



Department of Energy

Washington, DC 20585

January 18, 2005

MEMORANDUM FOR FIELD DISTRIBUTION

FROM:


DEAN G. OLSON, DIRECTOR
OFFICE OF FINANCIAL POLICY

SUBJECT:

Accounting Handbook – Chapter 17, Transportation

Attached is the final version of Chapter 17, "Transportation," of the Department's Accounting Handbook. A draft version of this chapter was circulated for review and comment in a November 1, 2004, memorandum "Request for Review of Draft DOE Accounting Handbook Chapter 17." There were no comments on this chapter.

We appreciate your assistance in the update of the Accounting Handbook. When all chapters of the Accounting Handbook have been updated, we will re-issue the entire Handbook. If you have questions or would like to discuss any provisions of this chapter, please contact Dean Olson on 202-586-4860.

Attachment

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January 27, 2005

CHAPTER 17

TRANSPORTATION

1. INTRODUCTION.

- a. This chapter provides procedures for DOE site/facility management contractors to process and pay carriers' bills for transporting property for the U.S. Government using commercial bills of lading (CBLs) and to prescribe the requirement for rate audit by the General Services Administration (GSA). This chapter does not include procedures for shipments by parcel post or small package carrier.
- b. DOE site/facility management contractors will use CBLs in making shipments for DOE. The DOE contracting officer may authorize the use of a CBL (for shipments other than by parcel post or small package carrier) using a GSA Standard Tender of Service (STOS), under the provisions of the Federal transportation procurement statutes (49 U.S.C. 10721 or 13712), if such use will be advantageous to the Government. The DOE field office shall coordinate such authorizations with the Director of the Office of Transportation (EM-11). Further guidance is contained in DOE O 460.2, Departmental Materials Transportation and Packaging Management; 41 CFR 109-40.50, Transportation and Traffic Management; 41 CFR 102-117, Transportation Management; 41 CFR 102-118, Transportation Payment and Audit; and the "U.S. Government Freight Transportation Handbook" available at <http://www.gsa.gov>.
- c. The DOE Automated Transportation Management System (ATMS) automates a number of transportation management tasks and satisfies some of the requirements listed below.
- d. Effective March 31, 2002, Government Bills of Lading (GBLs) for domestic use were retired. The GBL was replaced with the CGL or purchase order in accordance with 41 CFR 102-117 and 41 CFR 102-118.

2. USE OF COMMERCIAL BILLS OF LADING. See 41 CFR 109-40.5003.

- a. When making shipments for DOE using a CBL, DOE site/facility management contractors will include the following statement, or one that is substantially the same, on all CBLs: "This U.S. Government shipment is under the terms and conditions of 41 CFR 102-117 and 41 CFR 102-118."

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- b. Where practicable, DOE site/facility management contractors will ensure that CBLs provide for the consignment of shipments to DOE, in care of the DOE site/facility management contractor or by the contractor "for DOE."
 - c. DOE site/facility management contractors issuing CBLs exceeding \$10,000 will annotate the CBL with the following statement: "Equal Employment Opportunity, all provisions of Executive Order 11246, as amended by Executive Order 11375, and of the rules, regulations, and relevant orders of the Secretary of Labor are incorporated herein."
- 3. USE OF A GSA STOS** (Excluding shipments by parcel post or small package carrier).
- a. DOE site/facility management contractors are authorized to use CBLs referencing a GSA STOS. The contracting officer authorizes specific employees (by name and/or title) of DOE site/facility management contractors (41 CFR 109-40.5004).
 - b. In addition to the items specified in paragraph 2 above, to qualify for the rates specified in a rate tender filed under the provisions of the Federal transportation procurement statutes,-
 - (1) property must be shipped by or for DOE, and
 - (2) the rate tender must indicate that DOE is either the consignor or the consignee, and include the following statement: Transportation is for the Department of Energy and the total charges paid to the transportation service provider by the consignor or consignee are for the benefit of the Government."
 - c. When using a rate tender for transportation under a cost-reimbursable contract, the rate tender must include the following statement: Transportation is for the Department of Energy and the actual total transportation charges paid to the transportation service provider by the consignor or consignee are to be reimbursed by the Government pursuant to cost reimbursable contract (appropriate contract number). This may be confirmed by contacting the agency representative at (appropriate name, address, and telephone number).
- 4. OBLIGATION OF TRANSPORTATION FUNDS.** The policy and procedures for obligating transportation funds are contained in Chapter 5, "Accounting for Obligations."

