

Non-Temporary Storage Transportation Service Provider Handbook



April 2018

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FOREWORD

This Handbook provides information necessary for you to properly carry out your responsibilities as a storage provider in the Department of Defense (DOD) Personal Property Non-Temporary Storage Program. This handbook is considered a supplement to the NTS Tender of Service and all information provided within is enforceable as NTS TOS requirements. Contents of this Handbook do not address or impact entitlements of military service members since this is the responsibility of the individual military services.

The information in this Handbook covers the latest changes in the Defense Transportation Regulation (DTR) (DoD 4500.9R, Part IV) and the NTS Tender Of Service (TOS). Future changes or additions will be furnished by means of updates to the SDDC web page. Recommendations for changes to procedures or format to this Handbook should be submitted to the USTRANSCOM Storage Management Office (SMO)

CHAPTER I

THE NTS TENDER OF SERVICE (TOS)

DEFINITION:

The Non-temporary Storage (NTS) Tender of Service (TOS) is a written instrument of understanding between the Government and the NTS Transportation Service Provider (TSP). It can be likened to an open-end agreement with no minimum guarantees on the part of either party. The service order, after being issued by the Transportation Officer Representative at a given Military Installation, and when accepted by the NTS TSP, becomes an enforceable agreement. All performance under this TOS (the service order) is subject to the terms of the NTS TOS (against which the service order was issued). The service orders may be likened to a "Call" against an open-end TOS. Failure to perform services required are considered a Default and the TSP will be held liable for procurement costs associated with the relocation of goods.

WHAT IT PROVIDES:

As the TOS is an enforceable agreement, which describes the service requirements in support of the Non-Temporary Storage Program, an understanding of its provisions is important to all concerned. The only satisfactory way to become familiar with what it provides, and equally important, what it does not provide, is by a thorough study of the various provisions, terms and specifications.

AUTHORITY TO NEGOTIATE FOR THE GOVERNMENT:

All actions of the Storage Program Manager at the SMO are governed by the Defense Transportation Regulation (DTR) DOD 4500.9R and Surface Deployment and Distribution Command (SDDC) Regulation 55-6. This authorization is also applicable to any changes covering terms and conditions, specifications for services, rates, or any other matter directly concerned with the TOS.

TERMS OF THE AGREEMENT:

The TOS is valid, until the NTS TSP is disqualified for performing future business under the NTS TOS.

PREPARATION AND DISTRIBUTION:

The TOS and certain changes are prepared by the SMO and are sent to the NTS TSP for signature. Upon receipt of the copies signed by the NTS TSP, the SMO makes distribution of information copies to all the Using Activities (Ordering Offices) that are likely to use the NTS TSP's facilities. It is not necessary for you to notify any Using Activity that you have a TOS, nor is it necessary for you to notify them of any changes.

CANCELLATION:

The Government reserves the right to "Disqualify" the NTS TOS at any time it deems necessary due to either convenience or cause.

CHANGES:

Changes to the TOS are made by means of a Supplemental Agreement signed by the SMO Storage Program Manager and the NTS TSP. Generally, terms and condition changes are not authorized, except upon direction of USTRANSCOM.

TRANSFER OF AGREEMENT:

A Transfer Agreement is a potential solution when a NTS TSP no longer desires or is able to continue to participate in the NTS Storage Program and is currently storing NTS lots against their TOS. A Transfer Agreement can only occur between two active NTS TSPs. A Transfer Agreement must occur at no expense to the Government to include the movement of the affected NTS lots from the losing NTS TSP to the gaining NTS TSP facility. Should you find yourself in this position, contact the SMO and discuss your options. Transfer Agreements must be approved by the Storage Program Manager.

CHANGE IN MANAGEMENT:

Changes of management or majority stockholders of a corporation do not require recognition by means of a supplemental agreement. However, for record purposes, all changes in management of your business should be reported to the SMO and should provide current minutes of corporation that reflect election of corporate officials.

NOVATION AGREEMENT:

Should you sell your company or incorporate, the Government may recognize a third party as the successor in interest to a NTS TSP where the third party's interest is incidental to the transfer of all the assets of the NTS TSP or all that part of the NTS TSP's assets involved in the performance of the TOS. Where it is consistent with the Government's interest to recognize a successor in interest, the SMO will execute an agreement with the original NTS TSP and the new owner of the business. This is done by means of a Novation Agreement, which ordinarily provides in part that:

- a. The new owner assumes all the obligations of the NTS TOS, including liability for those lots released prior to the sale.
- b. The original owner waives all rights under the NTS TOS against the Government.

As a NTS TSP, you have the responsibility of notifying the SMO of intent to sell your business in **writing, 30 days prior to the effective date of the sale**. Failure to notify the SMO of an actual sale does not relieve the NTS TSP of the liability he held prior to the sale. Reference paragraph TOS C-7f.

In addition, failure to notify the SMO of a sale automatically leaves the new owner(s) of the warehouse in an illegal situation with respect to billing for and accepting payment for any services performed by them.

To accomplish a Novation Agreement certain information is required from both the seller and the buyer. Failure to provide the required documentation and its acceptance by the SMO will result in disqualification of the seller's NTS TOS.

CHANGE IN NAME:

A change of name of a company will be **reported in writing, 30 days prior to the effective date**, to the SMO. When only a change of name is involved, with no change in the rights and obligations of either party, the Government will recognize the change by means of a Supplemental Agreement (Reference NTS TOS C-7f). The SMO Storage Program Manager will provide the NTS TSP a list of required documents to support a TOS name change.

CHAPTER II

ADMINISTRATIVE

INFORMATION GENERAL:

There is no guarantee that holding a NTS TOS will result in business for you. Simply stated, three (3) factors determine the issue. The **first** is that there must be something to store. The **second** is that your rate schedule must result in the lowest overall cost to the Government, when compared with all warehouses in a position to provide the necessary services. The **third** is that you are eligible to accept a lot, as determined by the Storage Program Manager at the time a lot is offered.

ORDERING SERVICES AND SERVICE ORDERS:

Services are ordered by means of a Service Order (DD Form 1164), TOS Attachment #2. These orders are a NTS TOS document and are issued by a Transportation Officer Representative, who is usually a member of the Installation Transportation Office (ITO) at a military installation. The determination to use a public warehouse is the responsibility of the Transportation Officer Representative. With that is the responsibility of selecting the proper warehouse.

In general, it is the Transportation Officer Representative's responsibility to offer any given lot to the NTS TSP with the lowest overall cost to the Government. If the lowest overall cost NTS TSP declines to accept the offer, the NTS TSP with the next lowest cost is then contacted. Selective acceptance of service order offers by weight or zones are a violation of the TOS.

In determining which NTS TSP has the lowest overall cost, the Transportation Officer Representative adds the cost of packing, drayage, handling-in and handling-out. To this is added the cost of storage, based on the estimated time the lot is expected to remain in storage.

The following would be a typical computation comparing costs between three NTS TSPs, for a 2,000 lb. lot expected to be in storage 2 years:

	A	B	C
Packing	\$3.50	\$3.35	\$3.40
Drayage	\$3.25	\$3.60	\$3.60
Handling-In	\$1.35	\$1.25	\$1.40
Handling-Out	\$.25	\$.25	\$.15
<u>Total labor cost per CWT</u>	<u>\$8.35</u>	<u>\$8.45</u>	<u>\$ 8.55</u>
Storage @ \$.85 per month	\$20.40		
Storage @ \$.80 per month		\$19.20	
Storage @ \$.75 per month			\$18.00
<u>Total cost per CWT</u>	<u>\$28.75</u>	<u>\$27.65</u>	<u>\$26.55</u>
	x 20 CWT	x 20 CWT	x 20 CWT
<u>Total 2 year cost</u>	<u>\$575.00</u>	<u>\$553.00</u>	<u>\$531.00</u>

In the examples shown, the lot would first be offered to NTS TSP C. The offer may be made by phone or in writing. In most cases the telephone is used. If NTS TSP C accepts the offer, a Service Order is issued. If NTS TSP C declines, the lot would then be offered to NTS TSP B.

