

# GSA'S FREIGHT MANAGEMENT PROGRAM DEVELOPMENT OF A CARRIER APPROVAL PROCESS

## OVERVIEW

### GSA'S DOMESTIC HOUSEHOLD GOODS CARRIER APPROVAL PROCESS

**Carrier Approval Window:** Transportation Service Providers (TSPs) may request an approval application from GSA at anytime; however, approval applications are only distributed during one open window each year – typically around July 1. TSPs are typically given 60 days to complete and return the approval application. Approval applications are distributed via a 3 ½ x 5 inch floppy disk which the TSP returns once all information has been provided. The worksheets provided on the disk are in a Microsoft Excel format and all worksheets are locked in such a way that TSPs can only access the cells that require information. TSPs cannot see the calculations that go on in the background.

**Domestic Program:** The Domestic Program covers interstate shipments between all points in the continental United States (CONUS); intrastate shipments between all points within each of the 48 states in CONUS; Canadian province shipments between all points in CONUS; and various points in Alaska.

**Hard Copy Requirements:** When a TSP submits its approval application via the supplied disk, the TSP must also submit the following hard copy forms:

*Carrier Request to Participate and Agreement to Abide by the Terms and Conditions of the General Services Administration's Centralized Household Goods Traffic Management Program – Domestic (CHAMP-D);*

*Trading Partner Agreement (TPA);*

Copy of the letter received from the National Motor Freight Traffic Association assigning the TSP's Standard Carrier Alpha Code (SCAC); and

GSA Form 527, Contractor's Qualifications and Financial Information sheet. This form is forwarded to the TSP by GSA's Credit and Finance (C&F) Section.

**GSA Form 527, Contractor's Qualifications and Financial Information:** As the GSA Form 527 is an involved process, further discussion is provided.

The GSA Form 527 requests ownership, banking, trade supplier, and financial information. In addition to the GSA Form 527, C&F also sends a bank reference letter. The bank letter, which authorizes the bank to release certain financial information to C&F, is to be addressed and authorized by the TSP and forwarded to its bank for completion.

C&F also orders a Dun & Bradstreet (D&B) report on each prospective TSP. This report serves as a third party verification of the TSP's payment history with suppliers, tax liens, lawsuits and other financial information.

The pre-award survey takes into account factors such as the size and type of the proposed scope of operation compared to the prospective TSP's total annual sales, past performance, financial strength, and whether the application is a re-renewal of previous business or for new business. 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 TSP's financial condition, contingencies, and other material issues. Once all the information has been analyzed, a financial determination is made.

A potential TSP is financially either approved, partially approved, or disapproved. Approval decisions 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 operation.

**Worksheet Information:** TSP provides information such as:

- TSP name, address, and telephone numbers;
- Operating Authority Numbers; and
- Information pertaining to all of the moving companies the TSP does business with.

**Worksheet – Business Statistics:** TSP provides information on its overall domestic operations based on:

- Shipments handled as a carrier (TSP);
- Shipments handled as an agent in conjunction with the TSP's principal carrier; and
- Claims information.

**Worksheet – Corporate Accounts:** TSP provides information about its commercial corporate accounts for the previous five 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, GSA uses corporate account data to measure a firm's commitment to the marketplace as a reflection of the commitment GSA can expect. For the domestic program, a corporate account is defined differently depending on whether a TSP is applying for intrastate approval only or for a combination of interstate and intrastate.

**Intrastate Only:** A corporate account is defined as any commercial, non-governmental account booking at least three shipments per calendar year with the TSP as an intrastate TSP.

**Combination of intrastate and interstate:** A corporate account is defined as any commercial, non-governmental account booking at least seven shipments per calendar year with the TSP as an interstate or intrastate TSP.

The U. S. Department of Defense, other federal government agencies, and state and local government activities do not qualify as corporate accounts.

**Worksheet – Tender of Service Questionnaire:** Consists of 102 questions pertaining to the Domestic Tender of Service. These questions are either True and False or Multiple Choice.

**Worksheet – Process Control Questionnaire:** Consists of Yes or No questions relating to a TSP's operations. Questions include:

- You conduct classes for loaders in the correct way to lift and carry?
- Are remedial actions quickly taken if task performance falls below acceptable levels?
- Have you developed written procedures for determining billing accuracy?
- Is there a senior management staff position responsible for overseeing your firm's total quality program?
- Are written procedures established for changing shipment documents when the need arises?
- You have provided formal classroom driver training for each of your drivers?

### **Worksheet – Domestic Actual Scope/Proposed Scope:**

**Actual Scope:** The TSP is required to provide information relating to its Actual traffic for the previous five calendar years. For each calendar year, the TSP provides the actual number of shipments that the TSP handled under its own operating authority between/within identified service areas.

**Proposed Scope:** In this worksheet, the TSP indicates the territorial scope in which the TSP proposes to handle federal shipments.

Based on all the information provided, a TSP is either approved or disapproved. If approved, the TSP has a predefined scope of operations as derived by the information provided. The TSP is only allowed to file rate offers for those service areas contained in its approved scope of operations. In future open window rate filings, a TSP's approved scope of operations may either be increased or decreased based on the level of customer satisfaction information GSA receives on the TSP.

**Conclusion:** While the above is only a brief overview of the TSP approval process within the Centralized Household Goods Traffic Management Program (CHAMP), it provides a starting point for the development of a similar type of approval process within the Freight Management Program (FMP). Our task is to identify what pieces or procedures we can borrow from CHAMP's approval process – what is different and what is the same – and to develop new procedures/worksheets to capture information specific to the movement of freight.

### **We Need Your Help!**

We are asking for **VOLUNTEERS** to be a part of a team to develop a carrier approval process within the FMP. GSA needs your expertise, your experiences, and your ideas to help ensure that the carrier approval process developed meets your needs and helps to ensure that the Government is receiving services from quality TSPs. If you would like to be a member of this team, please contact Robyn Bennett either via e-mail at [robyn.bennett@gsa.gov](mailto:robyn.bennett@gsa.gov) or phone at 816-823-3646.