

APPENDIX E

WAREHOUSE INSPECTION GUIDE AND INSTRUCTIONS FOR PREPARATION OF THE WAREHOUSE INSPECTION REPORT (DD FORM 1812)

A. GENERAL

This appendix provides information and guidance regarding the on-site inspection of commercial warehouses approved for the storage of the Department of Defense (DoD) personal property shipments. This information supplements the criteria outlined in Appendix D, Pre-award Survey Guidelines, and will be used as a checklist when performing quarterly, semiannual, and other routine warehouse inspections. Activities located outside the Continental United States (CONUS), excluding Alaska and Hawaii, may deviate from the procedures outlined herein when the theater commander or other designated authority has established warehouse/facility standards to comply with localized practices, trade, and customs.

1. The DD Form 1812, Warehouse Inspection Report, [Figure E-1](#), is to be utilized when performing warehouse inspections. Modern warehousing and storage facilities incorporate various techniques and methods to provide the storage and related services under the applicable Tender of Service (TOS) or Defense Personal Property Program (DP3) Business Rules. The inspecting official will evaluate numerous areas to ensure that the warehouse complies with all requirements and all stored property is afforded adequate levels of protection in a safe environment. Each warehouse inspection will be preplanned to achieve maximum results. During the pre-trip planning, the inspection official will review previous inspection findings, reports on service failures, customer complaints, claim letters, and other general information. These and related areas can be discussed with a management official of the company during or after the inspection process.

B. GENERAL INSPECTION PROCEDURES

A technique to be followed during on-site inspections is outlined below.

1. On approach to the warehouse, note general activity, status of yard operations, and evidence of security measures.
2. At the warehouse, contact a management official, advise them of the purpose of visit, and set forth procedures of the inspection.
3. As a minimum, the inspection and evaluation process will include a review of the following areas:
 - a. Fire detection and reporting systems
 - b. Security systems
 - c. Structural and electrical systems
 - d. Storage methods and practices
 - e. Locator and lot identification systems
 - f. Documents to include household goods descriptive inventories, weight tickets, and warehouse receipt.

C. SPECIFIC INSPECTION AREAS

During the inspection process, it is recommended that the inspection official:

1. Open a selected storage lot to observe packaging, marking and stacking methods.
2. Check locator system accuracy by randomly selecting storage lots and crosschecking the information contained in the locator system with the actual location of the property in the warehouse.
3. Review segregated item storage practices for articles such as rugs, sofas, and pianos, if stored in a separate warehouse area.
4. Circle outside of the warehouse doing checks for fire hazards and security conditions. Combustible materials stored outside will be kept a minimum of 20 feet from the building. Due to the proximity of adjoining buildings, property lines and similar circumstances, this may not be practicable in all areas. Therefore, the inspector will exercise sound judgment in applying this standard.
5. Observe worker activity to include operations associated with the handling in and out of shipments.
6. Check truck and platform scales to ensure they have been inspected in accordance with state, county, or city/country codes.
7. Check to verify that maintenance inspections of fire safety systems are performed. As a minimum, fire detection and reporting systems will be inspected by a professional company monthly and sprinkler systems quarterly.
8. Check to verify that an insect and rodent control program, either self-administered or provided by an outside firm, is in effect with a monthly log available for review.

D. INSPECTION OF A WAREHOUSE AND EQUIPMENT

1. Initial Approval of Warehouses. The Storage Management Office (SMO) and Transportation Office (TO) (Outside Continental United States [OCONUS only]) inspects and approves or disapproves warehouse storage facilities. Only warehouses that meet the standards described in this regulation are considered for acceptance. Upon completion of the inspection, the storage provider must be notified in writing whether the facility is approved or disapproved.
2. Overseas. For warehouse facilities located OCONUS (excluding Alaska and Hawaii), the TO must conduct a pre-award inspection of the facilities and equipment using the pre-award guidelines outlined in Appendix D.
3. Periodic Inspections. The SMO or TO (OCONUS) or their representative must inspect warehouse facilities at least once every six months following the initial pre-award inspection. Additional inspections may be conducted by SMO/TO when in the best interest of the government and/or to ensure protection of DoD personal property in storage. If the warehouse facility historical record indicates a total volume of 25 or less shipments annually, and the facility has been awarded a “B” or better, annual inspections may be performed. When deficiencies are reported and action is warranted, the SMO or TO (OCONUS only) may place the facility in a non-use status. The SMO will notify the responsible TO when such action is taken. The TO must notify the responsible SMO when warehouse deficiencies are identified during periodic warehouse inspections.