TSPs are expected to accept NTS offers if they have the capability to handle the shipment. When a NTS TSP accepts an offer, either verbally or in writing, a lot number is assigned at this time and they are obligated to perform all services called for on the initial Service Order and Supplemental Service Orders applicable to it. **Failure to perform services on a given lot, after receipt of the Service Order, is cause for declaring the NTS TSP in "Non-Use" and could lead to "Disqualification" of the TOS.** In such cases, the NTS TSP is liable for all costs in excess of those, which would have resulted if the NTS TSP had performed the services. There is one exception to the above, which the NTS TOS will recognize, and in which it will support the NTS TSP for refusing to perform services after accepting an order. This involves a lot that is found to be infested with vermin while performing an inspection prior to the actual pickup of the lot. In such cases, the NTS TSP should notify the Transportation Officer Representative of the condition, and decline to accept the lot until it has been fumigated. There is no way by which fumigating or disinfecting costs can be paid for under the NTS TOS. In the event an infested lot is accepted, without a prior, and preferably written understanding as to who will pay the fumigating costs, such costs must be borne by the NTS TSP.

The rates applicable to a lot are those in effect on the date the offer is accepted. The rates remain in effect as long as the lots stay in storage, up to four years, with renewal at the option of the Government.

Because Service Orders are your agreed authority for providing services and obtaining reimbursement, you should be certain that they show which services you are expected to provide and the rate applicable to each service. You should also be certain you have a copy of the Service Order applicable to each lot you have in storage. Regulations require the Transportation Officer Representative to furnish you a written Service Order before the services are performed.

You are not required to perform any service not shown on a Service Order, nor to reimburse anyone for a service provided without your expressed consent. A case in point is unpacking at destination after a line haul movement from your warehouse. Your responsibility for the lot ends when you obtain a receipt from the line haul carrier. If he/she or his/her destination agent unpacks the shipment, it is the responsibility of the ITO to make reimbursement for unpacking directly to the carrier. **DO NOT UNDER ANY CIRCUMSTANCES PROVIDE OR PAY FOR UNPACKING UNLESS CALLED FOR ON A SUPPLEMENTAL SERVICE ORDER.** Supplemental Service Orders call for Unpacking (Item VIII) only in those rare instances when you deliver a lot out of your warehouse, by your equipment operating under your own authority, to one of the zones shown on your Schedule of Services and Rates for Personal Property.

RATES FOR SERVICES:

Rate Types:

- **Loose HHG's Rates:** Used for picking-up loose HHG's from and delivering to a member's residence, including storage. These rates are required for every TOS.
- **Unit Move Rates:** Used for picking loose HHG's from and delivering to, a member's room in the barracks, including storage, when the unit or a minimum of five or more individuals are deployed. The requirement to file these rates is dependent on the needs of the military base that the service is to be provided.
- **Retrograde/Containerized Rates:** Used for storing DPM HHG's in NTS, which are returning to CONUS without a delivery address. These rates can only be applied for after loose HHG's rates have been filed and accepted. The requirement to file these rates is only to service certain military installations situated on the East and West Coast.

The SMO does not attempt to influence rates, other than to offer assistance in converting the NTS TSP's general rate schedule to the CWT (100 pound) method used in the TOS. It is considered ethical to advise a NTS TSP that a proposed rate is seriously out of line. To accept a rate that is very high or very low, without bringing this to the attention of the warehouseman, would only result in a charge as soon as the result became apparent to the NTS TSP. The Storage Program Manager may negotiate with the NTS TSP or return

the rate as unacceptable if the rate greatly exceeds the competitive range and be above what the Government is willing to pay for services. If an agreed upon rate cannot be negotiated, the Tender of Service will be placed into a NON-USE status.

In establishing a rate schedule, NTS TSPs should maintain a normal relation between the various Labor items. It serves no practical purpose to make one rate very high and another very low. In fact, such rates often result in difficulty for the NTS TSPs.

There is an advantage to a NTS TSP that can offer a low storage rate. This is due to the fact that this is a continuing rate assessed monthly. The computation on the preceding pages illustrates the point. NTS TSP C, with the highest overall rates for the labor services, has the lowest overall cost when the low storage rate is projected over several months. In the example shown, if the lot was to stay in storage one month, it would properly go to NTS TSP A. If it were estimated at 2 months, all three NTS TSPs would be equal. Thereafter, NTS TSP C would be lowest in overall costs.

RATE CHANGES:

RATE SUBMISSIONS

- a. Rates will be submitted by the NTS TSP on company stationery/letterhead or on the Schedule of Services and Rates for Personal Property (Section B). Rate increases and/or decreases may be postmarked no later than the tenth of the month, regardless of weekends and holidays, to be effective the first calendar day of the following month. Rates submitted will remain in effect until revised as provided herein. Revised rates will be incorporated into the TOS by modification. Each rate item is considered individually. When proposed rate changes result in prolonged negotiations, the above time frame may not be effective and may be subject to delay. The Government will process all proposed rate changes as expeditiously as possible. In order to meet administrative needs, the SMO Program Managers are obligated to accept or reject the rate change in order to allow time for input into the WHIST/TOPS program. The Government reserves the right to designate a specific due date if a mass response for changes of rates or services is anticipated.
- b. NTS TSP must submit offers for all zones and on all items enumerated in the Schedule of Services and Rates for Personal Property (Section B). If the NTS TSP does not have operating authority for a zone listed on the schedule, an entry of "No Operating Authority" or "NOA" must be entered in the unit price column of the rate schedule. When rate schedules are filed at more than one installation, the rates for Item I - Packing, Item II - Wardrobes/Hi-Value Items, Item IV - Handling-In, Item V - Storage, Item VI - Handling-Out and Item VIII - Unpacking, must be the same for each installation. For example, the price of Item I must be identical to the price for Item I in a second rate schedule submitted for another installation.
- c. NTS TSP must submit a properly completed Certificate of Independent Price

Determination with all rate filings.

d. The rate schedule is intended to be all inclusive. Payment for unusual service requirements may be approved by the Transportation Officer, in writing, in advance, depending on the specifics of the individual move.

e. The signing of this Tender of Service is a certification that the prices shown herein are no higher than the rates charged the most favored customer being furnished the services contemplated herein. In general, prices are expected at fair and reasonable levels, with the Government as a preferred customer, and only independent price determinations offered. The government will determine "fair and reasonable levels by comparing submitting rates to rates offered by TSP providing similar services. This means by cooperative venture whenever rates are submitted that appear to be unreasonable or inconsistent, you will be contacted to negotiate the matter. An inability to do this will change the effective date to the 1st day of the next succeeding month. Holidays will NOT affect the above schedule.

f. When you are serving two or more Using Activities out of one warehousing location, the rates will be identical in all Items of Service, except Item III, Drayage and Item VII, Delivery. These items refer to zones and distances and are used to compensate variances as may apply.

STORAGE PERIODS:

The TOS does not provide that any lot will stay in storage for a minimum or maximum length of time. The length of the storage periods depends on a variety of circumstances. The estimated period of storage shown on a service order is based on information available at the time of preparation and is subject to change.

The majority of lots placed in storage are done so while the owner is on overseas assignment. In such cases, the estimated storage period is based on the normal tour of duty at the particular overseas station. These usually range from one to three years.

There are about 15 authorized reasons for storage at Government expense. These include attendance at a service school for at least 20 weeks, extended hospitalization under certain circumstances, retirement, and non-availability of adequate storage space in assigned Government quarters. In some instances, change in orders or duty assignment result in a change in the storage period authorized.

INSURANCE REQUIREMENTS:

Provision C-7h (2) of the TOS requires all storage NTS TSPs to purchase and maintain coverage in minimum limits of \$4.00 per pound times the total weight of NTS at

each location. In those instances when there is more than one warehouse the amount of insurance coverage should be based on the total weight in each individual warehouse.

Certificates of Warehousemen's Legal Liability Insurance, (DD Form 2787) TOS Attachment #3, are to be furnished to the SMO Program Manager. The certificate must show the name of the insurance company, policy number, address of each warehouse, the limits of liability coverage for each warehouse, and the deductible amount shall not exceed \$100.00 per occurrence.

Certificates of Insurance must confirm by a statement thereon that the insured's warehousemen's legal liability coverage is in force for property accepted and stored by the NTS TSP under any Government NTS TOS.

Each insurance certificate must include an endorsement that the certificate holder will be notified 30 days in advance of any change or cancellation. The SMO will be listed as the certificate holder.

An authorized agent of the insurance company must sign copies of the insurance certificate as an original. **Reproduced signature copies are not acceptable.**

The SMO Storage Program Manager will consider NTS TSPs that fail to maintain adequate insurance coverage as not meeting the terms of the TOS and non-use or disqualification procedures will be initiated.

LOSS AND DAMAGE CLAIMS:

In most cases, when the property is delivered with damage or shortage, the owner assumes the warehouse is responsible and so states in their claim. The carrier unusually disclaims the responsibility on the basis that they "delivered the property in the same condition as received". The SMO has taken the stand that in general, the holder of a clear receipt is not liable.

