ARTICLE IX:6(b) NEGOTIATIONS
STUDY OF CERTAIN TYPES OF SERVICE CONTRACTS
FREIGHT FORWARDING SERVICES

Addendum

The present working document contains the contribution of Canada.
I. Commercial implications for Code coverage of the service.

A. Definition of Canadian Government procurement of Freight Forwarding.

- The acceptance of responsibility as an agent of the shipper or a principal to oversee the movement of goods and merchandise to specified destination, including receiving, packing, insuring, preparing documents, clearing customs, and arranging the selection of the most appropriate and efficient mode or modes of transport and traffic services for the delivery of said goods and merchandise (it should be noted that Freight Forwarding services would not always include each of the activities listed in the above definition).

B. Current number and value of contracts awarded.

- The total value of purchases by covered entities as well as the Departments of Communications, Transport, Fisheries and Oceans for fiscal year 1984-1985 was $4,742,242. The total number of Freight Forwarding contracts awarded in Canadian fiscal year 1984-1985 was 24,600.

II.

A. What are the procedures used to procure the service, including the criteria used in evaluating and closing bids?

- All freight is forwarded under the use of the Government Bill of Lading from a source list through Supply and Services Canada, Central Freight Services. Central Freight Services is the agency responsible for reviewing and approving shipping rates for the movement of freight in Canada and abroad.

B. In the procurement of this service by government, are there problems in defining the origin?

- Rules of origin for goods do not apply to purchases of services. Residence of the supplier would appear to be appropriate in defining the origin.
C. Does the procurement of these services typically involve subcontracting?

- Normally a freight forwarder will subcontract the transportation of the product. In most cases the freight forwarded does not have transport equipment.

D.1 In the procurement of the service in some cases not the purchase of a discrete service, but rather a contract for ongoing, possibly open-ended work?

- In the majority of cases the procurement is for a discrete service. The major exception is a contract that will involve the Freight Forwarding Service required by the Department of External Affairs for movement of mail and other material to the various External Affairs locations throughout the world.

D.2 Is the procurement of the service done in some cases through multi-year contracts?

- There are cases where standing offer agreements are signed which extend beyond one (1) year.

D.3 Is there ambiguity as to what would be considered the value of the service contract?

- If a standing offer agreement is signed, the total cost associated with the agreement is not known until the term of the standing offer has expired.

E.1 What is the range of typical value of government contracts in this area? Do the bulk of purchases typically exceed a certain value?

- For overseas shipments the cost for Freight Forwarding ranges from $100 to $7,500. A similar range applies to shipments within Canada.

E.2 What is the typical time necessary in the procurement process of this service between invitation to tender and bid deadline?

- Due to the urgency of most overseas shipments, rates are usually solicited by phone and confirmed by telex within 48 hours. The typical time necessary for shipments in North America is one month.

F. Are there practices that affect foreign access to government contracts in this service area?

- Under Chapter 299, Section 1 (Transportation of material) of the Treasury Board Administrative Policy Manual, "it is the policy of the government that material belonging to or in the care of the government (including the personal property of employees) moved at public expense be transported by Canadian carrier except where impractical".
Chapter 299, Section 1
Transportation of materiel

December 1978

.1.1 Purpose and scope

It is the policy of the government that materiel belonging to or in the care of the government (including the personal property of employees) moved at public expense be transported by Canadian carrier except where impractical.

.1.2 Application

This policy applies to departments and agencies listed in Schedules A and B of the Financial Administration Act, and to branches designated as departments for purposes of the Act.

.1.3 Authority and cancellation

Circular 1976-17 dated May 28, 1976, under which this policy was originally issued, is cancelled.

Information on the insurance aspects of shipments, including value declaration, may be found in chapter 320, Risk management.

.1.4 Monitoring information

Departmental management may wish to monitor the ratio of foreign carrier payments to total shipping costs to assist in the implementation of this policy.

The data may also be useful to the Treasury Board in its evaluation of the policy. Departments may wish to gather other pertinent data.

Whenever possible, departments should make use of their accounting system to identify and accumulate both the financial and non-financial information required.
.1.5 Enquiries

All enquiries regarding this policy should be routed through departmental headquarters. For interpretation of the policy, departmental headquarters should contact the Head, Materiel policy, Policy Development and Revision Division, Administrative Policy Branch, Treasury Board Secretariat.

.1.5 Demandes de renseignements

Toutes les demandes de renseignements relatives à la présente politique devraient se faire par l'entremise de l'Administration centrale des ministères. Pour une interprétation de la politique, l'Administration centrale devrait s'adresser au chef de la Politique du matériel, Division de l'élaboration et de la révision des politiques, Direction de la politique administrative, Secrétariat du Conseil du Trésor.
GOVERNMENT BILL OF LADING
CONNAISSEMENT OFFICIEL

Combination short form of straight Bill of Lading-Express Shipping Contract adopted by rail freight and express carriers subject to the jurisdiction of the Canadian Transport Commission.

Formule abrégée du connaissément nominatif et du Contrat de transport par messageries adopté par les sociétés de transport ferroviaire des marchandises et de messageries qui relèvent de la Commission canadienne des transports.

ISSUED AT SHIPPER'S REQUEST, subject to all the terms, conditions and limitations incorporated by reference as shown on the back of this bill.

RECEIVED, subject to the classifications and tariffs in effect on the date of issue of this Original Bill of Lading — Express Shipping Contract, the goods described below, in apparent good order, except as noted (contents and conditions of contents of packages unknown), marked, consigned and destined as indicated below, which said carrier agrees to carry to its usual place of delivery at said destination if served by it, otherwise to deliver to another carrier on the route to said destination.

Charges to be paid to number

Shipment Control No. - N° de contrôle de l'expédition

Issued at - Délivré à

Prepaid - Port payé

SEE INSTRUCTIONS - VOIR INSTRUCTIONS

INSTRUCTIONS FOR CARRIER: The original of the Bill of Lading together with two copies of the Account for Payment to be forwarded to:

Snipper's Signature de l'expéditeur

Signature

Per transportation company - Pour le transporteur

 Snipper's Signature de l'expéditeur

INSTRUCTIONS AU TRANSPORTEUR: L'original du connaissément - Contrat de transport par messageries, les marchandises décrites ci-dessous, apparemment en bon état, sauf celles (le contenu et l'état du contenu des colis étant inconnus), marquées, consignées et destinées conformément aux indications plus bas, que ladite compagnie s'engage à transporter à la destination finale indiquée, pourvu que celle-ci soit sur son parcours, sinon à les livrer à un autre transporteur laissant route vers cette destination.

INSTRUCTIONS FOR CARRIER: The original of the Bill of Lading together with two copies of the Account for Payment to be forwarded to:

Central Freight Service
DEPARTMENT OF
SUPPLY AND SERVICES
HULL, QUEBEC
K1A 0S5

SERVICE CENTRAL DE
TRANSPORT DES MARCHANDISES
MINISTÈRE DES APPROVISIONNEMENTS ET SERVICES
HULL (QUÉBEC)
K1A 0S5

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