

## ATTACHMENT V.F.1

### NON-TEMPORARY STORAGE (NTS) BEST VALUE SCORE (BVS)

#### A. INTRODUCTION

In the Defense Personal Property Program (DP3), the Best Value traffic distribution methodology assumes that Transportation Service Providers (TSP) screening and qualification are part of a separate process. The results of the screening and qualification process will provide TSPs that have met the regulatory requirements, are financially healthy, and are qualified to move or store shipments in the DP3. Additionally, TSPs that file acceptable rates are eligible to receive Best Value shipment awards.

The Best Value traffic distribution methodology consists of separate but consistent mathematical calculations to measure performance and rates. All calculations use quantifiable data obtained from the TSP input, the Defense Personal Property System (DPS) and customer surveys.

#### B. BEST VALUE METHODOLOGY (BVM)

The BVM will distribute ‘shipments’ rather than ‘tonnage’, using the BVS. The BVS includes a Performance Score (PS), worth 70 percent of the BVS; and a Rate Score (RS), worth 30 percent of the BVS.

##### 1. BVS:

The heart of DP3 is the use of best value to distribute traffic to TSPs. The factors of performance and rate filing use a base of a possible 100 points each. The 70/30 weighting scheme is applied against the 100 point base. The benefit of this methodology is the ability to modify the weighting without having to adjust the calculations associated with the underlying performance or rate data.

Several TSPs participate in multiple Areas of Responsibility (AOR)/zones and have multiple Tenders of Service (TOS). Each NTS TSP has a separate BVS for each zone in each AOR in which it participates.

The BVM for NTS includes a RS, based on the TSP’s filed rates for services and AOR/zone and a PS. The rate score in each BVS is calculated by each zone, while the PS is calculated by each TOS. The NTS BVS consists of:

$$\text{BVS} = 70 \text{ points PS} + 30 \text{ points RS}$$

$$\text{(PS)} = 25 \text{ points Customer Satisfaction Score (CSS)} + 25 \text{ points for Warehouse Inspection Score (WIS)} + 20 \text{ points Claims Score (CS)}$$

##### 2. BVS at Phase III Start-up:

For the first year of the Phase III NTS program, the NTS TSP’s BVS will be calculated as follows:

$$\text{BVS} = 45 \text{ points for PS} + 55 \text{ points for RS for the TSP’s filed rates upon entering the program. During initial start-up, the PS will be comprised entirely of the TSP’s WIS.}$$

The relative weights of the PS and RS will be used to calculate the start-up BVS for each TSP in each zone/AOR. Beginning one year after Phase III NTS implementation, the standard BVS methodology as defined in Paragraph (Para) [B.1](#) will be used.

3. BVS for New Entrant TSPs:

NTS TSPs who are new entrants into the DP3 will have their BVS calculated under the following evaluation criteria:

BVS = 45 points for PS (established from the NTS TSP's initial inspections. The government will perform an inspection using the DD Form 1811, Pre-Award Survey of Contractor's/Carrier's Facilities and Equipment, Figure V.F.1-3 and DD Form 1812, Warehouse Inspection Report, Figure V.F.1-4 during pre-award) + 55 points for RS using the TSP filed rates. During the first year a TSP participates in the program, the TSP's PS will be comprised entirely of the TSP's WIS. The TSP will receive a WIS after their initial warehouse inspection to participate in the program as defined in Appendix V.C.1, Chapter 2.2, Non-Temporary Storage (NTS) Transportation Service Provider (TSP) Qualifications.

The relative weights of the components of the TSPs' PS and RS are used to determine their weight in the new entry TSP's BVS. Beginning one year after the TSP's entry into the program, the standard BVS methodology as defined in Para B.1 will be used.

**C. PS**

The PS for NTS will be calculated according to the following weighted evaluation criteria according to the respective weight assigned to each factor:

1. CSS 25 percent,
2. WIS 25 percent, and
3. CS 20 percent

The CSS is one of the primary sources of performance data used to determine the quality of the services received by the customer, as well as for its use as a weighted performance evaluation criteria for calculating each TSP's BVS. Each customer relocating under the DP3 is counseled on the importance of completing the CSS on the web upon delivery of each shipment moved.