Thus, the warehouse operator must be able to produce a receipt in which indicates the alleged lost or damaged item or items were received by the carrier and in substantially the same condition as when received by the warehouse. In such cases, the warehouseman has been relieved of liability. Where the warehouse could not produce such a receipt, the warehouseman was held liable.

There have been several cases in which the warehouse NTS TSP has obtained a clear receipt from the driver of the van line making a pickup after storage and then signed the driver's inventory acknowledging that certain losses or damages exist. In such cases,

the SMO will hold the warehouse NTS TSP liable, unless substantial proof is submitted that the loss or damage was not attributed to the warehouse.

Failure on the part of the storage NTS TSP to obtain a receipt from the carrier, showing the true condition of the lot, could be considered a violation of good operating practice on the basis that they are not exercising the same degree of care as would be exercised by a reasonably careful owner. Certainly a reasonably careful owner of the property will not release their property to the warehouse without an inventory. It follows; the storage NTS TSP should act accordingly when turning the property over to the carrier or back to the owner. When they do not, they cannot justifiably claim lack of liability for reported loss or damage. The Storage Program Manager expects the NTS TSP to settle all claims directly with the property owner. In cases of disagreements between the NTS TSP and the property owner, the claim will be sent to the Military Claims Office (MCO) for settlement. Failure to pay a claim within the time prescribed, or to make a settlement offer, could result in the NTS TSP being placed in a non-use status for the receiving of new service orders.

INVENTORIES:

Prepare an accurate, legible Household Goods Descriptive Inventory, listing all items received, including contents of cartons (automated inventories or similar documents that provide equal or better information are acceptable), in coordination with the customer or the customer's representative. TSP will provide the customer or customer's representative with the opportunity to identify in writing high-risk or high-value items or the optional use of a high-risk or high-value inventory

TOS Provision C-5a of the "Technical Provisions" provides that an inventory will be prepared at the time of pickup of a lot. The inventory form should be similar to that shown in Attachment #4 of the TOS. An important feature of this form is the condition and location symbols shown. The use of these symbols, without deviation, is mandatory. It is the responsibility of the NTS TSP to ensure that their employees use an acceptable inventory form and in doing so, use the condition and location symbols prescribed and properly identify each piece. Inventories must be provided to the service member or their representative upon completion of packing and prior to departure from residence or pick up location.

With reference to the entries of items and condition, note the method used on the model. As an example, an entry of "chair" is not sufficient. The word "chair" should be followed by further description, such as "dining". Likewise, it is not proper for any entry to read "4 chairs, dining", each followed by the condition symbol. An entry, "bed, complete"

is not acceptable. A correct entry would be "3.0 carton, linens or "3.0 carton, kitchen utensils", as the case may be. Likewise, an entry of "3 cartons" is not correct. Each carton must have a piece number and be listed individually. All cartons must list contents, and the same for suitcases, footlockers, toolboxes, trunks, and wooden crates, or otherwise empty, "CP", for carrier (NTS TSP)-packed, must also be annotated on the inventory. "PBO" (packed by owner) is not acceptable.

Using Activities have been instructed to report any NTS TSP who does not submit inventories in accordance with the provisions of the NTS Tender of Service. If warehousemen will follow the model and explanatory notes, the necessity for such action will be eliminated.

WAREHOUSE RECEIPTS:

Provision C-7c of the TOS provides that the NTS TSP shall furnish a non-negotiable warehouse receipt for each lot. It also provides the original and one copy will be furnished the Using Activity not later than seven (7) working days after receipt of the lot.

The warehouse receipt must be in form and substance satisfactory to the SMO Storage Program Manager. As the Storage Program Manager has checked the format used by each NTS TSP, it may be assumed that all legal requirements have been met. However, the manner of preparation varies with the warehouse and, as a result, some warehouse receipts do not meet the requirements of the TOS.

With reference to any standard form of warehouse receipt, NTS TSPs should be aware of the provisions of the third sentence of C-7c of the TOS regarding combination inventory and warehouse receipt.

Using Activities have been instructed to return any warehouse receipt that does not comply with provisions of C-7c. Using Activities occasionally report that certain warehousemen are not complying with the requirement that warehouse receipts be submitted within at least seven working days. The SMO may assist chronic violators in bringing their paperwork up to date by removing them from the eligible list until the problem is solved.

NTS TSPs are entitled to receive the original warehouse receipt from the Transportation Officer Representative upon completion of handling-out of a lot.

WEIGHT CERTIFICATES:

Provision C-7c of the TOS provides weight certificates be furnished with the non-negotiable warehouse receipt.

Such weight certificates/scale tickets must be obtained from a licensed or qualified weigh master or a certified public scale.

Using Activities have been instructed to hold up payment of any lot, which is not covered by a weight certificate or scale ticket.

WEIGHT ALLOWANCE:

Each service member is authorized a weight allowance of personal property to store or move, or combination of the two, at government expense. The allowance is based on rank. Costs of storing and/or moving in excess of the authorized weight allowance must be borne by the service member.

Professional books, paper and equipment are a separate entitlement, when authorized, to be stored and moved at Government expense without regard to weight limitations. For this reason, they are to be weighed and listed separately as provided for in NTS TOS provision C-4e of the "Technical Provisions".

The authorized storage weight allowance, exclusive of professional books and papers, when authorized, is indicated on the Service Order. It is the weight shown in the printed line starting with "Maximum weight chargeable to the Government: If a lot exceeds the authorized weight, bill the Government for the total weight. (NOTE: This billing requirement may vary from each military installation). Collection of excess costs from the member will be processed by the ordering activity in accordance with the existing policies and regulations.

NTS TOS DISPUTES:

Disputes over TOS provisions and performance can arise in a NTS TOS situation and, of course, this is true with government NTS TOSs. The existence of a dispute does not, in the majority of cases, represent bad faith on the part of either party. No matter how carefully the TOS was written, how the SMO Program Manager administers the NTS Tender of Service, or how sincerely storage NTS TSPs perform, disputes may occur which require resolution. Frequently, resolution takes the form of mutual agreement, but on occasion, agreement is not possible. Where the dispute is not resolved by agreement, other means must be used to resolve it.

When you, as a storage NTS TSP and the SMO Storage Program Manager cannot agree as to some NTS TOS provision or as to adequacy of performance, a dispute exists which by NTS TOS agreement may be decided by the Storage Program Manager. It is your prerogative to request a decision on the matter in dispute. The Storage Program Manager is then required to make a final decision and notify you in writing of the decision and advise you of the procedures for appeal. The final decision is binding and final unless you file a timely appeal of the decision. An appeal must be presented to the Director of Personal Property, HQ USTRANSCOM within 45 days from the time of the receipt of the SMO Program Manager's final decision.

It is the Government policy to resolve all disputes by mutual agreement at the SMO Program Manager's level, without appeal, whenever possible.

FINANCIAL RESPONSIBILITY:

One of the SMO's responsibilities is to determine that the NTS TSP is financially able to perform duties under the TOS. This determination is based on the NTS TSP's general financial position, the type of protection they have to enable them to survive a major loss and his general reputation for integrity.

The NTS TSP's 3 previously completed financial statements are obtained and analyzed by the SMO before the TOS is entered into. However, a satisfactory financial condition at that time does not assure that the same condition exists a year or two later. For this reason, each NTS TSP is annually called upon to submit a recent financial statement. The SMO realizes that such statements are of a confidential nature and acts accordingly. Failure to provide financial statements when requested by the SMO may result in termination of the TOS.

TSPs are required to provide SDDC annual financial updates from their financial statements that have either been audited or reviewed by a Certified Public Accountant (CPA).

ANNUAL REVIEW:

The SMO Program Manager reviews all NTS TOSs on an annual basis. When this occurs the NTS TSP is sent a request for information regarding their company. Continued performance and eligibility to receive new non-temporary storage lots depends on the returning and acceptance of this information by the SMO Program Manager.

UNUSUAL OCCURRENCES:

Check the TOS section on Unusual Occurrences (paragraph C-7d) for additional information and direction.

NTS TSPs must immediately report unusual occurrences, fires, floods, break-ins, etc., to the SMO and the ITO. In this, your attention is specifically invited to paragraph C-7d of the NTS TOS and the following guidelines:

A. The following procedures are designed to aid the NTS TSP and/or the employees in the event of an unusual occurrence (disaster/emergency/loss to non-temp storage or any non-temp facility or vehicle). The following is a list of unusual occurrences; however, you are advised that any unusual loss/damage involving non-temp storage should be treated as an unusual occurrence unless otherwise directed by the SMO.

