

SPOTBID BUSINESS RULES

*RULES GOVERNING THE SPOTBID
FREIGHT ACQUISITION PROCESS*



HEADQUARTERS
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SPOT BID BUSINESS RULES

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INTERNET**

ADDRESS: <http://dsc.sddc.army.mil>

After the SDDC Operations Center Home Page has loaded, click on the picture, then choose "Carrier Rules," "DSC Rules Pubs" and then "Spot Bid Rules."

SPOT BID BUSINESS RULES

INTRODUCTION

In the July 7, 1997 Management Reform Memorandum #15 (MRM #15), the current Deputy Secretary of Defense, Dr. Hamre, set forth new transportation requirements that articulate the need to completely reengineer the transportation documentation and financial business processes from paper documentation to a streamlined and integrated electronic process. With the intent of providing accurate and timely data for all users, the requirements and long-term objectives of MRM #15 focus on:

- *Maintaining Readiness Capabilities*
- *Reduction of Data Requirements/Improve Accuracy*
- *Increasing Electronic Commerce*
- *Elimination of DoD-Unique Documentation and Processes*
- *Employing the Best Commercial practices available*
- *Reduction of Infrastructure Costs*
- *Implement a Single Documentation/Billing Process for all Modes*

Based upon these long-term goals, the Military Surface Deployment and Distribution Command (SDDC), Operations Center developed a unique suite of functionality referred to as Electronic Transportation Acquisition (ETA). As part of the ETA umbrella of Web-based solutions the Global Freight Management (GFM) Product Management Office (PMO) developed a suite of on-line, interactive transportation tools. Designated as the future web-based extension of the current GFM transportation business system, this newly developed Web-Based suite of products will replace the current DOS-based operating system with a real-time, Internet-based business tool. Additionally, GFM's new Web-based suite is being designed to provide users with an automated transportation management information system capable of meeting transportation requirements in a paperless environment through the functional integration of electronic commerce (EC), as well as Electronic Data Interchange (EDI) on a web-based application. These offerings will serve as the foundation around which to build an enterprise-wide, fully automated logistic transportation system providing users with the capability to initiate, process, and closeout transportation requests.

GFM's suite of functionality includes five freight management applications (Freight Acquisition Shipping Tool (FAST), Negotiated Tenders (NT), Voluntary Tenders (VT), Spot Bid (SB) and Small Package Express (SPE)) and several support/service and reference applications. While the freight management applications serve as the core operational functionality, the support/service and reference functionalities further enhance efficient business transactions by providing a selection of automated management tools.

Access to the GFM suite of programs is achieved through any Internet service provider and web browser, presenting a versatile business tool that is accessible to anyone and anywhere. The GFM office has successfully designed and initiated the implementation of this suite of functionality to support the vision of fielding a Web-based transportation business tool, capable

of operating effectively within a paperless environment. Poised to serve all modes of transportation, this suite of functionality possesses the unique capabilities that will not only meet the anticipated needs of GFM's role within the DoD transportation arena, but will also complement the identified objectives of MRM #15. GFM's current suite of web-based functionality includes:

- *Freight Acquisition Shipping Tool (FAST)*
- *Spot Bid shipment*
- *Small Package Express (SPE), for the costing and preparation of overnight and priority small packages;*
- *Bills of Lading (BoL) performance reporting;*
- *Transportation Discrepancy Reports (TDR), via the World Wide Web;*
- *Transportation Facilities Guides (TFG), via the World Wide Web;*
- *Carrier Added Value Suite (CAVS); and;*
- *On-line Help Desk for all of GFM's ETA products, accessible over the World Wide Web.*

PURPOSE

The purpose of Spot Bid is to provide the shipper community with an additional, and flexible, tool for "obtaining best value service. These business rules are designed to provide you with the information necessary to make the most out of this shipment tool to include the operating parameters for placing a bid on the Internet. This web-based shipment tool is designed to simplify the freight acquisition process and these rules are designed to facilitate its effective use.

DESCRIPTION

Designed with the user in mind, Spot Bid is a flexible and responsive one-touch electronic resource that possesses the capability to acquire services, exchange data, purchase and reconcile all transportation business processes via the Internet. Through the utilization of a commercial off-the-shelf Web-browser, DoD Transportation Officers and DoD approved carriers will have the ability to access the Spot Bid application in order to conduct business transactions.

