

Shipping and Receiving Guideline - 6.21.G (12/15/99)

[Last Update: \(12/15/99\) BDenman:dal - 6.21.G.0](#)

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This guideline has been reformatted for placement on Sandia's External Web site.

Definitions

Cash on Delivery (COD) - SNL does not use this form of payment.

Common Carrier - A for-hire carrier that holds itself out to serve the general public at reasonable rates and without discrimination. The carrier must secure a certificate of public convenience and necessity to operate.

Contractor Choice & Expense (CC&E) - Same as FOB Destination.

FOB Destination (Ts&Cs) (Freight Prepaid) - Contractor bears responsibility for placing goods into the possession of the carrier, cost of shipment, filing of claim, etc. Carrier submits freight bill directly to Contractor for payment. SNL takes title for goods at point of destination.

FOB Origin (Ts&Cs) - SNL bears responsibility for designation of carrier and mode, cost of shipment, filing of claims, and takes title for goods at the point of shipment. Contractor bears responsibility for expense and risk of placing goods into the possession of carrier at the place where the shipment is originated.

Freight Collect - Carrier (not the Contractor) submits the freight bill to SNL for payment. May be used on FOB Origin (Ts&Cs) and FOB Destination orders. **Note:** Collect does not mean that carrier collects payment at delivery.

Freight Prepaid and Add to Invoice - Contractor pays the cost of shipment to the carrier and invoices SNL for the transportation charges.

Procurement-related shipments and handcarries include:

- Government-Furnished Property (GFP),
 - items sent to Contractor to be:
 - repaired,
 - modified,
 - tested,
 - traded in,
 - evaluated, or
 - exchanged,
 - items furnished on a charge basis,
 - borrowed property being returned,
 - returnable containers, and
 - items returned to the supplier for repair under warranty.
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Shipments - Inbound Routing

Procedures - 6.21.G.1

Shipping terms and responsibilities are noted in this section.

**Table I
Domestic Freight Term**

Terms	Seller	Buyer
FOB ORIGIN, FREIGHT COLLECT*	<ul style="list-style-type: none"> • No obligations 	<ul style="list-style-type: none"> • Pays freight charges • Absorbs freight charges • Owns goods in transit • Files all claims
FOB ORIGIN, FREIGHT PREPAID*	<ul style="list-style-type: none"> • Pays freight charges • Absorbs freight charges 	<ul style="list-style-type: none"> • Owns goods in transit • Files all claims
FOB DESTINATION, FREIGHT COLLECT**	<ul style="list-style-type: none"> • Owns goods in transit • Files all claims 	<ul style="list-style-type: none"> • Pays freight charges • Absorbs freight charges
FOB DESTINATION, FREIGHT PREPAID**	<ul style="list-style-type: none"> • Pays freight charges • Absorbs freight charges • Owns goods in transit • Files all claims 	<ul style="list-style-type: none"> • No obligations
FOB DESTINATION, FREIGHT COLLECT AND ALLOWED**	<ul style="list-style-type: none"> • Absorbs freight charges • Owns goods in transit • Files all claims 	<ul style="list-style-type: none"> • Pays freight charges • Deducts freight from invoice

*Title passes when carrier signs bill of lading.

**Title passes when carrier delivers shipment.

**Table II
FOB Origin**

Who Action

SCR	Directs Contractor to coordinate with Traffic. Note: Recommendations from Contractors will be considered, but Traffic will make final determinations.
Contractor	Provides Traffic with the following information: <ul style="list-style-type: none"> - item name, - shipping point, - destination, - quantity, - estimated weight, - estimated length, width, height, - value, and - required delivery date.

Table III

FOB Origin Special Considerations

If shipment...	Then SCR...
requires special handling considerations (fragile, refrigeration, etc.),	incorporates shipping instructions in the procurement documents, as specified by Traffic. Note: A copy of such instructions will be sent to the SCR for incorporation in the contract file.
contains hazardous material,	designates "Call Traffic" on Cover Page. Note: A copy of such instructions will be sent to the SCR for incorporation in the contract file.
has security classification,	designates "Call Traffic" on Cover Page. Note: A copy of such instructions will be sent to the SCR for incorporation in the contract file.

Table IV

FOB Destination or Origin

If...	Then SCR...
FOB Destination	Accepts Contractor's mode of shipment, or authorizes faster mode of shipment, i.e., Air Freight, with SNL to pay for additional incremental cost over means that would have been used by

Contractor.

Based on a comparison of the costs and services involved, the SCR may renegotiate FOB points and shipping provisions.

Note: Shipments to ICs are generally FOB Destination.