B. Types of situations that are considered to be unusual occurrences:

1. Break-in or attempted break-in at the warehouse/office/truck or van.
2. An incident involving missing weapons.
3. Any incident involving missing items such as TVs, stereos, cameras, etc.
4. Lost lot within the warehouse.
5. Any incident involving water damage.
6. Structural failure to the warehouse/office.
7. Any fire/smoke incident inside/outside the warehouse/office/parking lot.
8. Insect or rodent infestation of the warehouse/office.
9. Dropped vault/collapsed rack.
10. Storms producing damage or potential damage to stored personal property.

C. Upon discovery of any of the above situations, the NTS TSP must comply with the NTS TOS Section C, C-7d and contact the SMO immediately and be prepared to answer the following questions:

1. NTS TSP's Name _____

Warehouse Address _____

2. Caller's Name _____

Title/Position _____

Telephone Number _____

3. Type Unusual Occurrence _____

Date _____ Time _____

Discovered by _____ Title/Position _____

Date _____ Time _____

4. Probable Cause _____

5. Number of lot affected _____ Weight _____

Number of lots in storage _____ Weight _____

6. Unusual occurrence reported to the Using Activity

Date _____ Time _____

Person Contacted _____

D. Unless otherwise directed by the Storage Program Manager (SMO), the items listed below must be provided in written form by the NTS TSP.

1. A written report within ten (10) working days (or as otherwise directed by the Regional Program Manager) of all known facts and events concerning the occurrence, in chronological order. This statement must include dates/times/places/names of all employees involved and all actions taken by management.

2. A written statement by each employee involved as to their complete knowledge of the situation and actions taken. The employee should sign this statement.

3. Complete list of lots involved, to include:

- Member's Name and Rank
- Social Security Account Number
- Service Order Number
- Weight of the lot

4. Documents that must be provided to the Storage Program Manager (SMO) are:
- Copy of the Original Inventory.
 - Rider or exception sheet showing damaged items by Inventory Number
 - Copy of the Original Service order placing lot in storage
 - Other documents as directed by the Regional Program Manager.

E. NTS TSPs shall telephonically notify the Storage Program Manager of an unusual occurrence immediately upon discovery.

OWNER DEFAULT:

When the owner of personal property, stored under a service order, owes the NTS TSP for such items as insurance, weight of personal property beyond the authorized weight allowance, or any proper charge not ordered by the Government, the NTS TSP is required to follow all applicable laws pertaining to the Service Members Civil Relief Act (SCRA). Only when the SCRA requirements are met may the TSP be entitled to apply the usual warehousemen's lien in compliance with Uniform Commercial Code and/or State laws.

COMPENSATION OF TOS:

The Government reserves the right to award the NTS TOS for transportation of any lot of personal property stored with a NTS TSP to any carrier the Government may select. The NTS TSP shall promptly, and in accordance with the direction of the appropriate Transportation Officer Representative, make lots available to the receiving carrier on a properly protected loading area of the NTS TSP in a condition satisfactory to be received by such carrier. The NTS TSP shall permit any such carrier to inventory and load property from its facility without any charge to the receiving carrier or the Government and will acknowledge the receiving carrier's exception sheet or rider, noting the damage and/or shortages.

In the event the carrier does not pick up the lot on the specified date, the NTS TSP shall notify the Transportation Officer Representative and continue to store, protect, and be responsible for the property. Appropriate compensation will be made for restoring the shipment, upon approval of the

Transportation Officer Representative. The Transportation Officer Representative will take action to annotate the Service Order for Personal Property (DD Form 1164), to require set-off action against the carrier on the applicable Government Bill of Lading by

the service's finance center for extra charges attributed to the carrier for not picking up the storage lot as scheduled.

When it is desired to remove all or part of a lot from the NTS TSP's warehouse, the NTS TSP may be unable to deliver some items to the carrier because of inability to locate them. In the event that the NTS TSP subsequently finds these items in the warehouse, the NTS TSP shall be responsible for all shipping charges (in excess of what it could have cost the Government had the item(s) moved with the main lot) from the storage facility to the Base, Installation, or home address where the military/civilian is located. The NTS TSP will be instructed to forward the items at their expense by a mode that will most nearly meet the owner's need. In the event the wrong lot or items are shipped/delivered, the NTS TSP will be responsible for shipping cost of returning the erroneous lot or items and delivering the correct lot or items. Compensation to the NTS TSP will not be over and above what it would have originally cost had the correct lot or items been delivered.

When the NTS TSP attempts to pickup at residence on the date specified on the DD Form 1164, and the member/member's representative is not available at residence, the NTS TSP, upon approval of the Transportation Officer Representative, shall be paid the drayage rate (Item 3, Schedule of Services and Rates for Personal Property) on a 500-pound shipment (minimum weight).

When the NTS TSP attempts delivery at residence on the date specified on the DD Form 1164, and the member is unable to accept the shipment at residence, and the NTS TSP returns the shipment to his warehouse, the NTS TSP, upon approval of the Transportation Officer Representative, shall be paid the delivery rate (Item 7, Schedule of Services and Rates for Personal Property) on actual weight, handling in rate (Item 4) and continued storage (Item 5).

CHAPTER III

QUALITY CONTROL

WAREHOUSE STANDARDS AND INSPECTIONS:

As a NTS TSP, you may assume that your warehouse and methods of operation met the minimum standards required for participation in the Non-Temporary Storage Program at the time the TOS was entered into. Whether it continues to meet the standards is another matter.

To assure that proper standards are maintained and specifications complied with, the SMO personnel will make periodic inspections, using the DD Form 1812, (reference DOD 4500.9-R, Appendix E). Because it is an inspection report, all warehouse personnel should be trained to assure that every entry would pass at the time of inspection. Within 30 minutes of the SMO/ITO inspector's arrival, TSPs are expected to provide access to the facility and review of any requested documents so the inspection may be completed.

The DD Form 1812, and its system of rating are simple in operation. The type of inspection and date are marked, as applicable. The NTS TSP/Carrier Agent is named and the address of each approved warehouse is listed by fire classification and number of lots and weight in place under the TOS are recorded. The TOS number and its present status are indicated. A check is made to determine if a current copy of the TOS is on file with the NTS TSP and made available to the employees.

There are five numbered examination sections on the DD Form 1812 that descriptively follows performance requirements of the TOS. The Pre and Post Storage Services items may be cited by ITO Quality Control personnel during a residence pickup or be cited by the SMO during the warehouse inspection.

The numbers assessed for a particular warehousing fault are: (1) meaning something minor; (2) as an intermediate, more serious matter; and (3) for serious concern. These will appear in the space provided for each item. For example: 3E, lots stored against exterior walls; an item or two within a lot touching the wall is deemed minor (1); whereas a whole lot touching the wall is intermediate serious (2); and more than one lot touching the wall is serious (3). This can be termed progressive gravity whereby any fault is given a response factor by the person making the review.

At the conclusion of a personal property warehousing inspection, the assessed individual fault numbers (demerits) are added together to produce a rating score. The report has four categories of ratings: **A for Zero demerits; B covering 1 to 8 demerits; C for 9 thru 16 demerits; and D with 17 or more demerits.** These categories are aligned for response action as noted in Block 6 of the report. A, B, and C are self-explanatory. D relates to a declared ineligible status interrupting the TOS in respect to additional new business. E is a continuation of a D rating when corrective action is not taken.

Jurisdiction to take a remedy action or interrupt the TOS is restricted to the SMO Program Manager. Action against the TSP SIT Tender of Service is the responsibility of the ITO. The SMO/ITO combination can share reports to effect a unanimous action when deemed appropriate.

The report and its method of use represent both numerical demerits and personal judgment. The factor of judgment can conditionally override the collective demerit score result. For example, inspection items with an asterisk (i.e. 2D, 3A, 3H, 3J, 3K, 3R, 4B, 4C, 4E, 4M, 4N, 5A, 5H, and 5I) present key risk matters where a citation can serve to interrupt the NTS TOS regardless of total demerit score. Inversely a collection of minor faults resulting in a score of 17 or more demerits can be amended by judgment to a priority attention matter in lieu of a NTS TOS interruption. Priority attention means a correction of the faults within a 10-day period.

Blocks appear for listing paperwork checked by lot number and lots examined in the warehouse. This does not serve to restrict the scope of the inspection for comments deemed necessary.

When required, the remarks blocks can be used for supplemental coverage of instructions. The NTS TSP is to respond to each line item wherein assessed points appear regarding corrective action taken, except for A and B ratings. In those cases, no response is required. Failure to respond within the prescribed time is due cause for additional remedial action and/or non-use/disqualification.

