

POLICY ON ROUTING OF STATE FREIGHT

3803

(Revised 03/07)

You must ensure that your routing of State freight is handled objectively and economically. In keeping with Government Code Section 14920, you must adhere to the following policies.

General Policy Statement. The mode and carrier you select must be able to reliably and safely transport the freight within your required time frame, and at the lowest delivered cost. You must know the carrier's liability under applicable freight tariffs for full or released valuation. You must also consider the efficient use of the nation's transportation resources, especially fuel consumption.

Legal Requirements. You can only select a carrier that has the proper operating authority and complies with all regulatory requirements. The carrier must:

1. Have the proper operating authority with the necessary regulatory agency. The carrier is only allowed to serve those areas authorized in its operating authority.
2. Have published or be served with the proper tariffs for the goods to be transported and points to be served.
3. Have the necessary insurance required by government agencies. Upon request, the carrier must provide, through its insurance broker, active certificates of insurance.
4. Agree to perform the transportation at the lowest lawful rates.

Service Requirements. In evaluating a carrier consider satisfactory service as a key consideration. You must be able to establish that the carrier can transport the State freight not only the first time, but also on a continuing basis. This means the carrier must be able to deliver the entire shipment to the place it is needed, when it is needed, and in usable condition. Find out if the carrier has suitable equipment available. Also consider the carrier's record of performance.

Use the following essential factors when you evaluate a carrier's service standards:

1. Carrier always picks up and delivers on schedule.
2. Carrier's equipment is always clean, safe, weatherproof, and able to meet the needs of the State.
3. Carrier can furnish adequate equipment and drivers when needed.
4. Carrier's drivers are clean, sober, and sufficiently experienced.
5. Carrier's drivers and supporting employees must be paid the industry's prevailing wage rates.
6. Carrier's terminal facilities must be suitable.
7. Carrier must have adequate experience in the transportation field in serving accounts with requirements similar to those of State shippers. If a carrier has fewer than two years operating experience transporting the same type of freight, you must get evidence of the carrier's satisfactory service to other accounts transporting goods similar to the type and volume normally required by your agency.
8. Carrier must demonstrate the ability to properly and accurately rate and bill the shipments according to the right tariffs.

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SAM—TRANSPORTATION MANAGEMENT

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9. Carrier must have experienced minimal loss, damage, or theft of shipments.
10. Carrier must display the ability to promptly and fairly handle claims for freight loss and damage.
11. Carrier's response to overcharge claims must be fair and prompt.

Delivered Cost. When two or more carriers or modes can equally meet the above service requirements, you must select the carrier providing the lowest total delivered cost.

Equitable Distribution. It is the State's policy to encourage participation by various business enterprises in all areas of State procurements, including transportation services. Follow the guidance of the State Contracting Manual for goals, preferences and incentives.

Unsatisfactory Carrier Service. If you can't satisfactorily resolve problems caused by a carrier's failure to meet the State's service requirements, you should report the problem in writing to the DGS Transportation Management Unit. The DGS Transportation Management Unit may recommend punitive action against the carrier after a careful review of all the facts.