5. PROCESSING AND PAYMENTS.

- a. **Commercial Bills of Lading Referencing a GSA STOS excluding shipments by parcel post or small package carrier.** When a CBL references a GSA STOS, the carrier bills the appropriate DOE office (using Standard Form 1113), instead of the contractor. The contractor supplies the appropriate DOE office with copies of claims for loss or damage (see paragraph 5b(3)). The appropriate DOE office schedules the transportation service charges for payment and ensures an audit prior to payment (41 CFR 102-118.290). The appropriate DOE office bills the contractor for the transportation charges. (See paragraph 5c for the audit requirement for paid bills). The procedures governing the processing and payment of transportation charges are contained in Chapter 6, "Cash."
- b. **Commercial Bills of Lading NOT Referencing a GSA STOS.**
- (1) **Verification and Payment of Carrier's Charges.** The contractor must ensure that a prepayment audit is completed (41 CFR 102-118.290). The prepayment audit must include confirmation that the charge is from a shipment attributable to the DOE contract and prevent the occurrence of duplicate payments. In addition, the carrier's bill must be checked for any errors in addition and extensions and, if discovered, errors in tariff rates.
 - (2) **Verification of Freight Descriptions and Special Terms.** The contractor must verify freight descriptions and note, either on the bill or in a separate statement, any discounts, special terms of contracts, or section 10721 (Interstate Commerce Act; 49 U.S.C. 10721) tenders.
 - (3) **Loss and Damage Claims.** The contractor must promptly process claims exceeding \$50 against the carrier for loss or damage to a shipment while in transit and for unearned freight charges on the property lost or damaged beyond repair (41 CFR 102-117.190) under the following circumstances.
 - (a) When loss or damage is noted by a carrier on the carrier's delivery receipt and acknowledged by the driver, the carrier should be invited to inspect the damaged property within 7 days of delivery. If the carrier does not make or waives the inspection, the contractor should document that fact and file a claim immediately.
 - (b) If loss or damage is discovered subsequent to delivery, the delivering carrier must be notified by telephone, and an inspection

requested. Unless there are extenuating circumstances, the notification and request for inspection must be made within 15 days of delivery.

c. Audit by GSA.

- (1) **Requirement.** For transportation services, legible copies of all paid freight bills/invoices, CBLs, and supporting documentation (41 CFR 102-118.430) must be submitted by the contractor to GSA for audit. GSA granted DOE an exception requiring the submission of only those bills and invoices greater than \$50. Bills/invoices for \$50 or less will be retained onsite and made available for GSA onsite audits. The contractor must promptly forward any original transportation bill requested by GSA. Original paid bills must be retained for the period of time specified by applicable Federal requirements and DOE O 200.1, Information Management Program.
- (2) **Examination of Payments/GSA Collection Action.** Bills sent to GSA will not be returned. When an overcharge on a carrier freight or express bill is discovered, GSA prepares a Notice of Overcharge addressed to the carrier's agent. The notice requests a refund of the overcharge to GSA, citing the applicable tariff or other authority for the charge deemed to be proper (41 CFR 102-118.435(f)). Amounts collected finance GSA transportation audit postpayment contracts, contract administration, and all other transportation audit and audit-related functions conferred upon the Administrator of GSA (31 USC 3726).