The Spot Bid functionality provides transportation representatives (i.e., shippers) with an automated capability to post freight shipments to a centralized GFM Web-server, which participating carriers may access in order to review, select and bid on specific shipments. More specifically, the Spot Bid functionality has been developed to provide transportation offices with the initial automated support for direct negotiation-related freight movements. In this capacity, Spot Bid allows participating carriers to bid on all types of freight movements, to include over-dimensional (OD), overweight (OW) shipments, and Less-Load shipments. The system will also support shipments where no existing tender is on-file and repetitive shipments, including Volume Movement Requests. Spot Bid gives participating carriers an opportunity to develop new business opportunities, but more importantly it also allows carriers to identify and capitalize on back-haul capabilities. This functionality creates a foundation for more simplified transportation

acquisition processes that will effectively and efficiently meet both the customer and carrier needs.

Designed to effectively support all modes of transportation, Spot Bid has incorporated “Best Value” logic as an integral capability. With the understanding that all submitted bids reflect an all-inclusive expense representing line haul, accessorial, protective services plus any additional charges, Spot Bid in conjunction with the Global Freight Management costing and carrier selection functionality provides the user with the ability to determine whether or not the submitted bid is consistent with current tenders on file with SDDC/GFM. Because rates on the spot market are often lower than published tender rates, a considerable amount of money can be saved utilizing the Spot Bid process. Although the “Best Value” capability is not automatic, transportation offices shall exercise this option during the carrier selection phase of the shipment transaction.

Finally, it is important for shippers to realize that posting shipments on the spot market targets those carriers with excess capacity in the area that are searching for shipments to reposition their equipment, thus maximizing the back-haul opportunity. Spot Bid will also increase competition and encourage intermodal shipments due to the central electronic source that identifies the availability of open shipments. Spot Bid provides the shipper with an additional tool to procure transportation services.

If you are interested in more details on the Spot Bid application on ETA, please go to URL <http://www.sddc.army.mil/transys/gfm/spotbidrules.htm>. This page has a more thorough description of Spot Bid and links to the Spot Bid Tutorials.

OVERVIEW OF RESPONSIBILITIES

Throughout the solicitation and award transaction of government shipments, various commands, organizations and offices within the Military Surface Deployment and Distribution Command (SDDC), Operations Center interface with, are responsible for, and affect certain aspects of the business transaction process. The following list identifies the responsibilities, interfaces and organizations correlating to the Spot Bid business transaction process:

- SDDC Operations Center will have oversight of all spot bids with the ability to monitor the "Open Bid list" and the timeframes they are open. The open bid list contains shipment information prepared by the shipper, which informs carriers of what must be moved. SDDC Operations Center can then contact the shipper by telephone or e-mail to recommend a change or correction, but cannot directly change the information in the spot bid.
- SDDC Operations Center will monitor carrier performance by reviewing Transportation Discrepancy Reports that are initiated by the shipper, consignee or intermediate military port facility. Carrier performance elements include but are not limited to missed pickups, incorrect equipment and other substandard service.

- SDDC Operations Center, in conjunction with the shipper, will then be able to implement quality control measures without further input by the shipper. Likewise, the shipper can take action against the carrier in accordance with the DTR 4500.9-R Chapter 207 and inform SDDC Operations Center
- During the course of discussing shipment costs, if either the shipper or carrier disputes the cost, they may initiate an e-mail to SDDC Operations Center, CostQuestions@sddc.army.mil, and request a review of the shipment. The Carrier Audit Team will review e-mails sent to this account, analyze shipment costs and answer the costing question. Information provided by SDDC Operations Center does not constitute a binding judgement; both parties should simply use it so that they can reach a fair and equitable agreement on the dispute.
- The shipper has several responsibilities within the Spot Bid process to include:
 - Properly identifying the commodities of all shipments and to only accept bids from carriers appropriately cleared to transport the commodities offered. *Spot Bid will not be used for Category I or II shipments of AA&E (Effective 21 November 2001).*
 - Allowing adequate bid solicitation response times. At a minimum a Spot Bid solicitation must be open for a minimum of 4 hours or greater during normal Government business hours. Acknowledging that there will be RARE cases where a solicitation must be performed in less than the 4 hour minimum, shipper must be prepared to justify circumstances for each individual shipment that is open for bid less than the above stated minimum time.
 - Verifying that voluntary tenders are either cost prohibitive or not capable of meeting the specific requirements of the shipment.