Table V Addresses for Incoming Shipments

If shipment is...	Then address is...
U.S. Postal Service to SNL/NM	Sandia National Laboratories (PO#____for US/DOE) Attn: _____MS#_____ PO Box 5800 Albuquerque, NM 87185-MS#
Other equipment or material to SNL/NM	Sandia National Laboratories Bldg. 957 Receiving (PO#____for US/DOE) 1515 Eubank Blvd., SE Albuquerque, NM 87123
U.S. Postal Service to SNL/CA	Sandia National Laboratories (PO#____for US/DOE) Attn: _____MS#_____ P.O. Box 969 Livermore, CA 94551-MS#
Other equipment or material to SNL/CA	Sandia National Laboratories 7011 East Ave., Bldg. 916 (PO#____for US/DOE) Livermore, CA 94550

UPS or Parcel Post Shipments - 6.21.G.2

Domestic shipments from Contractors which fall within the limitations below may be shipped Roadway Package System (RPS), United Parcel Service (UPS) or Parcel Post. No coordination with Traffic is required on shipping using these modes. Precious material, hazardous, classified items otherwise susceptible to damage or theft may not be shipped via UPS or Parcel Post.

UPS Limitations - 6.21.G.2.a

UPS limitations are as follows:

- packages between 70 and 150 pounds will be accepted if labeled "heavyweight" (although those rates are higher than other options) and 130-inch maximum measurement (length plus girth),
- on intrastate, 70 pounds maximum, and
- \$5,000 maximum recoverable value for lost shipment.

Parcel Post Limitations - 6.21.G.2.b

Parcel Post limitations are as follows:

- seventy pounds and 108-inch maximum measurement (length plus girth), and
 - \$1,000 maximum recoverable value for lost shipment.
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Shipping Instructions - 6.21.G.3

If...	Then SCR...
formal contract,	incorporates the appropriate information on the Section I Cover Page.
telephone order,	- specifies to the Contractor the appropriate routing, and - documents those instructions,
premium transportation,	- justifies the need for premium transportation in consultation with Requester and Traffic, - documents justification, and - files information in Procurement contract file. Note: This mode of transportation exceeds the normal cost of other available transportation and generally includes Air Freight, Air Freight Forwarder, and Exclusive Van or Truck.

Document Headings - 6.21.G.3.a

This table may be used by the SCR to understand how the shipment-related information appears on the Cover Page.

DPSRO Entry	Standard Text Appearing on Cover Page	Note
Any entry except	SHIPPING INSTRUCTIONS: DO	To effect economics

Truck	NOT INSURE. Consolidate daily shipments. Enclose packing memorandum with each shipment.	in transportation.
N/A (1)	No Shipment	Must be compatible with the PR.
CC&E (1)	Contractor's Choice and Expense	Corresponds to FOB Destination.
Parcel Post (1)	Parcel Post, Prepaid.	For shipments within prescribed limitations as delegated by SCR.
UPS Ground (1)	United Parcel Service, Ground, Prepaid.	For shipments within prescribed limitations, as delegated by SCR.
TA-Call after packaged TB-Call before packaged (1)	Directions from Sandia Traffic. Before/After Packaging, call (505) 844-4361.	For use with all origin orders except UPS and Parcel Post.
See Section I (1)	See Section I	For use with two or more standards or as a special instruction, or to show "Destination" and "Shipping Point" for a different item or a special agreement in FOB Article in Section I.
Collect Motor Freight (2)	< >, Motor Freight, Collect (Not C.O.D.)	To identify name of carrier as filled in by SCR.
Collect Air Freight (2)	< >, Air Freight, Collect (not COD)	To identify name of carrier.
Destination	Contractor's Choice and Expense	Corresponds to CC&E.
Origin	Shipping Point< >	To identify city and state entered by SCR.

(1) May be used per SCR delegation or as advised by Traffic Analyst.

(2) To be used only when advised by a Traffic Analyst.

Shipping Instructions Changes - 6.21.G.4

If...

after placement of a contract, but before actual shipment, routing must be changed to expedite shipment,

the contracted items have been shipped, but diversion or changes of routing are required,

Then...

the SCR will either:

- consult Traffic for instructions, or
- relay instructions to the Contractor to consult with Traffic, and
- document contract file.

the SCR will:

- coordinate with Traffic, and
 - provide relevant information to Traffic to facilitate tracing including bill of lading, air bill, number and date of shipment, carrier name, date of shipment and/or other available information.
-

Foreign Shipments - 6.21.G.5

If shipment is from a foreign location, the SCR will...

- notify Traffic upon Contractor selection prior to contract award,
- supply Traffic with pertinent information, and
- request duty free status upon placement of contract.

Note: Cannot use foreign address for Shipping Point.

Then Traffic will...