Distribution of the completed report puts the original with the preparing agency, SMO or ITO; duplicate center copy to NTS TSP, and last copy to either ITO or SMO.

The DD Form 1812, Warehouse Inspection Report, is a management tool for personal property warehousing. It must coincide with absolute communication between the parties to be effective in its end results.

Recommend management, daily, weekly, etc., use the DD Form 1812 to critique your facility to ensure your operation is in compliance with the terms and conditions of the NTS TOS.

One increasing violation of good storage practice is the tendency to accept more lots than can be received and properly stored in the three (3) working days allowed under C-7a of the NTS TOS. This brings about an unsafe operation that inevitably results in loss or damage. Because of this, the SMO has on occasion found it necessary to assist the NTS TSP to clear its docks and aisles, by removing it from the list of eligible NTS TSPs until the situation is remedied. NTS TSPs can prevent this by accepting only those lots that can be received and stored within the proper time.

Sections C-2e and C-7a of the NTS TOS address pickup and drayage requirements. One key item to remember is that the NTS TSP shall begin performance of handling-in services upon the arrival of the property at the warehouse. The NTS TSP has three (3) working days from the date of pickup to complete the remaining handling-in service.

NTS TSPs who find they are being offered more lots than they can properly handle should decline to accept some of them. If the warehouse is loaded close to capacity and likely to remain so for some time, notify the Using Activities (copy to SMO) to discontinue offering you new lots until further notice from you. This voluntary action will not penalize you in any way (Reference H-3b of the NTS TOS).

The failure of the SMO to inspect does not relieve the NTS TSP of their responsibility to properly carry out their obligations of the NTS TOS.

It is a violation of the NTS TOS to store Government personal property in any warehouse not listed in Provision C-7i of the NTS TOS.

LOCATOR SYSTEM:

Inventory control is an important part of personnel property warehousing, since stored items must ultimately be retrieved for release to owners.

The basis of effective control is an effective locator system. That sounds simple -- and it is simple. But sometimes its very simplicity generates carelessness, with all the attendant problems which lack of alertness brings. The relative seriousness is apparent in the fact that property cannot be returned to the owner if it cannot be found. It is also apparent that searching warehouses for missing property is an expensive matter of business.

The SMO and individual Installation Transportation Officer Representatives have a responsibility to ensure that NTS TSPs indeed provide the locator systems and lot identification required by C-6d of the NTS TOS.

To be effective, records of the locator systems must be duplicated, that is, lot identification information must be available in the warehouse as well as in the member/employee office jacket file. Should the locator system records be destroyed within the office, the duplicate remains functional within the warehouse, and vice versa.

A copy of the Locator sheet is to be in the member/employee office jacket file and a copy in either the warehouseman's files, if physically maintained in the warehouse, or on

each pallet in the warehouse. Each should reflect all pallets used by number and location and the full reading of segregated items and location. A segregated item tag is to be on all segregated items, filled out completely. In this manner, the item should never be lost, even if the location is changed and the change is not noted on the Locator Sheet. The resultant search is made far simpler when relocated segregated items are properly tagged.

STORAGE RELEASES:

The NTS TSP will receive a minimum of five days' advance notice of a lot to be released. Some difficulties have been reported where all items of a shipment coming out of NTS are not made available for pickup by the carrier from the storage warehouse. If a NTS TSP is unable to locate items in a lot the ITO shall notify the Storage Program Manager, who may withhold further business until such items are located or a thorough warehouse search is accomplished. When failure to make such items available is the storage NTS TSP's fault and when the items are later located, the NTS TSP will be instructed to forward the items at his expense by a mode that will most nearly meet the owner's need. The ITO will maintain close surveillance of NTS TSP's actions in order to assure the manner of shipment is in the best interest of the member. In cases where the NTS TSP fails to forward the shipment in accordance with the instructions of the ITO, he (the ITO) will move the shipment of the located items on a GBL by the mode necessary to most nearly meet the requirements of the owner. A demand in writing will then be placed upon the NTS TSP for payment of the excess charges of the two shipments over what would have been the Government's cost had all items been forwarded in the initial shipment. A copy of the demand will be provided the SMO. If a NTS TSP fails to remit the amount of the excess within the time specified by the ITO, the matter will be referred to the SMO Regional Program Manager for action under the TOS Provision H-5c. It is imperative that the releasing TSP coordinate with the gaining TSP to ensure timely removal of the shipment. Failure to accomplish this may result in an inconvenience to the service member.

STORAGE REQUIREMENTS FREQUENTLY NOT PERFORMED:

The TOS, Handling and Operating Requirements:

Paragraph C-4a (2), reads: "All nuts, bolts, and screws removed from personal property in preparation for drayage or storage shall be placed in a suitable bag, properly labeled and securely attached to the article from which removed. Component parts of a master item, removed for any reason, shall be securely wrapped into package form, identified as to contents, numbered and cross-referenced on the inventory to the master item from which removed."

Paragraph C-4b, Appliance Servicing, states in part: "When an appliance has been serviced at origin, such appliance shall be tagged, labeled, or clearly marked to indicate what must be done to replace the item in working condition at destination. In the event that servicing is not required as per manufacturer's recommendation, a tag or label shall be affixed to indicate, "No servicing required". Any and all servicing shall be the responsibility of the NTS TSP, whether such servicing is accomplished by the NTS TSP or by a servicing activity engaged by the NTS TSP."

Paragraph C-6a (3) states: "The member shall ensure that power driven equipment has been drained of all gasoline at residence. The NTS TSP shall tag or label to verify that no gasoline is present. The member, except for those lots identified as remaining in storage for less than one year, shall remove all batteries. However, whenever the battery remains in the piece of equipment the cables must be disconnected from the battery terminals and the cable ends must be taped.

Paragraph C-6c (7) requires that all personal property be stored on skids, dunnage, pallet bases, elevated platforms, or similar storage aids, maintaining a minimum two (2) inch clearance from the floor to the bottom portion of the stored property. This includes storage on mezzanines. Height of personal property properly stacked loose cannot exceed 10 feet. Also, personal property cannot be stored in contact with exterior walls. Trash cans, extension ladders, lawn mowers, TV antennas, swing sets and other like items are excluded from these requirements. The applicable clearance distance should be set to prevent any transfer of moisture from the wall to the personal property and satisfy the local Fire Department requirements for hose stream input in case of fire.

LIABILITY FOR CARE OF PROPERTY H-6c:

This provision requires that military household goods be stored only in warehouses that have been approved by the SMO. NTS TSPs should not use a building not previously approved on the supposition that it will be approved. Such an action could result in an order to remove all the military lots to an approved warehouse at the NTS TSP's expense.

CONTRACTING H-9:

Prohibits the NTS TSP from sub-contracting with another company to perform services under their TOS without the prior written consent of the SMO Program Manager.

REQUIREMENTS FOR SERVICE:

The following synopsis of requirements is an extract of the TOS for Non-Temp Storage instructing the work crew through inventory preparation, packing and picking-up

of a storage lot. It should be made available to all personnel and especially a new hire and part time personnel to assure minimum proper NTS TOS performance. Topics are underlined, followed by the required specifications for accomplishment. This needs to be with the employees at the job site, as well as at warehouse and offices.

Paperwork needed - Inventory and Warehouse Receipt, heading blocks completed (Owner's name, social security number, rank, NTS Tender Of Service Number, rate modification number, service order number, pick up address, lot number, and any special instructions), rustproof wire tags or equal with minimum information completed (owner's name, lot number, and piece number), item stickers with lot number, appliance servicing tags and packing materials lists. All paperwork being sent to the Transportation Office is due within seven (7) working days.

Vehicle - Clean, good condition, with adequate packing materials, pads, tarps, and handling equipment, chains, dollies, hand truck and straps.

Weight - Use a certified scale nearest origin of shipment, pads and handling equipment on the truck/trailer, put service order number, name and rank of member on weight ticket, get weigh master signature. NTS TSP may substitute a certified platform scale to obtain net weight.

Inventories - Use page numbers. Use inclusive item numbers. No ditto marks. No PBO. Show condition and contents on each item; also make, model and serial number on appliances plus gage & caliber on guns, where applicable. For upholstered pieces, rugs and pads show type, style, color or pattern and size. Parts to any master item will be wrapped into package form, numbered and entered by cross-reference. Declared articles of extraordinary or high value items shall be individually inventoried and packed separately upon prior approval by the Transportation Officer Representative.

