

The DTICI Transition Team is dedicated to delivering the DTICI message to as many of our DoD customers as possible. Since our first official DTICI visit in late August 2006, we have captured many questions and concerns from the field. As our team travels to various DDC and Service sites, we will continue to update the list of frequently asked questions (FAQs) and answers to ensure everyone stays informed.

FAQs: (Operational Issues)

- Q.** (1) With DTICI, will we only have to place one call/request, and will the coordinator guarantee pickup?
- A.** Correct. Unlike other programs where carriers are not required to accept traffic offered, the DTICI coordinator is required to move all freight offered within the DTICI confines.
- Q.** (2) Will we have flexibility to add on freight during the 8-hour window the coordinator has to pickup the shipment?
- A.** Yes. Each new shipment requirement must be requested through your respective shipper system or by telephonic means if a short notice expedited need arises.
- Q.** (3) “We are unique.” Some shipments come through the door that must move right now. Will the coordinator be able to handle those requests?
- A.** The contractor is required to meet all expedited shipping requirements. An expedited shipment is defined as a shipment that requires delivery the same day or next day before a normal delivery cycle and may require manual action, e.g. telephonic notification to meet shipper requirements. These include counter to counter, same day delivery, or delivery before a normal delivery schedule, CASREP, AOG, and MICAP requirements. PWS 1.4.5.17
- Q.** (4) Since a lot of the emphasis with DTICI centers around optimization and consolidation, we have concern about the coordinator consolidating loads that have different destinations and different RDDs. Which location’s shipments will take precedence?
- A.** Upon release of freight by the government, the contractor shall utilize their optimization expertise and tool(s) to consolidate freight when possible, both geographically and within the MDD timeframes given. The MDD will drive the precedence of all pickups and deliveries. PWS 1.4.5.5
- Q.** (5) We ship a lot of unique/large items, for instance Rough Terrain Container Handlers and Chinook Helicopters. Is the coordinator going to be able to find carriers that are equipped to move special cargo such as these? Will the coordinator handle requirements for permits?
- A.** Yes. The coordinator will obtain permits for over dimensional/overweight loads. In addition, as the coordinator meets with your transportation staff prior to site implementation, it is important that you share the list of carriers you currently use and are performing well so that they can expand their team of qualified carriers to meet your needs.
- Q.** (6) Can we use the coordinator for unit moves?
- A.** Government shippers are not required to use DTICI for CONUS unit moves. However, if requested, the coordinator will provide transportation services for requested portions of a CONUS unit move (for cargo not excluded). PWS 1.1.4

- Q.** (7) What procedures are we suppose to follow if there are lost or damaged shipments...do we still use the Transportation Discrepancy Report (TDR)?
- A.** The government will deliver claims for loss or damage to the contractor for the purpose of facilitating resolution of the government claims with carriers. The contractor will facilitate the resolution of all government claims within 120 days from the time the contractor receives the claim and supporting documentation from the government. PWS 1.3.11
- Q.** (8) If a shipment generates in the afternoon, how long will it take for it to be picked up?
- A.** The contractor's carrier shall make on-time pick up of the shipment defined as "within 8 operational hours of the request" unless a specific time is established during the implementation planning at each shipping location, i.e. dedicated/scheduled trucks. Rail (boxcar/flatcar) pick up will be coordinated with the shipper. Over dimensional/overweight permitted loads shall be picked up within 6 operational hours from receipt of permit. For scheduled trucks, pickup times shall be specifically agreed to and documented by the contractor and the government and will vary by site. PWS 1.3.9
- Q.** (9) We move ship/sub propellers by commercial barge through GFM, is the coordinator going to be responsible for this portion of our workload in the future?
- A.** Yes. The DTCI coordinator is responsible for moving all DTCI eligible cargo via all modes.
- Q.** (10) We currently receive scheduled trucks throughout the week from the distribution centers, is this going to continue?
- A.** Yes. The contractor's carrier shall make on-time delivery of the shipment, defined as "by the MDD" unless otherwise specified (for example; scheduled truck service with specified delivery window or expedited service outside of normal delivery.) PWS 1.3.16
- Q.** (11) Have we given thought to base security in regards to trucks entering the bases/installations?
- A.** The coordinator will have to ensure they, as well as carriers they select to move our material, are aware of security requirements just as carriers do today. Any special/unique requirements should be addressed with the coordinator during implementation at each site.
- Q.** (12) Will we be shipping Electronic Retrograde Management System (ERMS) and Advanced Traceability and Control (ATAC) cargo through DTCI?
- A.** The current plan is to eventually include these in DTCI.
- Q.** (13) There has been a lot of work done from the shipment origin point of view, but we have concerns from the receiving standpoint as well. Who do we call if there is a problem?
- A.** We will publish applicable contact numbers and website addresses to all of our shippers and receivers following contract award.
- Q.** (14) Are the shipments going to be insured?
- A.** Yes. In accordance with the PWS, transportation providers are liable to the government for not less than the actual loss or injury to the property transported under a Bill of Lading

pursuant to this contract while the property is in their possession. The liability of transportation providers is further limited as follows:

