

**GENERAL AGREEMENT ON
TARIFFS AND TRADE**

RESTRICTED

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20 December 1985

Special Distribution

Committee on Government Procurement

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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.

CANADA

GOVERNMENT PROCUREMENT PILOT STUDY

FREIGHT FORWARDING

- 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".

Treasury Board Canada

Conseil du Trésor Canada

Administrative policy manual

Manuel de la politique administrative

Chapter 299, Section 1

Chapitre 299, Section 1

Transportation of materiel

Transport du matériel

December 1978

Décembre 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.

.1.1 Objet et portée

Le gouvernement a pour politique de recourir à des sociétés canadiennes de transport pour le transport de matériel appartenant à l'État ou sous sa responsabilité (y compris les biens personnels des employés), aux frais de l'État, sauf dans les cas jugés comme incommodes.

.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.

.1.2 Champ d'application

La présente politique s'applique à tous les ministères et les organismes énumérés aux annexes A et B de la *Loi sur l'administration financière* ainsi qu'aux directions désignées comme ministères aux fins de ladite loi.

.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.

.1.3 Autorisations et annulations

La circulaire n° 1976-17 du 28 mai 1976 qui a servi à la publication originale de la présente politique est annulée.

On peut trouver au chapitre 320, Gestion des risques, des renseignements relatifs à l'assurance des livraisons, y compris les déclarations de valeur.

.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.

.1.4 Données de contrôle

Les gestionnaires des ministères souhaiteront peut-être surveiller le rapport entre les paiements versés aux sociétés de transport étrangères et le coût global des livraisons afin de faciliter la mise en oeuvre de la présente politique.

Ces données pourront aussi servir au Conseil du Trésor pour évaluer la politique. Les ministères voudront peut-être recueillir d'autres données pertinentes.

Dans la mesure du possible, les ministères devraient se servir de leurs systèmes comptables pour relever et conserver les données nécessaires, financières ou autres.

299.1 Transportation of materiel

.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.

299.1 Transport du matériel

.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.



Gouvernement du Canada

GOVERNMENT BILL OF LADING
CONNAISSEMENT OFFICIEL

B/L NO. - CONNAISSEMENT N°
X 497503

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 connaissement nominatif et du Contrat de transport par messageries adoptée 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.

DELIVRE À LA DEMANDE DE L'EXPÉDITEUR, sous réserve des conditions et limitations mentionnées au verso du présent document.

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.

REÇUES, sujettes aux tarifs et classifications en vigueur à la date de la délivrance de l'original du Connaissement — 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 voiturier faisant route vers cette destination.

Charges to be billed to number À facturer au numéro		Shipping Date Date d'expédition	D - J	M - M	Y - A	Shipment Control No. - N° de contrôle de l'expédition
Received from (consignor) - Reçu de (expéditeur)						Issued at - Délivré à
By the (carrier) - Par les soins de (transporteur)			Shipped from - Expédié de		Code	Destination
Consigned to: (Name & postal address) - Livré à: (Nom et adresse postale)						PREPAID PORT PAYÉ SEE INSTRUCTIONS VOIR INSTRUCTIONS Financial Code financier
Route - Acheminement			Car, Trailer or Container No. N° du wagon, de la remorque ou du conteneur		Size of car, trailer or container ordered Dimensions du wagon, de la remorque ou du conteneur demandé	

PACKAGES COLIS	DESCRIPTION OF ARTICLES AND SPECIAL MARKS DESCRIPTION DES ARTICLES ET MARQUES SPÉCIALES	Mass (subject to correction) Masse (sujette à rectification)	RATE TARIF	Transportation Charges Frais de transport
TOTAL NUMBER OF PACKAGES NOMBRE TOTAL DE COLIS		TOTAL ACTUAL MASS MASSE RÉELLE TOTALE		TOTAL CHARGES DES FRAIS \$

Advance \$
Misc \$
Basic \$
Pier \$
Value \$

When required by the tariff shipper must show total cube of shipment. - L'expéditeur doit indiquer le cubage total de l'envoi, suivant les conditions du tarif.
 Dimensions Total cubic metres — Mètres cubes (total) Dimensional Mass — Masse volumique Declared value - Valeur déclarée

INSTRUCTIONS FOR CARRIER: The original of the Bill of Lading together with two copies of the Account for Payment to be forwarded to:
 INSTRUCTIONS AU TRANSPORTEUR: L'original du connaissement ainsi que deux exemplaires de la facture doivent être adressés à



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

Shipper's Signature de l'expéditeur Signature
 Telephone No. - N° de téléphone Per transportation company - Pour le transporteur