Cartons - New or sound condition, adequate for specific use, dry and clean. New cartons must be used for mattresses, box springs, linens, bedding and clothing. On cartons with 200 pound bursting strength, width and depth will not exceed 75 inches or 65 pound load. On cartons with 350 pound bursting strength the load is limited to 120 pounds, and not exceeding 157 inches combined measurements. Cartons need to withstand and provide normal transport and storage. **Sealed, caution marked, (TOP, THIS END UP, FRAGILE) as needed.** Previous identifying markers should be obliterated or removed on used cartons.

Packing Books - Packed in cartons or boxes. Pads of solid or corrugated fiberboard inserted between rows, wedge with pads of paper. Vertical inset cushions are to be used between rows, two high only.

Packing Chinaware, Glassware, Kitchenware - Dish pack, cell or wrap, in tiers, heaviest items on bottom, flatware on edge, stemware bottom side up. Containers shall be a minimum of five cubic feet, shall contain no more than 120 pounds and have a sidewall bursting strength of 350 pounds.

Packing Linen, Clothing, Draperies and the Like - Closet bags are unauthorized. Items are to be placed in **new** cartons and completely sealed at the residence. Flat wardrobe cartons will be used for clothing. **Remove hangers**. The use of upright wardrobes, with hangers, requires prior authorization by the Transportation Officer Representative. Remove all items from drawers except "overseas later" lots where lightweight non-breakable items are allowed.

Packing Mirrors, Pictures, Paintings, Glass or Marble Tops - Wrapped and cushioned into container or a crate made for the purpose, not to exceed four to any one container (glass or mirror pack). Marble tops are to be packed separately. All marble pieces are to be stored on edge. Small units may be packed and cushioned into cartons and sealed.

Packing Lampshades, Ornaments, Toys, Etc. - Items easily crushed will be wrapped and placed in cartons, cushioned from carton walls and other items. **Cartons shall be marked FRAGILE**. Lampshades require individual wrapping with clean paper plus the cushioning to prevent shifting and damage.

Packing Silverware, Silver Pieces and Brass Ornaments - Each item is to be wrapped with "non-tarnish" tissue paper (pitchers, bowls, forks, knives, spoons, etc.), and placed in a carton with cushioning to protect the items. Salt will be emptied from any items prior to packing.

Handling Firearms - Each firearm will be individually inventoried as a single line item, showing make, model and serial number, caliber or gauge, wrapped, padded and placed within the center of the stack or pallet for storage. Hand Guns will be wrapped and packed in cartons and so annotated on the inventory. According to the most recent Federal Law, cartons containing weapons **WILL NOT HAVE THAT FACT INDICATED ON THE CARTON ITSELF**. For instance, "Books, papers, pistol – CP" is not acceptable. The location of the weapon will be indicated on the inventory next to the size of the carton and as part of the general contents including the required specific information relating to the weapon noted above.

As a means of verifying that the firearm(s) were placed into storage in accordance with the TOS and DTR, a company official shall verify by sight that the firearm(s) were received at the warehouse and placed in storage. The official shall submit written certification to the local Personal Property Shipping Office listing the firearm(s) by make, model and serial number within 72 hours of shipment arriving at the warehouse indicating the firearm(s) were received at the warehouse and placed into storage, and maintain written certification of such in the member's folder.

Electrical or Electronic Equipment - Such equipment shall be completely wrapped and packed in a carton with padding to prevent contact with another article and to eliminate movement within the carton.

Mattresses - All mattresses and box springs except hide-a-beds and sofa beds must be placed in proper sized cartons and completely sealed at the residence. All cartons must be new, with 200 pound bursting strength, including any improvised to fit odd size or shape mattresses. Foam rubber and cotton mattresses are to be stored horizontally. Mattresses in NTS are not allowed to be stored in plastic bags.

Upholstered Pieces - Should be handled carefully, right side up, padded at the residence, with cushions in place, and placed on racks on their legs and covered at the warehouse. Appropriate insecticide applied to defend pieces from any contamination. Hide-a-bed and sofa bed mattresses are stored with piece. Rustproof wire tags or equal affixed, showing the owner's name, item number and lot number to identify the piece. Place the tag on a leg or similar firm position, not damaging the piece, while at the residence. All upholstered pieces are to be elevated two (2) inches from decking, mezzanine or floor.

Rugs, Pads, and Carpets or Equivalent - Rustproof wire tags, or equal, placed on the rug at the residence and later on the outside of the wrapping, showing the owner's name, item number, and lot number. Appropriate insecticide used at the warehouse to protect the rug, pad or carpet, which, when wrapped in 60 pound Kraft paper will be stored flat on racks (not more than two (2) high) or in special tubes, elevated a minimum of two (2) inches from the floor.

Phonograph Records, Tapes, Video Cassettes, Computer Diskettes and Compact Disks - Packed and stored vertically with cushioning and tier separators to minimize movement and pressure.

Items with Finished Surfaces, Wood or Metal - All items not packed must be protected by pads and wrapping at the residence and at the warehouse.

Nuts, Bolts and Screws - Placed in a bag, properly marked and secured to the master item. Component legs or other major parts removed, numbered and entered on the inventory by cross-reference.

Appliances - Will be serviced when necessary, for safe transportation and storage and a label attached and marked as "SERVICED". Otherwise labeled as "NOT SERVICED". Nothing will be packed therein. Tape applied at the residence to secure doors or lids will be removed prior to storage.

Lawnmowers – Lawnmowers and other gas engine items will be drained of gas at the residence and label applied accordingly, also rust proof wire bound tag or equal, applied with owner's

name, lot number, and piece number. Lawnmowers must be stored in the base of the lot or in a separate area.

Marking of Items - All items require a tag, tape or written marking the same as the line entry on the inventory. No markings or tapes will be made or placed on front finished surfaces. Each item must bear its lot number. Cartons will be marked as needed to define the contents (GLASS, FRAGILE, UP, etc.) and member's name. Contents of the cartons are marked on the outside in general terms.

Articles of Extraordinary Value - Request instructions from the I.T.O.

Owner Packed Property - Open all such containers to verify proper packing and that the contents can be placed into storage and that the container is acceptable. Replace carton or repack as required and annotate inventory as carrier packed. (CP). Unauthorized items for storage will not be picked up. Locked containers will be opened and examined as stated herein, or rejected for pickup. If the member refuses to permit inspection, the NTS TSP shall request instructions from the Transportation Officer Representative.

Totes - If items are packed by the member in plastic or similar type containers, the NTS TSP may pack these containers in an approved carton, if a carton is available that will accommodate the container. If the plastic container cannot be packed in an approved carton, the NTS TSP will empty and pack the contents into an appropriate, approved carton; then the empty plastic container will be wrapped in pads for protection.

Motorcycles - To be drained of gas. Oil remains in engine. Gas tank, carburetor, control cables lubed. Drain radiator. Disconnect battery. Put cap on positive terminal. (Remove battery for long-term storage). Key goes to NTS TSP and is to be kept in the shipment file. Key is to be kept in member's file. Key is returned in bag fastened to handlebar by rust proof wire or equivalent. Motorcycle remains in upright position with nothing touching or pressing on it. Requires full cover. Servicing as indicated above is member's responsibility prior to acceptance by NTS TSP.

Items not Acceptable for Storage - Cell batteries, plants, fruits, food and liquid items, explosives and flammables (matches, cleaning fluid, gasoline, oil, flash bulbs, fireworks, flints, acids, chemicals, gun powder, ammo caps, loaded ammo, aerosol cans, etc.).

Personnel - Treat all items as if they were yours and the owner as if he were you. Should a problem arise, call both your company and the Installation Transportation Officer (ITO) for assistance.

Security - Vans are to be secured by padlock or surface key lock. Shipments are not to be left on trucks in an unsecured area. No Smoking while at the residence, loading or unloading truck, nor in the warehouse. Warehouse aisles not to be used to process lots in or out.

Boats - Boats on trailers will be stored on the trailer. Small boats not on trailers can be stored in racks or a separate area in such a manner so as to prevent damage. All items not permanently affixed to the boat shall be removed and packed to include inventorying and tagging as appropriate. Member is obligated to, and NTS TSP shall, ensure that gas tanks are empty and the batteries removed (except batteries in boats stored for 1 year or less may remain, provided the cables have been disconnected and ends taped). The member shall remove the drain plug and if not permanently attached to the boat, it shall be placed in a cloth bag or equivalent and tied to the boat. Identification will be in compliance with provision C-6d (3).

CHAPTER IV

FIRE PROTECTION AND SECURITY STANDARDS

A far-reaching warehouse fire prevention program, fostered and developed by USTRANSCOM SMO and the warehousing industry over a period of years, has kept the number of fires down.