- For shipments weighing less than 15,000 lbs, the transportation provider is liable for the lower dollar amount of \$50,000 or the actual amount of the loss/damage to the property

- For shipments weighing 15,000 lbs or more, the transportation provider is liable for the lower dollar amount of \$150,000 or the actual amount of the loss/damage to the property

PWS 1.4.5.21

Q. (15) Is DTCI going to be incorporated at all of the DLA distribution centers?

A. DTCI will be implemented at 18 distribution centers across the continental United States. These sites include: Puget Sound, Wa (DDPW), San Diego, CA (DDDC), Corpus Christi, TX (DDCT), Red River, TX (DDRT), Barstow, CA (DDBC), San Joaquin, CA (DDJC), Oklahoma City, OK (DDOO), Hill AFB, UT (DDHU), Susquehanna, PA (DDSP), Norfolk, VA (DDNV), Albany, GA (DDAG), Jacksonville, FL (DDJF), Anniston, AL (DDAA), Tobyhanna, PA (DDTP), Warner Robins, GA (DDWG), Cherry Point, NC (DDCN), Richmond, VA (DDRV), Defense Mapping Agency, Richmond, VA (DDRV).

Q. (16) A lot of our DoD shipping locations are open 24/7, can we expect to receive 24/7 support from the coordinator?

A. Yes. The coordinator is required to staff and manage for 24/7 customer support. PWS 1.4.5.12

Q. (17) Will each location have its own coordinator?

A. No. There are only five sites that will actually have a full time coordinator representative in place. These are DDSP, DDDC, DDJC, DDNV, and DDRT. The contractor will provide temporary on-site representation at all locations during Phase I. They will remain on-site until all location-unique requirements have been implemented and all testing and evaluation is complete. Approval to release temporary on-site staffing will be granted by the DTCI program manager or his designee. It is estimated that this approval will be granted within approximately 60 days after site implementation. Phase II requirements will be staffed for the collocated region and not for individual sites. Phase III requirements will not be less than regional support with periodic on-site visits as mutually agreed upon. PWS 1.4.5.11

Q. (18) Is the coordinator going to take over outsized/special permit cargo shipments?

A. Yes. The coordinator will be responsible for securing all permits and licenses to move routine DTCI eligible cargo. For expedited shipments, SDDC would assist in obtaining permits for loads supporting National Defense requirements (in a hurry - not for routine movements). The shipper must submit a Letter of Essentiality (LOE) to obtain expedited permits.

Q. (19) Will the coordinator take care of transportation requirements for 463L pallets returned to the manufacturer in Michigan?

A. Yes.

Contractual /Programmatic Issues:

- Q.** (20) Is there an option for us to go outside of the DTCI contract, or is there an escape clause/drawback plan if the coordinator cannot provide the service we expect?
- A.** DTCI is a requirements based contract so it must be used for all DTCI eligible cargo.
- Q.** (21) What happens if the DTCI coordinator fails to pickup cargo on schedule? What should we do in that instance?
- A.** Shippers should contact the coordinator's 24/7 customer support center to address these issues.
- Q.** (22) What performance thresholds will the coordinator be held to?
- A.** The performance thresholds for on-time pickup (96%) and on-time delivery (96%) apply during years 1 and 2. For years 3-7, the performance threshold increases to 97% for pickup and delivery. Enterprise-wide, the coordinator will be held to 98% of shipments being damage free; 99% of all claims closed within 120 days (remaining 1% to be closed within 180 days); and 99% system availability (minus scheduled downtime). PWS Table 8. Performance Thresholds.
- Q.** (23) Carriers get higher rates for LTL shipments, why will this coordinator be motivated to give us a better rate? How will we monitor the rates?
- A.** The coordinator is monitored and measured by their ability to consolidate and optimize freight which brings value to our DTCI enterprise. Secondly, the coordinator will be required by contract terms and conditions to bill us for the actual transportation costs incurred up to the "not-to-exceed" rate. This allows the government to pocket the savings from the coordinators consolidation and optimization efforts. Cost reimbursement provisions will apply, meaning all transportation costs paid will be subject to audit by the Defense Contract Audit Agency to ensure the transportation costs paid are allowable, allocable, and reasonable.
- Q.** (24) What are the cost savings used in the business case analysis based on?
- A.** Savings are based on rate improvements, and taking advantage of consolidation and optimization opportunities, which are both afforded by enterprise wide visibility of DoD and commercial cargo requirements.
- Q.** (25) We notice from the briefing charts that there is a loss over the first two years of the contract. Can you explain that loss and tell us who will absorb the costs?
- A.** The reason for the loss over the first two years is the amount of funding necessary to cover the start up costs of the program. Those costs include: personnel training, travel, interface development, implementation support, PMO office and management services and incentive fees.
- Q.** (26) Our location serves as the primary shipping point for numerous smaller sites. Is the contractor aware of these arrangements and how will we facilitate this after contract award.
- A.** As the contractor prepares implementation plans for each site, these site unique requirements should be identified early on by the shippers.
- Q.** (27) Who's paying for DTCI and is this going to cost us more?