E. INSPECTION REPORT

Upon completion of the inspection, a DD Form 1812 will be executed pursuant to the instructions below. The warehouse/storage provider will also be given an oral briefing on the deficiencies noted and a suggested course of action for correction that will meet standards.

F. INSTRUCTIONS FOR PREPARATION OF THE DD 1812

A written report of all inspections will be made on a DD Form 1812 and maintained as part of the warehouse facility file. The DD Form 1812 will be prepared as indicated:

1. The type of inspection will reflect the inspection being performed: Storage-In-Transit (SIT), Non-temporary Storage (NTS) or both. The Personal Property Shipping Office (PPSO) will check the “TO” block when independent inspections are performed, whereas the SMO inspectors will check the “SMO” block. For joint inspections (TO/SMO), the first block indicating both NTS and SIT will be checked.
2. The actual date on which the inspection is performed will be entered.
3. The name and address of the warehouse storage provider will reflect the present name and address of the company operating the facility.
4. The address of the actual location of the warehouse.
 - a. The block for the fire system/class will be checked as applicable.
 - b. The total number of DoD NTS shipments will be annotated separately from any SIT shipment totals. For NTS warehouses, the total NTS weight in storage will be used for the SMO to verify the NTS TSP maintains adequate warehouseman’s legal liability insurance and to insure the NTS TSP has not exceeded their maximum weight allowance allowed for their approved fire system.
5. The NTS TOS reference number applies only to SMO inspections where the TSP has been awarded a NTS TOS. If the inspection is for SIT, this block may be left blank or annotated “SIT ONLY”.
6. The current status of the warehouse will be checked.
7. Section 7 “Tender of Service on File”
8. Section 8: Pre- and Post-Storage Services. All deficiencies and violations listed in this section will be based on inspections by the TO or SMO inspecting official in connection with pre- and post-storage services.
9. Sections 9 through 12: These sections separate the inspection areas by categories and subcategories, which are to be evaluated during the inspection process. References will be made to the applicable DP3 Business Rules and numerical Quality Control Point Ratings ([Table E-1](#)). All subcategories listed will be checked and assigned a quality control point rating when deficiencies are observed. For subcategories which do not have a cross-reference to the DP3 Business Rules, commercial warehousing principles as established by the American Warehousing Association, National Fire Protection Association, and/or similar authorities will be utilized. The inspecting official may assign a lower or higher point value (not to exceed three) depending on the severity of the deficiency.
10. Section 13: Deficiencies Observed/Actions Taken. This section is for the assignment of a quality control rating and is designed for the inspecting official to apply a suitable numerical rating to the facility. Based on the findings noted, the inspecting official may indicate any necessary actions to be taken by the warehouse storage provider.

11. Section 14: Document Files Checked. This section is used to list warehouse and/or shipment documents reviewed during the course of the inspection.
12. Section 15: Lot Numbers Checked. This section is used to identify specific shipment lots inspected which attributed to the inspection results.
13. Sections 16 and 17: Signature Blocks. The DD Form 1812 will be signed by the inspecting official and a representative of the warehouse storage provider at the time of inspection and prior to distribution of the form.
14. Section 18: Remarks Section. This section is used to provide a narrative description of the deficiencies observed and record other information relative to the inspection.

