that it was actually carrying for example an \$80,000 item or whatever the actual value of the commodity was.

The bill of lading must specify the declared value of the commodity. The STOS requires TSPs to maintain minimum public liability insurance as required by Federal, State, and local regulatory agencies. If the shipper declares the value of a commodity in excess of the TSP's liability insurance, then the TSP has the opportunity to either purchase additional insurance to protect itself or to refuse the shipment.

12. Use of CHAMP rates under the Relocation Schedule – Move Manager SIN is currently under review.

Ray Price is rewriting the statement of work to be fairer to TSPs. We do not want a broker scenario where Move Managers are charging enormous commissions to TSPs.

13. Transportation Management Services Solution (TMSS) update.

GSA reengineered the Interagency Transportation Management System (ITMS) to develop TMSS. Currently, TMSS offers the ability to do cost comparisons for household goods and freight shipments, create shipments, book shipments online and offline, create and modify bills of lading, create reports and mailing lists. In the near future, TMSS will offer proof of delivery, pre and postpayment auditing, billing and payment of transportation invoices and the industrial funding fee, tracking, claims resolution, robust management reports, and more.

GSA plans to add to the TMSS menu of transportation services other types of specialized shipments/equipment (e.g., drop decks, lowboys, car carrier, removable gooseneck beds, tow away service, drive away service, flatbed, drop frame, refrigerated vans, boat, mobile home). Eventually, we will add other types of services to help transportation officers compare rates and services from different types and modes so they can make prudent routing decisions (e.g., express small package and freight, ground small package, deferred airfreight, and local courier services).

#### 14. Events.

- a. TSP Meeting will be held in Crystal City, VA on June 9, 2004.

GSA's Travel and Transportation Management will meet with freight and household goods TSPs to discuss TMSS issues (e.g., EDI interface, rate filing, local agents, web sites, bill of lading number of characters); CHAMP TSPs/Move Managers; ZIP-code based tenders; STOS carrier liability full value clarification status; web cast and other training opportunities; events; household goods application process, and RFO open season reminder).

- b. National Cargo Security Council Conference in Las Vegas on June 12-16, 2004. Visit <http://www.cargosecurity.com/ncsc/> for details.

- c. National Travel Forum will be in Dallas, TX June 28 – July 1, 2004.

Bill Fouts from DHS was encouraged that GSA has been including more information and panel discussions on relocation services.

- d. GSA/AMSA Transportation Conference location will be in Philadelphia, PA in February 2005.

We are planning our next main transportation conference in February 2005 to bring household goods and freight TSPs and civilian agencies together in a continuing effort to strengthen our partnership with buyers and suppliers of transportation services.

Feedback from TSPs and agencies indicated that the GSA Expo was not the best forum for transportation.

- e. Surface Deployment Distribution Command/GSA Symposium will be in Florida in March 2005.

Ted Bembenek reiterated GSA's partnership with DOD with this conference. They are trying to consolidate transportation, travel, and household goods in one location for TSPs and DOD and civilian federal agencies. Email Ted at [ted.bembenek@gsa.gov](mailto:ted.bembenek@gsa.gov) with any suggestions for panel discussions or class topics, and let him know if you might be interested in being on a panel of experts.

15. Open Floor discussion.

- a. Move Managers/CHAMP. Jim Fitzgerald reiterated that Move Managers are using CHAMP TSPs, but demanding discounts from them. Also, Move Managers do not provide good documentation for auditors.
- b. Electronic System. Jim Fitzgerald said that agencies will have to electronically send tenders to his office. This requirement will be posted along with OGP's requirement that agencies use automated transportation systems. OF 280 will soon be available online at <http://www.gsa.gov/Portal/gsa/ep/formslibrary.do?formType=OP> as a fillable document that can be transmitted electronically. Meanwhile, contact [blaine.jacobs@gsa.gov](mailto:blaine.jacobs@gsa.gov) for a copy.

Jim's office is in the process of scanning all tenders in their library. Agencies need to send One-Time-Only tenders/agreements to Jim's Office as well as to their prepayment auditors, along with the bill of lading, SF 1113, and invoice.

General Services Administration  
Federal Supply Service  
Audit Division (FBA)  
1800 F Street, NW.  
Washington, DC 20405 -  
202-501-3000

- c. Tariff 400N. Bill Bardwell from VA asked if there were any 400N adoption discussions. Scott said that management decided to stay with the 415G because AMSA could not give GSA adequate rates for government moves. The 400N is based on commercial moves. The priority at this time is TMSS development, but GSA will revisit the 400N issue later.

Bill said an analysis indicated that the 415G was the more cost effective tariff by about 15-20%. Mathis Gardner from Region 3 said that the 400N's linehaul rates alone are 40-50% higher than 415G. The 415G accessorials are priced out more than in the 400N, where most accessories are consolidated into the linehaul, leaving a smaller list of accessories.

The 400N is also subject to the 104 exceptions tariff with higher charges than those in the 415G, and more TSP exceptions than one can count. Also, the additional transportation charge from the 400N is both higher and more frequent than the 415G charges. Obviously, it is not just the line haul rates that must be monitored. Bill and Scott will discuss this issue some more.

16. TMSS Screen Shots.

Scott showed screen shots to demonstrate current features in TMSS.

17. Next Combined Federal Civilian Agencies Household Goods Relocation and Freight Committee Meeting is Thursday, August 19, 2004, Crystal Mall 3, Room C-43, from 9:00 a.m. until 12:00 p.m. Send agenda items to Blaine Jacobs at [blaine.jacobs@gsa.gov](mailto:blaine.jacobs@gsa.gov).

<b>No.</b>	<b>Name</b>	<b>Agency</b>
1	Susan Pratt	BOP
2	Pamela Stevenson	Census
3	Bill Fouts	DHS
4	Norman (Gene) Mixon	DOJ
5	Luis Roque	DOS
6	Shawn Griffin	DOS
7	Al Demarcki	EPA
8	Terri Owens	EPA
9	Amy Van Steenbergen	FAA
10	Charlette Ross	FAA
11	Connie Lindsay	FAA
12	Ivan Thomas	FAA
13	Kelley Wong	FAA
14	Tamera Joy	FAA
15	Jakob Evans	FBI
16	Jim Fitzgerald	GSA Audits
17	Bill Kemp	GSA FBCS
18	Angela McKeithen	GSA FBLE
19	Blaine Jacobs	GSA FBLF
20	Mary Anne Sykes	GSA FBLF
21	Scott Tiedt	GSA FBLF
22	Ed Davis	GSA OGP
23	Pat O'Grady	GSA OGP
24	Ted Bembenek	GSA OGP
25	John Wheeler	GSA Region 3
26	Mathis Gardner	GSA Region 3
27	Tony Cicala	GSA Region 3
28	Yvonne Johnson	GSA Region 3
29	Clarence Mitchell	NEA
30	Charley Hill	NOAA
31	Ruth Tetreault	SDDC
32	Ardella Bush	SSA
33	Beatrice Gaither	SSA
34	Ken Martin	SSA
35	Elaine Plotkin	USDA
36	Darrell Washington	USGS
37	Duncan Calcote	USSS
38	Grace Turner	USSS
39	Bill Bardwell	VA
40	Christopher Matos	VA