

APPENDIX G

PREAWARD SURVEY GUIDELINES

1. General. The applicable portions of the Federal Acquisition Regulation (FAR) and supplements thereto the DOD 4500.34R, Personal Property Traffic Management Regulation and the Preaward Survey of Contractor's/Carrier's Facility and Equipment (DD Form 1811) will be used when making preaward surveys. Since it is not feasible to list all criteria which makes a warehouse and its management satisfactory or unsatisfactory, the decision as to adequacy is a matter of judgement. The primary overall objectives to be considered involve the following questions: Will the warehouse afford proper protection to the property to be stored? Is the company capable of performing the required services properly? The contracting officer/PPSO will be satisfied that **the warehouse** has adequate--

a. Protection from pilferage, contamination, theft, fire, flood, rain, moisture, windstorm, or other hazards. The contracting officer may request the advice and/or opinion of the appropriate law enforcement authority--in determining the adequacy of a separate storage location for firearms.

b. Storage methods such as proper stacking, ventilation, locator systems, and access for firefighting and inspection.

2. Structural Requirements. Facilities may be constructed of any modern building material normally used and generally accepted for the construction of warehouses, transportation terminals, and structures used for similar purposes. Materials may include, but are not limited to, brick, block, concrete, and rolled sheet **metal**, which are the most commonly used and accepted materials. As a minimum, the inspecting official shall review the following areas during the on-site survey: construction, compliance with local building codes and ordinances, door and window closures, weather tightness, and adequacy of security procedures.

3. Environmental Requirements. Facilities should be constructed or equipped with adequate devices which will reasonably ensure property will not be exposed to extreme heat, cold, moisture, high humidity, or other environmental conditions which **would** cause damage such as mold, mildew, and cracking or separation of finished and glued surfaces. Protective measures may include, but are not limited to, insulation, ventilators, ceiling and floor fans, dehumidifiers, and like devices which are intended to control or regulate the environment within a structure. The requirement for such built-in or external devices will be based on a review of the following factors: geographic location of the facility, 'weather conditions, previous experience, and incidence of damage claims for facilities within the same area which **relate** to mold, mildew, or articles which have deteriorated as a result of a climatic condition. Each facility will be evaluated on its own merits considering the above factors. Inspecting officials should consult with local police, fire, and building departments when assessing a facility when further information is needed for approval. Warehouses constructed with exposed (bare), uninsulated metal **walls** and/or ceilings must provide a disinterested third party engineer's environment report certifying that the facility will provide stored household goods with protection from extreme heat, cold, moisture, humidity, or other environmental conditions which could produce mold, mildew, and cracking or separation of finished/glued surfaces.

4. Insect and Rodent Control. Warehouses will not show evidence of insect and rodent infestation. Warehousemen will have an established periodic program, either self-administered or provided by a reputable outside firm, for the control and extermination of insects and rodents. **Warehousemen** will keep appropriate records to confirm the existence of the program.

5. Housekeeping. One of the most important items in warehousing is good house-keeping. Survey personnel should assure themselves that there are provisions for the collection and disposal of packing materials, crates, and other similar trash; that excessive dust and dirt are not prevalent; that working supplies are properly located; and that equipment is maintained in a sound and orderly condition.

6. Repairs. Warehouses which require major repairs in order to afford proper protection of property will not be approved. Reinspection will be made only after the contracting **officer/PPSO** has been advised in writing by the contractor, carrier, or agent that repairs have been completed. *

7. Responsible Management and Operation. Inspection records will contain evidence of good management and operational practice. Such evidence may be obtained **through visual** observation of the facility, equipment, and **personnel** and from information relating to credit standing and financial stability. Whenever a state or municipality require a business firm to be licensed in order to operate a personal property storage warehouse, possession of such license will be verified. The determination that approved contractors continue to possess good management, financial stability, and operational practices will be accomplished at least annually by the contracting officer or PPSO as appropriate. Additional information with respect to determining responsibility of prospective contractors is contained in the DOD FAR supplement, subchapter A, part 9.

8. Fire Prevention and Protection.

a. Minimum fire protection standards are based upon fire protection systems, fire insurance rates, and other factors. Warehouses which do not meet these minimum standards will not be approved for participation in the program. For overseas areas fire protection and prevention, standards will be established by the theater commander. Fire risk classifications are as follows:

		Limitation <u>(ounds)</u>
CLASS 1	Fully automatic supervised sprinkler system.	1,500,000
CLASS 2	Fully automatic unsupervised sprinkler system.	1,000,000
CLASS 3	Supervised detection and reporting system.	600,000
CLASS 4	Not more than .600 FCR.	200,000

NOTE : **Fire** content rate (**FCR**) criteria and Class 4 facilities are discontinued. However, those warehouses presently accepted on the **FCR** basis **will** be retained as approved storage facilities. When the **FCR** increases or decreases, **the warehouse** classification will be adjusted accordingly. The above **class** designations and weight limitations apply to basic ordering agreement (**BOA**) contract facilities only.