G. INSPECTION RATINGS AND RESULTS

1. Upon completion of the inspection process, the warehouse will be rated in Section 13 based on the type and severity of discrepancies observed. Ratings will be awarded as follows:
2. “A” rating. This rating is assigned when no deficiencies are observed. No further action is necessary.
3. “B” rating. This rating is assigned when the observed deficiencies are minor and are easily correctable. The warehouse storage provider will be requested to perform immediate corrective action.
4. “C” rating. This rating is assigned when deficiencies are observed; however, they do not warrant declaring the storage provider in a non-use status for further business. The storage provider will be required to provide a written detailed report of corrective action taken, signed by a company official, within 10 days after the inspection, unless additional time is authorized by the SMO/TO to ensure an adequate response. The warehouse facility will be closely monitored by both the SMO and TO for any future signs of deterioration in the quality of service. During the next regular inspection, if the warehouse storage provider has falsely reported a corrective action or repeated a violation previously called to their attention, grounds exist for immediately placing the warehouse facility in nonuse. For CONUS warehouses, the TO will forward a copy of the DD Form 1812 to the SMO with a recommendation that the warehouse be placed in a non-use status.
5. “D” rating. This rating is assigned when the observed deficiencies merit a quality control rating score of “D” (17 points and over) or items marked by an asterisk are considered of sufficient importance to warrant declaring the warehouse facility in a non-use status for further business. The inspecting official will immediately place the warehouse storage provider in a non-use status pending corrective action. The warehouse storage provider will be required to explain action taken and provide a written report of corrective action prior to the warehouse being reinspected. When evidence of correction action has been provided, recommendations can be made by the TO to the SMO to either reinstate the warehouse, continue the non-use status or provide reasons for disqualification. Requests for reinstatement or disqualification will include a copy of the DD Form 1812 used for the reinspection, or written notification of inspection findings.
6. “E” rating. This rating is assigned when the warehouse has been previously placed into a non-use status by the SMO or TO (OCONUS only). The prior non-use status could be a result of many factors to include, failure to provide administrative documentation, warehouse damage from an unusual occurrence or failure to adequately correct previous warehouse violations. When the SMO or TO (OCONUS only) determines that an “E” rating is no longer sufficient and the problems have not been corrected, the warehouse will be disqualified and no longer able to participate in the Government Storage Program. Upon discovery of deficiencies in the warehouse storage facilities, encourage the storage provider to correct those deficiencies during the inspection. In each instance, the improper storage methods must be annotated on the DD Form

1812, [Figure E-1](#), and included as part of the performance record. Depending on the severity of the deficiencies, as determined by the scored elements on the DD Form 1812, the following actions apply:

- a. When the inspection reveals the failure to exercise proper security measures such as inadequate-access points, or structural discrepancies such as broken doors, windows or walls, the SMO or TO (OCONUS only) must immediately place the warehouse storage facility in a non-use status. The non-use status must remain in effect until written confirmation is received indicating corrective action was taken and a reinspection of the facility has been conducted by the TO and/or SMO. Generally, violations listed on the DD Form 1812 with asterisked items would be reasonable cause to immediately place the warehouse storage facility in a non-use status.
- b. If, in the SMO's or TO's (OCONUS only) opinion, the deficiencies are of a nature that stored DoD shipments may be damaged or contaminated, the SMO or TO (OCONUS only) must immediately place the facility in a non-use status and the TO must notify all TSPs who have SIT shipments in the facility. The TSPs must remove the property and relocate it to another DoD-approved storage facility. The cost of removal must be at the expense of the TSP and at no expense to the Government or the member/employee. Generally, when a facility receives a quality control rating of 17 or more points on the DD Form 1812, the SMO or TO (OCONUS only) must immediately place the facility in a non-use status. Relocation of shipments must be based on the potential and probable loss and/or damage if they were allowed to remain in the facility.
- c. If, in the SMO's or TO's opinion, the deficiencies cannot be corrected immediately but DoD shipments are properly protected, the property must not be removed to an alternate warehouse facility. The warehouse storage provider must be given 10 days from the date of the inspection to correct those deficiencies or to implement corrective action. If the storage provider fails to satisfactorily correct the deficiencies within 10 days from the date of inspection, the warehouse storage facility must be placed in a non-use status. These actions are generally taken when a facility receives a quality control rating of 9 to 16 points on the DD Form 1812.
- d. If the warehouse storage provider is in a non-use status and all deficiencies are corrected within 30 days from notification, and verified in writing by a follow-up inspection, the warehouse storage facility will be reinstated to receive additional storage. If a deficiency remains uncorrected beyond 45 calendar days from the date of notification, the warehouse storage facility will be disqualified and removed from the DoD storage program.
- e. When an inspection results in the disqualification of a warehouse storage facility, the disqualification will apply to all DoD shipment storage using the same warehouse storage facility. The SMO/TO may inspect warehouse storage facilities at their discretion.