SPOT BID BUSINESS RULES

The following Business Rules have been established to complement the Spot Bid functionality. These Business Rules pertain to all Carriers and Transportation Offices. Spot Bid is designed to provide the shipper with an additional tool for the procurement of transportation services.

PRE-REQUISITES

All users will be required to register for a login and password at the Electronic Transportation Acquisition homepage (<https://eta.sddc.army.mil>). By selecting the “Register” button at the top of this page the user will be presented with a system selection screen, from which they can elect to apply for passwords for GFM and or any other SDDC ETA fielded systems. For each system the user applies for, they must select from the appropriate drop down box their specific ‘role’ as a user of that system. After selecting the appropriate ‘role’ the user must select ‘Generate Request Form’. This will present the user with an electronic form that will allow the user to enter all the

necessary information required by the selected system. Upon submitting the form the user will receive their user ID immediately and upon authentication of the submitted information the GFM Login Coordinator will issue a password to the user via e-mail in 5 to 7 days.

SHIPMENT GUIDELINES

Spot Bid supports all freight movements other than Negotiated (NT) and Category I (Security Risk Codes 1, 5 and 6) and selected Category II (Security Risk Codes 2 and 8) shipments of Arms, Ammunition and Explosives. The following information and requirements have been provided to inform carriers of specific interactions required on their part, and reflect carrier participation concerning the business transaction process.

- All Overdimensional and Overweight freight shipments must be processed and awarded under Spot Bid (mandatory requirement per MFTRP 1C effective 04 January 2004).
- The requestor will have the option of requesting a particular mode(s) of transportation to complete a given shipment, or leave the mode(s) open.

OPEN BID LIST

The following information and Business Rules will provide carriers with insight to business procedures concerning the “Bid” aspect, and identify the need for carrier involvement.

- Once a shipment has been created, it will be accessible to all SDDC approved carriers with logins for bidding purposes. Additionally, the shipment will remain on the Open Bid list through the bid close date/time.
- Carriers will not be afforded the option to change a bid once the bid has been submitted. The only option available to carriers at this point is the option to cancel the actual bid itself.
- Bids that are cancelled by the carrier may, however, be resubmitted. This transaction must take place prior to the bid close date/time.
- Carriers will not have the ability to submit a bid on a given shipment once the bid close date/time has passed. The scope of this restriction is also to include connectivity problems, system problems or other Internet or Local Area Network issues.

AWARD

The following requirements have been addressed to identify **Carrier** interaction and responsibilities at the time of shipment acceptance:

- Carriers will be responsible for telephonically notifying the TO and providing them with the furnished equipment list. This requirement is only necessary when the carrier has not designated the equipment during the bid response.
- Additionally, carriers will be responsible for producing and forwarding a Waybill/Pro number at the time of shipment acceptance.
- Once the Spot Bid has been accepted, that bid becomes the cost on file for the one time movement. A Spot Bid will be considered accepted once the Transportation Officer or their designated agent executes the automated process for awarding the Spot Bid to the carrier.
- After the award of the shipment, failure to meet the required (or agreed upon) pickup and/or delivery date will result in a carrier performance failure.

The following requirements have been addressed as **Transportation Officer** responsibilities after the bid has been submitted for award:

- The TO will review and evaluate the submitted data for award.
- The TO will be required to award the shipment. To meet this requirement, the TO will have access to “Best Value” data via GFM and may utilize either of the following management tools to enhance the decision process; 1) Comparative Pricing; or 2) Carrier Performance. The use of other than cost favorable carriers to move DOD freight must be fully documented in accordance with the DTR 4500.9-R Chapter 207.
- TO will record all carrier performance failure information in GFM.

The TO may conduct a search of the GFM tender database by performing an independent request within GFM for comparable voluntary tender cost information. The TO may then perform a cost comparison between the Spot Bid response and the voluntary tender rate as part of a "Best Value" analysis. However, due to the unique nature of Spot Bid shipments, comparable voluntary tenders may not be available to perform this cost comparison.