The WIS will also be a primary source of performance data used to determine the quality of services received by the customer, as well as for its use as a weighted performance evaluation criterion for calculating the NTS TSP's BVS. The WIS will be calculated from a variety of different performance evaluation criteria subfactors which are: pre and post storage services; administration; storage methods and operation; fire prevention and housekeeping; warehouse practices; and deficiencies observed/actions taken based on quality control rating raw score. The CS will be the third performance evaluation criteria factor used as a quality performance data source to determine the overall performance score of each TSP's BVS. Customers moving under the DP3 are counseled on the importance of completing their claim in the DPS in the event that the customer is required to file a claim due to personal property shipment loss/damage. The CS evaluation criteria will be calculated from the following subfactors: average number of days to dispose of claims; late settlement payments; percentage of over-aged claims; and success in diverting claims from Military Claims Offices (MCOs).

1. Customer Satisfaction Survey Score (CSSS):

a. Statistically Valid Number of Surveys:

For TSPs and shipment categories with statistically valid survey results, the DPS calculates the raw PS by determining the average survey score by totaling the survey scores for each TSP in each AOR/zone and dividing by the number of surveys for that TSP in each AOR/zone. The resulting average survey score will be the raw PS which will contain the CSS and CS data. The weighted PS will be calculated by multiplying the raw PS by the

weighted percentage for the CSS evaluation factor noted in [Para C. Figure V.F.1-1](#) below provides an example of the CSSS calculation for TSPs in one AOR/zone:

<b>NTS</b>		
<b>Inbound to NTS</b>		
<b>Survey</b>		<b>Score</b>
Cust 1		60
Cust 2		75
Cust 3		80
Cust 4		75
Cust 5		70
<b>Outbound from NTS</b>		
Cust 1		75
Cust 2		80
<b>Survey Totals</b>	<b>7</b>	<b>515</b>
<b>Raw Performance Score</b>		<b>=515/7</b>
		<b>=73.57 pts</b>
<b>Weighted Performance Score</b>		<b>=73.57*0.25</b>
		<b>=18.39</b>

**Figure V.F.1-1. Example of CSSS Calculations of a Single AOR/Zone**

b. Lack of Statistically Valid Survey Results:

TSP Stored Lots/Shipments. CSS data is included in the BVS calculations after full completion of two PS periods following rollout. If a TSP handled in/out lots during these first two performance periods but does not have a valid number of surveys completed, the CSSS will be calculated by assigning a neutral score to those surveys that were not returned, and calculate the actual scores from the returned surveys. If a TSP does not have statistical validity during subsequent performance periods, the previous PS will carry over. The neutral or average survey score comprises all returned surveys for a TSP for the AOR/zone, in which the TSP is participating. The neutral score consists of the total raw points of all returned surveys for the AOR/zone divided by the number of surveys. The benefit is that it allows the survey data that has been collected to be used and it does not penalize any TSP for customers that do not wish to return surveys. [Figure V.F.1-2](#) provides an example of the CSSS calculation for a TSP that does not have statistical validity:

	NTS TSP		AOR Total		NTS TSP w/Admin Scores	
	Shipments	Survey Score	Score (total raw points)	Number of Surveys	Shipments	Survey Score
				Receiving Score		
	Cust 1	60	100 (200)	2	Cust 1	60
	Cust 2	75	95 (95)	1	Cust 2	75
	Cust 3	70	90 (180)	2	Cust 3	80
	Cust 4	75	85 (510)	6	Cust 4	75
	Cust 5	70	80 (560)	7	Cust 5	70
	Cust 6	X	75 (450)	6	Cust 6	67.20
	Cust 7	X	70 (280)	4	Cust 7	67.20
	Cust 8	X	60 (300)	5	Cust 8	67.20
	Cust 9	X	35 (105)	3	Cust 9	67.20
	Cust 10	X	25 (75)	3	Cust 10	67.20
	Cust 11	X	0 (0)	5	Cust 11	X
<b>Survey Totals</b>	5/11	350	2755	41	10/11	696
<b>Raw Performance Score</b>		=350/5		=2755/41		=696/10
		<b>=70 pts</b>		<b>=67.20 pts</b>		<b>=69.60 pts</b>
<b>Weighted Performance Score</b>		=70*0.25		=67.20*0.25		=69.60*0.25
		<b>=17.5</b>		<b>=16.80</b>		<b>=17.4</b>