H. DISTRIBUTION

The DD Form 1812 will be completed in triplicate and distributed, as indicated below, after the inspecting official and warehouse representative have signed the completed form:

1. The original is placed in the SMO contract file or TO file.
2. A copy is furnished to the warehouse storage provider at the time of inspection.
3. When the inspection is performed by the SMO, a copy is provided to the TO. When the inspection is performed independently by a TO, a copy will be provided to the SMO. When a TO/SMO has assumed the inspection responsibilities for facilities used by other TOs, a copy of all inspection reports will be provided to each user activity within 10 working days from the date of inspection.

| WAREHOUSE INSPECTION REPORT <i>(Read Instructions on back before completing form.)</i> | | | | 1. <i>(X as applicable)</i> <input type="checkbox"/> BOTH BOA AND SIT <input type="checkbox"/> RSMO <input type="checkbox"/> ITO | | 2. DATE OF INSPECTION (YYYYMMDD) | |
|--|--|--|--|--|--|--|-----------|
| 3. CONTRACTOR/CARRIER | | 4a. ADDRESS OF WAREHOUSE | | b. FIRE SYSTEM/CLASS SS/1 USS/2 D & R/3 FCR/4 | | c. LOTS | d. WEIGHT |
| a. NAME | | | | | | | |
| b. ADDRESS <i>(Include ZIP Code)</i> | | | | | | | |
| 5. CONTRACT REFERENCE NUMBER | | 6. STATUS <i>(X)</i> <input type="checkbox"/> ACTIVE | | INACTIVE <input type="checkbox"/> INELIGIBLE | | 7. CURRENT CONTRACT OR TENDER OF SERVICE ON FILE <i>(X)</i> <input type="checkbox"/> YES <input type="checkbox"/> NO | |
| 8. PRE AND POST STORAGE SERVICES | | | | 10. <i>(Continued)</i> | | | |
| <input type="checkbox"/> a. Unauthorized equipment in use <input type="checkbox"/> b. Unauthorized cartons and packaging used <input type="checkbox"/> c. Improper packing/sealing/marking of cartons <input type="checkbox"/> d. Pickup service not accomplished on time <input type="checkbox"/> e. Improper loading/unloading of van or pallet <input type="checkbox"/> f. Disassembled parts not packaged/inventoried <input type="checkbox"/> g. Inventory stickers on finished surfaces <input type="checkbox"/> h. Improper appliance servicing/labeling <input type="checkbox"/> i. Smoking observed at residence <input type="checkbox"/> j. Employees on duty not efficient/heat <input type="checkbox"/> k. Origin premises not left in good order <input type="checkbox"/> l. Designation services improperly performed <input type="checkbox"/> m. Deviations to service order <input type="checkbox"/> n. Delivery service not accomplished on time | | | | <input type="checkbox"/> l. Improper piano/organ storage <input type="checkbox"/> m. Improper storage of mattresses <input type="checkbox"/> n. Segregated pieces not properly identified <input type="checkbox"/> o. Improper packing of mirrors/glass table tops <input type="checkbox"/> p. Inadequate protection against mold/mildew <input type="checkbox"/> q. Aisles being used to process goods in/out <input type="checkbox"/> r. Previous discrepancies not corrected* | | | |
| 9. ADMINISTRATION | | | | 11. FIRE PREVENTION AND HOUSEKEEPING | | | |
| <input type="checkbox"/> a. Incorrect inventory preparation <input type="checkbox"/> b. No separate weight ticket and certificate/PB and E/WT <input type="checkbox"/> c. Incorrect warehouse receipt preparation <input type="checkbox"/> d. Ineffective locator system* <input type="checkbox"/> e. Contract supporting paperwork needed | | | | <input type="checkbox"/> a. Electric/heat/water systems require repair <input type="checkbox"/> b. Evidence of smoking in warehouse* <input type="checkbox"/> c. Unauthorized items stored* <input type="checkbox"/> d. Improper aisle and/or stacking clearance <input type="checkbox"/> e. No fire system inspection* <input type="checkbox"/> f. No fire extinguisher inspection _____ <input type="checkbox"/> g. No extinguishers on warehouse equipment <input type="checkbox"/> h. Trash/debris in storage area <input type="checkbox"/> i. Fire doors inoperable/in need of repair <input type="checkbox"/> j. No fire plan posted <input type="checkbox"/> k. Space heaters/extension cords being used <input type="checkbox"/> l. Gas and oil not drained from motorized items <input type="checkbox"/> m. Hazards noted within 50 feet of warehouse* <input type="checkbox"/> n. Flammables/combustibles found in warehouse* | | | |
| 10. STORAGE METHODS AND OPERATION | | | | 12. WAREHOUSE PRACTICES | | | |
| <input type="checkbox"/> a. Consigned lots not stored within 5 days* <input type="checkbox"/> b. Improper storage, stacks/pallets <input type="checkbox"/> c. Finished surfaces not protected by pads/wrap <input type="checkbox"/> d. Lots and separated pieces not elevated 2 inches <input type="checkbox"/> e. Lots stored against exterior walls <input type="checkbox"/> f. Lawnmowers not stored at base level of lot <input type="checkbox"/> g. Improper firearms control <input type="checkbox"/> h. Loose stack storage over 10 feet* <input type="checkbox"/> i. PBO contents not identified on inventory <input type="checkbox"/> j. Improper storage of upholstered pieces* <input type="checkbox"/> k. Improper storage of rugs/pads* | | | | <input type="checkbox"/> a. Inadequate security* <input type="checkbox"/> b. Inadequate loading/unloading area <input type="checkbox"/> c. Structural deficiencies (doors/floors/roof/walls/windows) <input type="checkbox"/> d. Inadequate protection from sun/dust/heat/cold/moisture <input type="checkbox"/> e. Lack of insect/rodent control _____ <input type="checkbox"/> f. Vehicles parked in storage area <input type="checkbox"/> g. Commingled storage with undesirable commodities <input type="checkbox"/> h. Multiple occupancy* <input type="checkbox"/> i. Weight stored in excess of authorized limit* | | | |
| 13. DEFICIENCIES OBSERVED/ACTIONS TAKEN BASED ON QUALITY CONTROL RATING RAW SCORE | | | | | | | |
| <input type="checkbox"/> a. No deficiencies observed | | <input type="checkbox"/> b. Corrective action without report is required as soon as possible | | <input type="checkbox"/> c. Corrective action, confirmed in writing, is required by (YYYYMMDD) _____ Send notice of corrective action to _____ | | <input type="checkbox"/> d. You are _____ for further business as of _____ <input type="checkbox"/> e. You are continued ineligible for further initial service orders. | |
| 14. DOCUMENT FILES CHECKED | | | | 15. LOT NUMBERS CHECKED | | | |
| 15. CONTRACTOR/CARRIER REPRESENTATIVE | | | | 17. SIGNATURE OF DEPARTMENT OF DEFENSE INSPECTOR | | | |
| a. SIGNATURE | | b. TITLE | | | | | |