- assist SCR with shipping instructions, and
 - provide duty free application.
-

Shipping Problems, Trouble Shooting - 6.21.G.6

If...	Then...
a claim arises,	<ul style="list-style-type: none">- SCR communicates directly with Contractor concerning claims for replacement or repair of lost or damaged items bought on contract.- SCR coordinates with Traffic.- Traffic is responsible for arranging carrier inspection.
tracing is required,	<p>SCR furnishes pertinent information to Traffic when incoming procurement related shipments are late and need tracing. Furnish information such as:</p> <ul style="list-style-type: none">- carrier bill of lading,- air bill,- freight bill,- carrier name,- shipping date,- number of pieces, and- weight, etc.
rejected items must be returned,	<ul style="list-style-type: none">- SCR completes Deviation Form Requirements Report, SF 6891-S, initialed by line organization.- SCR arranges for shipping of rejected items, usually at Contractor's expense.
warranted items require service,	SCR coordinates return of items per agreement between SNL and the Contractor.
Contractor deviates from instructions causing SNL extra shipping charges,	<ul style="list-style-type: none">- Accounts Payable initiates SF 9513-B, Verification of Transportation Instructions, and forwards, via Traffic, to the SCR.- SCR accepts or rejects the additional charges, then forwards form to Traffic retaining a file copy.
Shipper Form, SF 6951-AE, is required,	APS SCRs review and approve all Shippers associated with orders/contracts. Shippers providing for shipment of property not authorized in the contract should be rejected unless a revision properly authorizing the shipment is in process.

Traffic Responsibilities - 6.21.G.6.a

Traffic Organization is responsible for:

- providing routing instructions on all shipment of material and equipment from Contractors where SNL is responsible for shipping charges, except as delegated to SCRs herein,
 - providing cost and other pertinent information on shipping alternatives as requested by SCRs,
 - compliance with pertinent governmental regulations on shipping,
 - routing all outbound shipments including rejects, warranties, loaned property, etc., and
 - other associated activities as mandated in the Transportation Operating Procedures (TOPs).
-

Outbound Shipment Procedures - 6.21.G.7

These forms are used to handle procurement-related shipments and handcarries

- SF 6951-AE, Shipper, and
- SF 6891-S, Return of Deviating/Warranted Material Report.

This table shows the responsibility for completion of any of the procurement-related shipment forms.

Requester

- Completely and accurately prepares forms, and
- obtains all necessary approvals on forms.

Note: Any special approvals required must be on these forms prior to SCR approval. (See Guideline 6.15.)

SCR

- Completes applicable portions of forms, and
 - signs forms for other than GFP items.
- Note:** Shippers for contracts with commercial suppliers for GFP are forwarded to the Logistic Systems and Property Management Systems organization for approval. The SCR is responsible for ensuring that all GFP items are incorporated in the applicable contract clause, PO, or property agreement.

Note: See Guideline 6.13 – Property, for instructions on how to proceed when property/material being shipped is not called out in the appropriate property clause in the PO, contract or loan/accountability agreement. The SCR shall then issue a revision to incorporate the property/material.

Return of Deviating/Warranted Material Report - 6.21.G.7.a

Prepare Form SF 6891-S, Return of Deviating/Warranted Material Report, in order to:

- document or return material which deviates from SNL requirements or design specifications, and/or
- return material to the supplier for repair under warranty.

Always prepare SF 6891-S if goods deviate from specifications regardless of whether goods will be returned to the Contractor.

This table outlines steps in the preparation and routing of SF 6891-S:

Step	Who	Action
1	Requester	<ul style="list-style-type: none">- If material is not to be returned to Contractor, then:<ul style="list-style-type: none">-- completes Requester section of SF 6891-S, and-- forwards to SCR.- If material is to be returned to Contractor, then:<ul style="list-style-type: none">-- completes Requester section of SF 6891-S,-- attaches to a completed Shipper Form SF 6951-AE with appropriate approvals, and-- forwards both forms to SCR.
2	SCR	<ul style="list-style-type: none">- If material is not to be returned to Contractor, then:<ul style="list-style-type: none">--completes SCR section of SF 6891-S, and--files copy in Procurement contract file.- If material is to be returned to Contractor, then:<ul style="list-style-type: none">-- verifies the propriety of the destination and routing with Contractor,-- completes the SCR section of SF 6891-S,-- approves both forms (Shipper and Deviation form) to return material,-- files copies of both forms in Procurement contract file, and

--sends copy of SF 6891-S to Contractor.

- | | | |
|---|---|---|
| 3 | Traffic/Shipping
/ Transportation
Department
(SNL/NM) or
Property
Management
Department
(SNL/CA) | Completes packaging and verifies shipping instructions on both forms. |
|---|---|---|

Note: The SCR shall consider retaining incorrect or overshipped material valued at \$25 or less, to avoid the expenses connected with the deviation procedure.

Contract Deviation Shipments - 6.21.g.7.b

Routing of material returned to the Contractor is usually at Contractor's choice and expense or via parcel post at SCR's discretion. Since parcel post must be prepaid and Accounts Payable does not bill back for amounts of \$5 or less, minimize parcel post usage. Local Contractors may elect to pick up the material or have it sent by a parcel delivery service. If transportation charges are high relative to the value of the material, the Contractor may request scrapping or other disposition at SNL. Shipments of deviating material at SNL expense shall be justified and documented by the SCR. Shipments to ICs may be at SNL's expense per SCR discretion based on considerations such as shipping cost, responsibility for the item, etc. Any replaced or reworked material is to be shipped at Contractor expense.

Send feedback on ideas and information on this page to the Process Expert, Bertie Denman.

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