Warehouse Classification Standards:

Minimum fire protection standards are based on fire protection systems, fire insurance rates, and other factors. Warehouses, which do not meet these minimum standards, will not be approved for participation in the program.

	Limitation (pounds)
Class 1 Fully automatic supervised sprinkler system (SSP)	1,500,000
Class 2 Fully automatic unsupervised sprinkler system (USP)	1,000,000
Class 3 Supervised detection and reporting system (D & R)	600,000

Note: Fire protection systems will meet the requirement for insurance rate credit by the recognized fire insurance rating organization (ISO). Written evidence of the recognition of the installed fire protection system shall be obtained by the NTS TSP/agent from the cognizant fire insurance rating organization (ISO) through the NTS TSP's/agents insurance company. Periodic inspection by the SMO will verify that the warehouseman is having the system properly maintained.

All classes of warehouses will have an adequate source of water for firefighting purposes and a responsive fire department. Adequacy of the water supply and fire department will be based upon statements by the appropriate fire insurance rating organization, municipal fire department, or local authority having jurisdiction. Weight limitation pertains to a warehouse or a fire separation thereof.

Fire Prevention Measures:

Properly managed fire prevention programs can be the strongest asset for the sound personal property warehouse operation. The following standards referenced in the NTS TOS, C-7e and C-6c are considered minimum requirements to assure reasonable protection and prevention of a serious warehouse fire; however, the following is recommended:

Employees are "key" in any fire prevention - security program. They should be instructed in all aspects of fire prevention/security throughout the warehouse operation. Management personnel, however, must supervise and "lead" in order for any such program to be totally successful.

Procedures in the event of a fire should be well known by all employees and a fire fighting/evacuation plan should be clearly written and prominently displayed. An annual inspection by fire department personnel is recommended to insure compliance with local fire codes.

Smoking is prohibited during all phases of the storage program. This includes while working inside the warehouse, on dock areas and loading/unloading vans, etc. Employees must be diligent in observing and enforcing this restriction. This prohibition includes the use of electronic cigarettes.

"No Smoking" signs will be conspicuously displayed near all entrances to the warehouse, around dock areas, inside all vans and throughout the warehouse itself.

Designate exactly where smoking will be allowed. This approved area will be furnished so as to minimize the ever-present risk of fire.

This entails:

1. Adequate number of container type ashtrays and/or sand buckets in place.
2. Metal container type waste receptacles, with metal lids, for use and collection of all smoking materials.
3. The warehouse must also be checked daily for security and fire violations prior to closing.

4. Check the warehouse frequently (back aisles, corners, crating areas and near dock areas) for evidence of smoking and/or any types of fire hazard.
5. Metal trashcans with metal lids are required for trash disposal. DO NOT allow trash/debris to accumulate inside or outside the warehouse.
6. Use of any flammable liquids (including paint) inside the warehouse is prohibited.
 - A small quantity of operational paint/thinner is allowed within an approved warehouse provided it is stored within a fire safe metal cabinet away from ignition sources.
 - Liquefied petroleum (propane, butane, ethane, ethylene, propylene, etc.) cannot be stored in the warehouse.
7. Gas must be drained from all motorized items and such items tagged accordingly.
8. Hazardous items/materials will not be stored within lots, spray cans, ammunition, gunpowder, primer caps, paint, etc.
9. Recharging of batteries in the warehouse is prohibited during non-business hours, and without adequate ventilation to disperse the explosive gases generated.
10. Oil fired space heaters, “salamanders”, are not permitted inside the warehouse.
11. Use of any U. L. approved portable electric heater increases fire risk and must be closely monitored.
12. Extension cords/trouble lights will not be used in lieu of permanently approved wiring. “U. L.” 3 wire approved extension cords can be used with hand operated power equipment (drills, saws, etc.), but must be unplugged when not in use.
13. Electric/heat/water systems must be maintained in good repair and inspected on a regular basis.
14. Insure fire detection and sprinkler systems are maintained in proper working order.
15. Do not place any obstructions within 18 inches of the sprinkler heads. Adequate aisle must be maintained for access to sprinkler controls.
16. Fire extinguishers are required on all warehouse handling equipment - fully charged and readily accessible. Extinguishers should be of the proper type and quality, highly visible, readily accessible and in proper operating condition. Extinguishers must be

inspected and tested on a yearly basis. All NTS TSP personnel should be trained in the proper use of the fire extinguishers.

17. Adequate main aisles (generally not less than 8 feet) and cross aisles are necessary to provide means of egress and manual fire fighting - keep all aisles free of storage and other materials which could restrict free movement.

18. Parking of gasoline and electrical powered material handling equipment should not be permitted inside the warehouse unless suitable non-hazardous locations, readily accessible to a building exit, are used and such location does not conflict with other local applicable fire regulations.

19. Not less than 5-foot clearances should be maintained between parked equipment (forklifts, etc.) and any combustible material. Aisles and exits for immediate removal of equipment in case of emergency should be kept clear at all times.

20. Parking of gasoline and electrical material handling equipment, trucks, tractors, trailers, and vans, and storage of packing material, pallets, containers, and other combustible material on or near the loading docks, under awnings, canopies, or within 20 feet of the warehouse is not permitted during non-business hours.

21. Parking areas and driveways approaching the warehouse must be maintained to allow easy access by fire fighting personnel.

22. In the event of fire, smoke, or associated water damage to stored Government personal property, the NTS TSP must follow directives set forth in the TOS and Part II of this handbook.

23. Location of portable fire extinguishers within the warehouses must be clearly visible, with elevated signs. All fire extinguishers must be properly mounted. Extinguishers must be inspected and tested on a yearly basis.

24. Tires are classified by the National Fire Protection Agency as a "special hazard". Therefore, no more than 6 tires may be stacked together and groups of tires must be adequately separated to help minimize combustion.

25. Containers (vaults) that have been packed by customers without inspection or inventory by the Transportation Service Provider (TSP) so as to ensure that hazardous materials, (as identified by the Defense Transportation Regulation (DTR) 4500.9, Part IV, Appendix I), are not present, shall not be stored within facilities approved under this Tender of Service. TSPs will document their inspection, with a date, signature and shipment information. This information will be available for RSMO review to ensure compliance.

DEFINITIONS APPLICABLE TO FIRE PREVENTION STANDARDS

Fully Automatic Supervised Sprinkler System (SSP):

One which, in the event of a fire, will be set in operation without direct or indirect action on the part of anyone. Upon being set in operation, an alarm will sound at a central point which is manned 24 hours a day. Such a point could be an ADT office, or the local fire or police station. An alarm sounding at a home, or watchman station, or a system that merely sounds an alarm mounted outside the warehouse, does not qualify as being supervised. In addition, the sprinkler system requires a sprinkler inspection (utilizing NFPA 25 guidance) performed by a licensed contractor on a quarterly basis, within a 90-day period. The alarm part of the system requires an inspection by a licensed contractor on a monthly basis within a 30-day period. Not all sprinkler companies are licensed to provide alarm inspections and visa versa.

Fully Automatic Un-Supervised Sprinkler System (USP):

One which, in the event of a fire, will be set in operation without direct or indirect action on the part of anyone, but which will not sound an alarm at a central point. Automatic Sprinkler Systems (UnSupervised) are required to be inspected by a licensed contractor on a quarterly basis, within a 90-day period.

Supervised Fire Detection and Reporting System (D&R):

A fire detection system working on a smoke or temperature rise principle which is activated automatically and which sounds an alarm at a central point manned 24 hours a day and recognized by the ISO or fire rating agency. Fire Detection and Reporting Systems require inspection of electronic monitor by a licensed contractor monthly, within a 30-day period.

Fire Area:

An area in which Government personal property is stored. The key to this entire set of standards is the weight limitation applied to each fire area. Thus, it is important that each NTS TSP fully understands the meaning of the term as it applies to his operation. Below are several examples of fire areas.

To attempt to describe all probable types is impracticable. If these examples leave you in doubt as to your warehouse, feel free to contact the SMO for a ruling.

* A one story building, regardless of type of construction or size, with but one general storage area, is a single fire area.

* In a one-story building, regardless of type of construction, with a standard firewall dividing the general storage area into two or more parts, each such part is a separate fire area. A standard firewall can be constructed of masonry brick or cement block or studs and fire rated gypsum board taped and sealed depending on the fire resistance rating desired. Firewalls cannot have breaks or openings in them.

* In an all masonry building, with multiple floors, the entire building is one fire area.