DD FORM 1812, SEP 1998 (EG)

PREVIOUS EDITION IS OBSOLETE.

COPY DESIGNATION:

COPY 1 - RSMO/ ITO FILE COPY

COPY 2 - CONTRACTOR/ AGENT COPY

COPY 3 - ITO/RSMO INFO COPY

Figure E-1. DD Form 1812, Warehouse Inspection Report

| INSTRUCTIONS | |
|---|--|
| <p>This form will be prepared in TRIPLICATE. The original will be retained by the inspection agency (ITO/RSMO); duplicate copy will be furnished to the contractor/carrier's agent; and triplicate copy will be forwarded to the responsible ITO/RSMO for information purposes.</p> <p>ITEMS 8 - 12: When a discrepancy exists, it will be rated by using the numbers of 1, 2, and 3, reflecting the ascending seriousness of the findings, which is prescribed in the "Guide to Severity of Deficiencies." The rating will be indicated in the block preceding the violation. Enter a reference to the Tender of Service or the Basic Ordering Agreement for each violation found in Item 18, "REMARKS". If needed, include all additional comments in Item 18.</p> <p>Items marked by an asterisk are applicable by the judgment of the inspector to interrupt the contract with or without the quality control rating of total assessed points.</p> <p>ITEM 13: An assigned rating of A - D for administrative action corresponds to the total number of points given during the inspection. If Item c. is checked, complete the statement to show the allowed time for corrective action and reply.</p> | |
| 18. REMARKS | |
| | |
| DD FORM 1812 (BACK), SEP 1998 | |
| <input type="button" value="Reset"/> | |