**Figure V.F.1-2. Example of a CSSS Calculation of a Single Statistically Non-Valid NTS TSP**

The column entitled “NTS TSP” shows an example of a TSP, the TSP’s handled In/Out shipments in a performance period, and the survey scores received on each shipment. At the bottom of the column are the CSSS points the TSP received based upon these figures. This TSP did not receive the minimum required number of surveys to be statistically valid and needed five more completed surveys based upon the number of storage awards provided to, and performed by, the TSP. Therefore, calculation of the neutral score is required. The next column, entitled “AOR Total” displays the total surveys at each point value for a given AOR in a given performance period (only those surveys that were returned are displayed). The second to last row in this column shows the average points that each returned survey has earned in this AOR overall for this performance period. This score is the value that is considered the “administrative survey score.” The last column, entitled “NTS TSP w/Admin Score” shows the same example TSP receiving the neutral score five of the surveys that were not returned in order to receive a statistically valid number of surveys. In this example, the neutral score (67.20) has only slightly changed the NTS TSPs CSSS (it dropped one tenth of a point). The benefit to this methodology is that all data collected for a TSP is taken into account, and TSPs will remain eligible for NTS awards based upon the surveys returned even if they are not statistically valid.

If a TSP does not complete any handle in/out lots during the defined evaluation period, the previous performance score will carry over.

2. WIS:

The WIS is another performance factor used to determine the NTS TSP’s BVS for each zone/AOR. The Regional Storage Management Office (RSMOs) are responsible to conduct an initial pre-award inspection, as well as routine inspections of storage facilities within their AOR. The designated warehouse inspector will use the same guidelines to inspect and rate the facility provided in the DTR, Part IV, and Appendix E. The inspecting official will evaluate all areas defined on the DD Form 1811, [Figure V.F.1-3](#), and DD Form 1812, [Figure V.F.1-4](#), to ensure that the facility complies with the requirements of the TOS to ensure stored property has adequate levels of security protection within a safe environment.

The RSMOs will inspect each NTS TSP’s facility twice a year on six-month cycles. If the TSP did not receive two warehouse inspections within a year, the TSP will contact the RSMO to request an additional warehouse inspection. The RSMO will either conduct an inspection or provide the TSP the higher of the two previous inspection scores if all warehouse discrepancies have been corrected. Warehouse inspections account for 25 percent of the total BVS score. The DD Form 1812, [Figure V.F.1-4](#), provides letter scores, from A to D, and the letter score is based on the number of deficiencies detected in the inspection (see Box 13 on DD Form 1812). Scores are assigned based on the findings from the inspection. In addition, certain qualification criteria from DD Form 1812 must be met in order to participate as an NTS TSP; regardless of WIS (these criteria are marked with an asterisk on the form). The following percentage scores are assigned to each letter score given resulting from the inspection:

A = 100 percent    B = 75 percent    C = 50 percent    D = 0

0 Points results in an “A” rating

1-8 Points result in a “B” rating

9-16 Points result in a “C” rating

Over 17 Points result in a “D” rating

New Entry: A new entrant to the NTS program will receive their initial WIS.

TSPs with Multiple Warehouses: The WIS will be calculated and applied for each TOS, not for each warehouse. Therefore, if a TSP has multiple warehouses under one TOS the multiple warehouses will be evaluated on one DD Form 1812, and the letter score for that TSP will apply to each of the multiple warehouses. In addition, TSPs may have multiple TOSs and, have multiple warehouse inspection scores. The average of the TSP’s warehouse scores for the AOR will be calculated and weighted at 25 percent of its BVS for each zone in which the TSP elects to participate.