Awards will be listed in ranking order from the lowest bid to the highest bid. If an award was assigned to a carrier who did not place the lowest bid, a non-use code will be identified and issued. Carriers assigned a non-use code will ONLY be able to view the non-use code if it is assigned to their SCAC. Due to the confidentiality of this information, the system restricts blanket access.

AWARD REVIEW

The following information will provide insight as to the business process correlating to both shipment award and post award business process and process explanation.

- Once the shipment has been awarded, carriers will have access in order to review the award information.
- Carriers will be able to review all information pertaining to the shipment, including the bid submitted by the carrier who was awarded the shipment*.
- Non-use codes will identify the lowest bids “NOT” selected to support the shipment and carriers will only be able to view the non-use codes assigned to their SCAC.

*** Note: this capability will be expanded to include all bids submitted at a future point in time**

ADDING EQUIPMENT

Upon successful completion of the award process, the TO is responsible for assigning equipment to the shipment and ensuring that each unit or container within an individual shipment is assigned to a piece of equipment. Some flexibility is provided, in that a TO may assign units or containers to different pieces of equipment or assign several units or containers to the same piece of equipment.

CANCELLED SHIPMENTS

The following information provides carriers with insight into the process of canceling shipments and carrier limitations with regard to data access. TOs may cancel shipments from the Open, Closed and Awarded List (s). In conducting this business process, the shipment will be removed from the Open, Closed and Awarded List (s), and placed into the Cancelled Shipment List. Once the shipment has been placed on the Cancelled Shipment List, carriers will have access to the following features.

- View the cancelled shipment list for informational purposes only.
- Only SDDC approved carriers with ETA logins will be able to view the populated cancelled shipment list.

PAYMENT PROCESS

The information contained in this section pertains to the payment aspect of the Spot Bid business process when conducting business transactions under Spot Bid. The Spot Bid amount submitted by the carrier shall be the amount paid to the carrier by Power Track. The Spot Bid amount is separate from, and shall not be alternated with the rates and charges appearing in tariffs and tenders. PowerTrack will receive the supporting shipment data electronically.

DISPUTE RESOLUTION

When the Transportation Officer and Carrier are unable to resolve a dispute, either party may take the dispute to the following entities for resolution:

Military Surface Deployment and Distribution Command
Domestic Carrier Services Branch
Telephone: 757-878-7481
Fax: 757-878-7404
E-mail: CostQuestions@sddc.army.mil

General Services Administration
Federal Supply Services
1800 F. St. NW
Washington, D.C. 20405

The Transportation Officer and Carrier shall submit written positions on the issue to SDDC Operations Center via e-mail to CostQuestions@sddc.army.mil. The SDDC Operations Center shall make a determination of the Government's position on the issue and provide a written decision to the Transportation Officer and Carrier. The Transportation Officer or Carrier can appeal SDDC Operations Center decision to GSA. GSA will render a written decision to the Transportation Officer and Carrier.

SPOT BID TUTORIALS

The Spot Bid Tutorials, along with tutorials for GFM's entire Web-based suite of applications, are publicly accessible from the GFM Help Desk home page:

<http://144.101.36.222/>

DEFINITIONS

SPOT BID--A single consignment of one or more pieces from one consignor at one time at one origin address receipted for in one lot and moving to one consignee at one destination address. Included within this definition are split pickups at origin and destination points and stop in transit to partially load and/or unload.

NEGOTIATED MOVE--A consignment of one or more shipments from one or more consignors over a period not to exceed one calendar year moving to one or more consignees at one or more destinations. Included within this definition are split pickups at origin and destination points and stop in transit to partially load and/or unload.

CONCLUSION

The Spot Bid system can support any and all modes of transportation while providing the requester, as well as, the carrier with a higher degree of flexibility in conducting transportation acquisition processes. Spot Bid was designed with the intent of creating a simplified foundation for conducting business and is the initial step in defining a new architecture to support the ultimate migration of GFM to the Web. These business rules form the basis for the effective use of Spot Bid and will be revised as changes in business practices dictate. The Secretary of Defense has mandated the use of PowerTrack for most procurements of DOD transportation.