A. DTCI will be paid for by the Services and DLA. Our break even point begins after the second year with savings realized after that period.

Q. (28) Where is the coordinator going to be located?

A. This is solely at the discretion of the coordinator. They may opt for regional customer service centers or have one national customer service center to handle all traffic.

Q. (29) What avenues do we have to file complaints or report outstanding performance?

A. There will be several avenues to report substandard/outstanding performance. The coordinator will have a web-based customer support site. Likewise, the government will have performance monitors/ordering officers at the shipper locations and Contracting Officer Representatives (CORs) at the Service, Agency, and DTCI-PMO level to report performance issues.

Q. (30) What are the incentives to the coordinator? Are there disincentives built into the contract?

A. There are incentives and disincentives in the program. The incentives include monetary incentives under the award fee provisions and non-monetary under the award term provisions where the contractor can earn four additional one-year performance periods for a potential 7-year life cycle. The disincentives include reductions in the fixed prices paid under the Management Services CLIN for failing to meet Key Performance Indicators as well as the potential loss of the option years and award term option years.

Q. (31) The DTCI pilot program was limited to CONUS shipments...do you expect DTCI to expand beyond the borders?

A. No. There are no current plans to expand the DTCI contract beyond the CONUS at this time.

Q. (32) How will we know how well the coordinator is performing at the enterprise level? Are there going to be metrics, and who will audit the data to ensure the coordinator is meeting the objectives of the program? Will the shippers have access to this information?

A. We anticipate this world-class coordinator will bring a multitude of metrics to the table in addition to the reporting requirements of this contract. The government will audit these metrics. Metrics results will be shared with all stakeholders, including shippers.

Q. (33) Are we going to bring in the other excluded cargo later?

A. There are no current plans to bring in excluded cargo.

Q. (34) What is more important, cost savings or optimization?

A. Really the two come hand in hand. While it is always important to achieve cost savings, the coordinator's ability to look across its enterprise-wide commercial and DOD freight affords increased opportunities to optimize and consolidate freight. In turn, optimization and consolidation allows for increased use of truck load versus less-than-truckload rates and better/less expensive mode selection resulting in cost savings. The coordinator will be monitored and measured by their ability to consolidate and optimize freight bringing value to our DTCI enterprise. Secondly, the coordinator will be required by contract terms and conditions to bill us for the actual transportation cost incurred up to the "not-to-exceed" rate.

This allows the government to take advantage of the savings from the coordinators consolidation and optimization efforts. Cost reimbursement provisions will apply, meaning all transportation costs paid will be subject to audit by the Defense Contract Audit Agency to ensure the transportation costs paid are allowable, allocable, and reasonable.

Information Technology

Q. (35) How are we going to track DTCI shipments?

A. The coordinator is required to have web-based connectivity to all existing government systems. Secondly, we expect the coordinator to populate their own commercial web-based system which will allow an additional avenue for tracing and tracking freight for government users. We expect this to be a huge advance in shipment tracking of government material.

Q. (36) Have we engaged with A6 personnel to make sure we will be able to access the web based system?

A. Our IT experts from USTRANSCOM, the Services and DLA have been engaged with the DTCI-PMO from the beginning of the performance work statement process. Although we recognize that all of our Services have different rules and directives governing internet use, we believe the web based system used by the winning contractor will be no different than accessing cnn.com or foxnews.com.

Q. (37) Do you think there will be a push to stay with the legacy systems?

A. At this time there are no plans to move away from legacy distribution systems.

Q. (38) How will we know if our electronic requests are received by the coordinator?

A. The coordinator's EDI translator should immediately create and send a 997 once it receives a shipper's 219 request.