Fire protection systems will meet the requirement for insurance rate credit by the recognized fire insurance rating organization. Written evidence of the recognition of an installed fire protection system shall be obtained by the contractor/agent from the cognizant fire insurance rating organization through the contractor's/agent's insurance company (Figure G-1). Periodic inspection (annually as a minimum) by the PPSO/contracting officer will verify that the warehouseman is having the system properly maintained.

All classes of warehouses will have an adequate source of water for firefighting purposes and a responsive fire department. Adequacy of the water supply and fire department will be based upon statements by the appropriate fire insurance rating organization, municipal fire department, or local authority having jurisdiction.

Weight limitation pertains to a warehouse or a fire separation thereof.

The Commander, MTMC, is authorized to approve deviations from the above standards.

b. Even though a warehouse may fall within an approved fire risk classification, it will not be approved unless it meets **all** other regulations of the Basic Ordering Agreement, Tender of Service, and this Regulation.

c. Warehouses will be approved and utilized in accordance with the standards and provisions of national codes (American Insurance Association, National Fire Protection Association, American Standards Association, etc.) unless local codes are more rigorous with respect to fire prevention and protection requirements; minimum clearance above stacks; width of aisles; accessibility to fire aisles; distribution of fire extinguishers; and outside storage of combustible materials. In accordance with national codes, contractor's storage area will be separated from other occupants of a jointly occupied building by a **fire** wall or partition having a fire resistance rating sufficient to protect the warehouse from the fire exposure of the other occupant. The minimum separation **will** be a solid wall or partition having a fire resistance rating of not less than one (1) hour.

d. A warehouse operational layout fire plan is required as a part of the preaward survey process. Additionally, all approved storage facilities must submit an initial and, when appropriate, revised fire plan as outlined below. The layout fire plan will show the configuration of pallets or open-stack storage, racks, aisles, deck space, working areas, office space, etc. Respective

dimensions inclusive of **wall** clearances will be shown. This layout fire plan will be reviewed on site and be signed and dated by an appropriate fire department official for approval. The approved layout fire plan shall be sent to the RSMO contracting officer or **PPSO**, as appropriate, for permanent retention in the contractor/carrier file. Thereafter any change to the operational characteristic of the warehouse must be reflected on a modified or revised layout fire plan, approved by on-site review, signed, and dated by an appropriate fire department official. The modified layout plan will be sent to the **PPSO/contracting** officer for retention. A copy of the current approved layout fire plan is to be posted in a **prominent** position within the warehouse for which it applies.

e. The **preaward** survey must verify that--

(1) Household goods are not exposed to hazardous materials or operations inside or outside the warehouse.

(2) **"No Smoking" signs are conspicuously posted in all storage areas** and that no smoking restrictions are rigidly enforced.

(3) Waste and refuse are removed from storage areas daily or kept--in metal containers with tight-fitting metal lids.

(4) Aisles are kept free of storage and equipment.

(5) Household goods are stored on skids, dunnage, pallet bases, elevated platforms, or similar aids which provide a two (2)-inch minimum clearance from the floor to the bottom-most portion of the property stored and are not in contact with exterior walls. Trash cans, extension ladders, lawn mowers, TV antennas, swing sets, and other like items are excluded from these requirements.

(6) The height of household goods stacked loose does not exceed 10 feet.

(7) Heating, electrical, plumbing, and other systems are serviced at least annually, are maintained in sound condition, and meet all requirements of nationally recognized codes **unless** local codes or ordinances are more rigorous.

(8) Power equipment such as sweepers, pallet jacks, and forklifts are operated and/or garaged in accordance with nationally recognized codes, unless local codes and standards are more rigorous.

(9) **Installed fire protection systems are serviced and maintained in accordance with nationally recognized codes, unless local codes are more rigorous, to ensure they are operational at all times.**

(10) Firearms must be stored within a member's storage lot. In those instances where a firearm must be stored separately (i.e., prescribed by applicable law, only item in storage, etc.), the adequacy of the security **area will be approved in writing by local law enforcement authority and contracting officer/PPSO.**

9. Security.

a. Security measures shall conform to the following **criteria**; however, for overseas areas, security requirements may be established by the theater commander.

b. **Building.** The walls and roof must be structurally sound, including windows, doors, and skylights.

c. **Security Devices.** Utilization of electronic protection system is mandatory in areas identified 'by local law enforcement agencies as "high crime" rate areas. A burglar alarm system with AC-DC alternating power sources, or protective systems such as sound detectors, motion sensors, infrared beam sensors, and closed circuit television, is acceptable only when supervised and monitored at a central station on a 24-hour basis. Additionally, the warehousemen must have a program for the periodic inspection and maintenance of these systems.