Figure E 1. DD Form 1812, Warehouse Inspection Report (Cont'd)

Table E-1. Quality Control Point Ratings

| Technical Area | | | Quality Control Point Rating |
|--|--|--|------------------------------|
| 1. STORAGE SERVICES | | | |
| B. | Unauthorized cartons and packaging used | | 1 |
| C. | Improper packing/sealing/marking of cartons | | 1 |
| E. | Improper loading/unloading | | 1 |
| F. | Disassembled parts not packaged/inventoried | | 1 |
| G. | Inventory stickers on finished surfaces | | 1 |
| H. | Improper appliance servicing/labeling | | 1 |
| J. | Employees on duty not efficient/neat | | 1 |
| M. | Services not performed as requested on NTS Service Order or BL | | 1 |
| 2. ADMINISTRATION | | | |
| A. | Incorrect inventory preparation | | 1 |
| B. | No separate weight ticket and certificate/PB and E/WT | | 1 |
| C. | Incorrect warehouse receipt preparation | | 1 |
| D. | Ineffective locator system* | | 3 |
| E. | TOS supporting paperwork needed | | 1 |
| 3. STORAGE METHODS & OPERATION | | | |
| A. | Storage lots not handled in within 3 business days* | | 2 |
| B. | Improper storage, stacks/pallets | | 2 |
| C. | Finished surfaces not protected by pads/wrap | | 2 |
| D. | Lots and segregated pieces not elevated 2 inches | | 2 |
| E. | Lots stored against exterior walls | | 1 |
| F. | Lawnmowers not stored at base level of lot | | 1 |
| G. | Improper firearms control | | 2 |
| H. | Loose stack storage over 10 feet* | | 2 |
| I. | PBO contents not identified on inventory | | 1 |
| J. | Improper storage of upholstered pieces* | | 2 |
| K. | Improper storage of rugs/pads* | | 2 |
| L. | Improper piano/organ storage | | 1 |
| M. | Improper storage of mattresses | | 1 |
| N. | Segregated items not properly identified | | 2 |
| O. | Improper packing of mirrors/glass table tops | | 1 |
| P. | Inadequate protection against mold/mildew | | 2 |
| Q. | Aisles being used to process goods in/out | | 1 |
| R. | Previous discrepancies not corrected* | | 3 |
| 4. FIRE PREVENTION AND HOUSEKEEPING | | | |
| A. | Electric/heat/water systems require repair | | 1 |
| B. | Evidence of smoking in warehouse* | | 3 |
| C. | Unauthorized items stored* | | 3 |
| D. | Improper aisle and/or stacking clearance | | 1 |
| E. | No fire system inspection* | | 3 |
| F. | No fire extinguisher inspection | | 3 |

| Technical Area | | | Quality Control Point Rating |
|---|----|---|------------------------------|
| | G. | No extinguishers on warehouse equipment | 2 |
| | H. | Trash/debris in storage area | 2 |
| | I. | Fire doors inoperable/in need of repair | 3 |
| | J. | Fire plan not signed by fire marshal or properly posted | 1 |
| | K. | Space heaters/extension cords being used | 1 |
| | L. | Fuel not drained from motorized items | 3 |
| | M. | Hazards noted within 20 feet of warehouse* | 2 |
| | N. | Flammables/combustibles found in warehouse* | 2 |
| 5. WAREHOUSE PRACTICES | | | |
| | A. | Inadequate security* | 3 |
| | B. | Inadequate loading/unloading area | 1 |
| | C. | Structural deficiencies (doors/floors/roof/walls/windows) | 3 |
| | D. | Inadequate protection from sun/dust/heat/cold/moisture | 2 |
| | E. | Lack of insect/rodent control | 2 |
| | F. | Vehicles parked in storage area | 3 |
| | G. | Commingled storage with undesirable commodities | 2 |
| | H. | Multiple occupancy* | 3 |
| | I. | Weight stored in excess of authorized NTS limit* | 2 |
| <p>* When those items followed by an asterisk are observed, the inspecting official should consider placing the facility in a non-use or disqualified status immediately. Once placed in a non-use or disqualified status, the facility will not be removed from this status until the deficiencies have been corrected to the satisfaction of the SMO or PPSO.</p> | | | |