When in doubt as to the fire areas in your building, ask yourself the following question: "Is it probable that a fire in any part of my warehouse will be contained in the same area for one hour because of the construction of the building?"

Weight Limitation Per Fire Area:

At no time shall the total weight stored exceed the weight limit in pounds indicated for each location. In order to ensure that limits indicated for each location are not exceeded, a record will be maintained for each location reflecting the number of lots and total weight of lots stored by the Government under this NTS Tender of Service.

These standards were established to limit the exposure, and therefore the monetary loss to military lots in public storage, in the event of fire.

The SMO maintains controls over the amount and weight of military personal property stored in a warehouse or fire area. However, this will not relieve the NTS TSP from his/her responsibility to limit the Government weight stored in fire areas to that shown in chapter IV of this Handbook.

Multiple Occupancies:

Multiple occupancy of a warehouse exists when there is no one-hour rated solid wall used to separate a NTS TSP from another activity within the warehouse. By simple definition, it is two or more firms occupying the same four walls of a warehouse without fire separation. This is construed as an uninsurable risk. Up to a 4 hour fire separation wall may be required if the joint occupant is involved with hazardous operations.

The Following Examples Require a Solid Wall Separation:

A. Carrier/Agency and Carrier/Agency (SIT)

ABC Mov Co
Carrier/Agent

DEF Mov Co
Carrier/Agent (SIT)

SOLID WALL REQUIRED

B. NTS TSP and carrier/agent that are separate companies.

GHI Whse &
NTS TSP

JKL Mov Co
Carrier/Agent

SOLID WALL REQUIRED

C. NTS TSP who is also a Carrier/Agent and another Carrier/Agent.

NOP Mov & Whse Co
NTS TSP &
Carrier/Agent

KIM Mov Co
Carrier Agent

___ SOLID WALL REQUIRED

D. NTS TSP and NTS TSP Carrier/Agent.

ORS Whse & Tfr Co
NTS TSP

TUV Whse Co
NTS TSP &
Carrier/Agent

___ SOLID WALL REQUIRED

E. NTS TSP and Carrier/Agent and other leased space not under exclusive control of NTS

TSP

WXY Whse & Tfr Co
NTS TSP &
Carrier/Agent

Space leased to
E-Z Comm Co.

____ SOLID WALL REQUIRED

F. Carrier/Agent and other leased space not under exclusive control of Carrier/Agent.

ARF Moving Co
Carrier/Agent

Space Leased to
BOX Match Co.

____ SOLID WALL REQUIRED

G. NTS TSP and NTS TSP.

ABE Whse
NTS TSP

BCD Whse
NTS TSP

____ SOLID WALL
REQUIRED

H. NTS TSP and other leased space not under the exclusive control of the NTS TSP

—
to ABG Whse
NTS TSP

Space leased
TOW Mfg Co.

____ SOLID WALL REQUIRED

The Following Examples DO NOT Require a Solid Wall Separation:

A. NTS TSP/Carrier Agent, Same Company

B. NTS TSP who also provides Storage of other types but retains exclusive control of all areas.

C. Carrier/Agent Company who also provides Storage of other types but retains exclusive control of all areas.

It is important to note that adequate protection against the hazards of other functions is always required.

The solid wall has been defined as a closed structure reaching from wall to wall without openings or apertures, and extending from floor to roof, except that sufficient space may be allowed to permit the operations of a central controlled fire detection and sprinkler system. As a minimum, construction must be of not less than 2" x 4" framing, (wood or metal studs) on no greater than 16 inch centers, fire stopped, covered solidly on both sides with not less than 5/8-inch thick sheetrock, type "x" gypsum board (taped and sealed), or other similar fire resistant materials, providing for permanent type construction. Existing walls or construction of walls exceeding these requirements are acceptable for both Storage-in-Transit and the NTS Tender of Service storage facilities.

The "one-hour" fire resistant certification will be obtained from the responsible state insurance services office or state/local fire authority.

Volume 1, Chapter 2, of the Nineteenth Edition of the National Fire Protection Association Handbook applies to fire safety in building design and construction. Fire resistance periods and fire resistance rating are based on the results of tests made IAW the NFPA No. 251, Methods of Tests of Fire Endurance of Building Construction and Materials.

Security Measures:

Considering security, NTS TSPs must be alert to three common risks, unlawful entry, pilferage and vandalism. Distinction must be maintained between the various types of thievery, since a system that prevents one, may be ineffective against the other.

A mass theft usually involves successful defeat of an electronic protection system; however, such theft may be deterred in several ways.

It is recommended that lights and locked fenced areas be used to supplement all other measures.

Access walk-in doors, warehouse doors and warehouse windows that may be subject to entry by simply breaking the glass, therein, require additional protective measures. It is required that heavy gauge security metal mesh be placed on the interior sides to precluded any simple entry. Bars or other hardware can also be used. Installation of a burglar alarm

monitored by a central station to protect these openings negates the requirement for wire or bars.

Lockup systems for the warehouse will be of a type that is defended from breach by applied bar leverage or cutting tool. All doors require double locking mechanisms, as a minimum, with padlocks inserted in the lock bar or track of overhead doors. Electric controlled overhead doors; metal pins or snap fasteners are not recognized as second locks on doors. Burglar alarm systems are acceptable as a second security locking system when approved by the Storage Program Manager and inspected on a bi-annual basis by an independent licensed contractor. Any door from the administrative office to the warehouse should be solid core and secured with a double lock system. Warehouse doors will be kept closed when not in use. All doors mentioned, must have security hinges or the hinges must be modified to prevent the removal of the hinge pins.

Doors on vans should be secured with heavy duty reinforced padlocks or surface key locks. Vans will be kept within locked, fenced areas whenever possible. Goods will be off-loaded from vans at the first available opportunity, preferably the same day as pick up.

Firearms must be listed on the inventory by make, model, serial number and caliber or gauge according to clause C-5b. The weapons must be stored within the bulk of the lot. It is the obligation of the NTS TSP to immediately report any theft or loss to the SMO via the quickest means of communication.

Security Preparedness:

Security preparedness covers a wide range of subjects, from the prevention of simple break-ins to protection from common weather elements. A responsible employee should accomplish the following inspection "checklist" on a daily basis. Review by management personnel on a weekly or bi-weekly schedule is strongly recommended.

DAILY SECURITY AND MAINTENANCE CHECKLIST

Exterior Checks:

- Check outside Security - Security fences, exterior lighting, windows and doors. Maintain all electronic security systems in proper working order.
- Check warehouse for deterioration, including walls, doors, windows and roof areas.
- Dock area should be neat, clean, and free from congestion.

- Trucks are not to be parked within 20 feet of the warehouse at the close of business. They can provide easy access to roof areas and upper floor windows and block access to the warehouse, in addition to the obvious fire hazard.
- Insure all exterior locks are in place and functioning properly.
- Check that the alarm system is activated prior to departure at night.
- Constantly examine the entire outside of the warehouse for possible ways a burglar or arsonist may attack - then take steps to defend against such an attack.
- Check all van doors for security/intrusion.
- Check doors for tight fitting weather stripping and no physical damage.
- Possible water leaks - water stains around skylights, air vents, support beams, and ceiling. Water puddles on pallets or warehouse floors are positive indications of water leaks and must be dealt with immediately. (See Part III)
- Insure aisles are clear and exit doors are not blocked unless approved by the fire department and so marked. In addition to the daily checklist, management personnel should be aware of and accomplish the following:
 - Counsel all employees on the importance of total warehouse security.
 - Trucks and vans should be kept locked with heavy-duty padlocks at all times.
 - All warehouse doors should be closed when not in use.
- Control of keys is extremely important. Locks are of little value if keys are not kept in a secure area.
 - “Double locking systems are required” on all warehouse doors to deter simple entry by applied bar leverage or cutting tool. Padlocks placed in the overhead door track are acceptable as a second lock.
 - Hinges on personnel doors should not be exposed to the outside unless they are burglar- proof. - The office door leading to the warehouse should be solid core wood or metal with double locks to prevent entry from the office to the warehouse.
 - Windows and glass doors should be fitted with interior grid of heavy metal mesh (chain link fence quality) to prevent simple entry, or burglar alarmed.
 - Insure all storage is elevated minimum of two inches from the floor.
 - Periodic lock changes are an excellent means to increase warehouse security.
 - Seek local law enforcement agency assistance and recommendations to supplement your own analysis and efforts.
 - Insurance agents can be a valuable source of crime prevention information. Most agents are more than willing to inspect facilities for weak security/fire prevention area.
 - Burglar alarm systems are always recommended.

- Transient personnel in the warehouse must be positively controlled and escorted at all times.