

## TRANSPORTATION MANAGEMENT UNIT (TMU)

2665

(No. 5 May 2008)

The TMU was established in accordance with the provisions of [GC](#) section 14920 et. seq. [Purchasers](#) must contact TMU at (916) 376-1888 to determine the cost and routing of freight whenever the weight of the purchase is 100-lbs or more and F.O.B. Destination, Freight Prepaid is not used. The TMU also reviews and approves freight invoices in accordance with SAM section 3851, 3852, and 8422.1. Refer to Section 2670 for additional information. [Purchasers must also contact TMU for a price comparison when shipping charges are expected to exceed \\$500.00.](#)

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[Click](#) here to access the TMU web page.

## FREE ON BOARD (F.O.B.)

2665.1

(No. 3 February 2006)

The shipping term Free on Board (F.O.B.) identifies the location where title to the goods changes from the seller (supplier) to the [purchaser](#) (department).

[The various options for ownership of goods during shipping are:](#)

- [F.O.B Destination:](#) The title to the goods remains with the supplier until delivered by the carrier to the purchaser in original or acceptable condition. If loss or damage occurs in transit the seller is obligated to replace the goods or otherwise compensate the [purchaser](#) (State).
- [F.O.B Origin:](#) The title to the goods transfers to the purchaser at time of purchase and supplier is not responsible for goods during delivery. If loss or damage occurs in transit the seller is not responsible for replacing the goods. This option should only be used with a State approved carrier and with prior approval for TMU.

[The various options for freight payment are:](#)

- [Freight Prepaid:](#) The seller pays the freight charges.
- [Freight Prepaid/Add:](#) The seller pays for the freight at shipping and bills the purchaser for the cost.
- [Freight collect -](#) The agency receiving the ordered merchandise is billed for the freight by the carrier.

Most State purchases will be acquired using the term F.O.B. Destination, Freight Prepaid. LPA purchase documents, unless otherwise specified within the individual LPA user guide, will also identify F.O.B. Destination, Freight Prepaid as the shipping term.

Departments must contact TMU prior to using the following shipping methods:

- F.O.B. Destination, Freight Prepaid/Add – Shipping charge is assessed from the originating shipping point to the point of delivery. Upon verification with the TMU, the purchase document must reflect “freight not to exceed cost per supplier quote state on PO”.
- F.O.B. Origin Freight Collect and F.O.B. Destination Freight Prepaid/Add - On Origin Collect shipments TMU will determine the cost and routing of freight. On Destination PPD/ADD shipments obtain freight cost from shipper for cost comparison by TMU. Departments must provide TMU with the following information:
  - City, State and Zip Code of origin and destination
  - Description of goods being shipped
  - Estimated shipping weight
  - Special handling requirements
  - National Motor Freight Classification (NMFC) – up to 7 digits

Freight requests to TMU should be sent using a [Freight Work-Up Fax or Email sheet](#)  
Email address: [transportation.management@dgs.ca.gov](mailto:transportation.management@dgs.ca.gov).

**FREIGHT BILLS OVER \$50.00** **2665.2**  
(May 2005)

If the shipping charge is over \$50.00 a separate prepaid freight bill is required.

**FREIGHT BILLS OVER \$500.00** **2665.3**  
(No. 5 May 2008)

If the freight is expected to be over \$500.00, you must contact TMU for a freight comparison prior to shipping. CAL-Card should not be used as a payment option for freight charges over \$500.00.

**ADDITIONAL INFORMATION REGARDING SHIPPING** **2665.4**  
(No. 5 May 2008)

United Parcel Service (UPS) - Parcel delivery service is available to all points within the state and other areas. Deliveries are limited to 150 pounds and 108 inches in length and girth combined.

Courier Service - State agency requirements for overnight delivery may be met through the contracts with the carriers who provide courier service. DGS Transportation Management will assist in arranging these services. See website for Parcel Delivery Services at [www.pd.dgs.ca.gov/traffic](http://www.pd.dgs.ca.gov/traffic).

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Rates and Tariffs - Rates and tariffs for shipping can be obtained from the Office of Transportation Management, phone number (916) 376-1888.

Packaging - General rules include checking for weight limitations on carton certificate, fully packing each carton, using separators or dividers when necessary to protect the goods being shipped, and checking the carrier's vehicle for any obvious defects that may cause damage to the shipment.

Loading - Check the condition of all pieces being loaded. Keep a load tally of the number of pieces, size, and weight.

Hazardous materials - Must be properly prepared, including shipping papers and clearly marked containers. Refer to SAM §3845 for information on the classes of hazardous materials and requirements. For hazardous shipping on incidents contact the Logistics Unit Chief.

Straight Bill of Lading - The Straight Bill of Lading (STD. 254) must be used to document all shipments originated by CAL FIRE regardless of whether the material is shipped by proprietary vehicle or a fee-hired carrier. Refer to SAM 3840.

The functions of a Bill of Lading include serving as a receipt for the material turned over to the carrier, as a contract for carriage of material, and as evidence of title to the material being shipped.

(see next section)

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(see Forms or Forms Samples)