d. **Windows and Doors.** All access walk-in doors, warehouse doors, exterior windows, and overhead doors that may permit warehouse entry by simply breaking the glass therein, will require the installation of heavy metal mesh or "chain-link" type fence, or equal materials installed so that they cannot be readily removed from the exterior, or electronic devices that detect-the opening and/or the breaking of glass. This requirement does not apply to windows, the base of which is considered to be above the reach of a reasonably determined burglar or vandal. Skylights, cupolas, and roof vents require the same security measures as windows. When lesser constructed doors (as opposed to heavy duty doors) are **used**, they will be reinforced with metal bars or steel overlay to defend against forced entry.

e. **Locking devices.** All doors and access hatches will have a double locking system as a minimum. Electric controlled overhead doors, unlockable metal pins, or snap fasteners are not recognized locking devices and will not suffice as an alternative locking method. The door from the office to the warehouse storage area will also be secured with a double lock system. Double lock system is not required if the office is within the confines of the warehouse walls and the exterior office doors are double locked. When the warehouse office is not within the confines of the warehouse walls and has a door connecting the office area with warehouse area, a double lock system is required. This locking system is required on either the door permitting entry to the office or the door permitting entry to the storage area. The door with the double lock system must be metal, solid wood, or reinforced as stated in paragraph d above.

f. **Van:** The doors will be secured with heavy duty (case hardened) padlocks or surface key locks.

g. **Exterior Area:** Recommend heavy duty fence and lights be used when and where possible to deter crime.

10. **Subcontracting.** When it is in the best interest of the Government, the contracting officer may approve subcontracting in accordance with the provisions of the DOD FAR Supplement, subchapter G, Part 44, and this Regulation. Such approval will be confirmed in writing.

11. **Operating Authority Requirements for Storage Contractors.** The provisions of the FAR, 52.247-2, Permits, Authorities, or Franchises, are **applicable** for qualification in the DOD Personal Property Shipment and Storage Program. A prospective contractor engaged in interstate transportation shall be responsible for obtaining Certificate of Public Convenience and Necessity (**PCN**) issued by the ICC or, if engaged in intrastate transportation, a certificate issued by the

appropriate state regulatory body. In those instances where certain states recognize leasing and/or agency agreements to perform drayage services as an alternative to intrastate operating authority, the prospective contractor will be responsible for furnishing such evidence of compliance with state law.

12. Evaluation of Flood Hazards. Prior to final approval, a flood plain report from the US Army Corps of Engineers or disinterested third party Engineer/Surveyor is required to determine if the prospective contractor's facility is in a potential 100-year flood area. Buildings with floor levels below the flood plain levels will not be approved.

13. Other Considerations.

a. During preaward surveys, it must be determined if the adjoining occupant is engaged in **an operation** which is hazardous or nonhazardous to the facility being surveyed. For example, does the adjoining occupant-use, store, or manufacture any materials which would be prohibited in a personal property storage facility? Appendix J of this Regulation provides a list of such items which are considered hazardous. Under nonhazardous condition, the minimum **separation** will be a solid **wall or** partition having a fire resistance rating of not less than one (1) hour. When the adjoining occupant is engaged in a hazardous operation, a judgement must be made as to whether or not the hazard is of such a nature that entry or continued participation in the personal property program should be prohibited.

b. A common problem is the garaging and/or repair/maintenance of vehicles in warehouses. In view of the hazards associated with this practice, contractors, carriers, and agents are not permitted to house or perform maintenance on a vehicle within **the** part of a structure used for the-storage of personal property unless the storage/maintenance area is properly separated from the personal property storage area by appropriate walls having the National Fire Code prescribed degree of fire resistance.

14. Maintaining Facility Approvals. Facilities which are in an approved status, as of the effective date of this Regulation, may continue to participate in the contemporary storage and storage-in-transit personal property programs. However, those facilities which do not meet the minimal standards contained in this appendix will be given three (3) years, from the effective date of this Regulation, to fully comply with these standards. Facilities which fail to meet and comply with these standards, within the 3 year period, will have their approval removed. Facilities seeking initial approval after the effective date of this **regulation must** comply with the standards herein.

(Sample Format)

(NAME OF WAREHOUSEMAN/ CONTRACTOR)

Address of Firm: _____
Address of Storage Location: _____
Owned: _____ Leased: _____

The description of your fire protection will be completed by your insurance company by checking yes or no, as appropriate:

	YES	NO
a. Is building equipped with an automatic sprinkler system?	_____	—
Is automatic sprinkler system supervised?		—
Is credit applied to the fire rate for the sprinkler system?	_____	_____
b. If not sprinklered:		
Does building have a supervised fire detection and reporting system?	_____	—
Is credit applied to the fire contents rate for supervised fire detection and reporting "system?"	_____	—
c. Annual Fire Contents Rate (80% Co. Insurance)- \$_____ per \$100.		

To the best of my knowledge, the above information herein is true and correct as of this date.

Signature Title Date

Name of Insurance Company

Address of Insurance Company

Your prompt attention to this matter will be appreciated.

Sincerely,

Enclosure - 1
Verification from Fire "Rating Organization

(Figure G-1)