The RSMO will enter the inspection letter score for the NTS TSP into the DPS. The NTS TSP will receive an inspection score every six months upon completion of the semi-annual warehouse inspection. The WIS that will be used in the calculation of the BVS will be a weighted warehouse inspection performance score that is calculated as an average of all WISs within the last twelve months. [Table V.F.1-1](#) provides an example of the calculation of a weighted WIS for an NTS TSP under the DPS for an entire year performance period:

**Table V.F.1-1. Example of WIS Calculation for an NTS TSP**

	Inspection	Letter Score	Number Score
	Initial Inspection	C	50
	Semi-Annual Inspection	A	100
<b>Raw Performance Score</b>	150/2	75	
<b>Weighted Performance Score</b>	75*.25	18.75pts	

A copy of DD Form 1811 Pre-Award Survey of Contractor's/Carrier's Facilities and Equipment is provided below ([Figure V.F.1-3](#)):

PRE-AWARD SURVEY OF CONTRACTOR'S/CARRIER'S FACILITIES AND EQUIPMENT				DATE (Yr/Mo/Day)	
INSTRUCTIONS: THIS SELF EXPLANATORY FORM IS TO BE COMPLETED IN DUPLICATE FOR EACH WAREHOUSE OR SPECIFIC AREA THEREOF IN WHICH HOUSEHOLD GOODS ARE TO BE STORED. THE ORIGINAL TO BE RETAINED BY THE RESPONSIBLE ACTIVITY, DUPLICATE TO THE CONTRACTOR/CARRIER.					
NAME AND ADDRESS OF FIRM (Include ZIP code)		SCAC	CONSTRUCTION OF BUILDING		
			WALLS		
			ROOF		
NAME OF OPERATING EXECUTIVE		FLOOR(S)	NUMBER OF FLOORS		
PHONE (Include AREA CODE.) BUSINESS: HOME:		BASEMENT			
ADDRESS OF STORAGE LOCATION (Include ZIP CODE.)		GIVE NARRATIVE DESCRIPTION OF BUILDING (Use reverse for diagram of storage area, if desired.)			
WAREHOUSE NUMBER	AREA (Floor, Fire Division, etc.)				
WAREHOUSE LICENSE NO.	OPERATING AUTHORITY				
OPEN FOR BUSINESS (Hours and days of week.)					
PICK-UP AND DELIVERY EQUIPMENT					
NUMBER OF TRUCKS	TYPE OF TRUCKS		TOTAL STORAGE SPACE (Square feet.)		
OWNERSHIP OF BUILDING					
<input type="checkbox"/> OWNED <input type="checkbox"/> LEASED (If leased complete the following and attach a copy of lease.)					
LEASE EXPIRES _____ PHONE _____					
NAME AND ADDRESS OF OWNER (include ZIP CODE.)					
FIRE PROTECTION					
FIRE CONTENTS RATE (Based upon 80 percent co-insurance per \$100 per year.)					
DOD FIRE CLASSIFICATION CODE	WEIGHT LIMITATIONS (LBS.)		(CHECK "YES" OR "NO" AS APPROPRIATE)		YES NO
NUMBER OF MILES TO NEAREST FIRE DEPARTMENT:		CATEGORY OF BUSINESS			
NEAREST FIRE HYDRANT	NUMBER OF FEET FROM BUILDING:	MINORITY BUSINESS ENTERPRISE			
POUNDS OF PRESSURE:	SMALL BUSINESS CONCERN				
<input type="checkbox"/> ADEQUATE <input type="checkbox"/> INADEQUATE	FIRE EXTINGUISHERS				
DESCRIBE FIRE PROTECTION SYSTEM	IS THERE A SUFFICIENT NUMBER?				
	ARE THEY THE PROPER TYPE?				
	ARE THEY REGULARLY INSPECTED AND MAINTAINED?				
FREQUENCY OF TEST/INSPECTION:	FIRE FIGHTING PLAN				
MAINTENANCE CONTRACT WITH	IS A FIRE FIGHTING PLAN POSTED?				
	ARE ALL EMPLOYEES FAMILIAR WITH THE PLAN?				
CLIMATE PROTECTION					
IS BUILDING PROTECTED FROM EXTREME COLD?					
IS BUILDING PROTECTED FROM EXTREME HEAT?					
IS BUILDING PROTECTED FROM EXTREME HUMIDITY?					
IS VENTILATION ADEQUATE?					
SCALES					
TYPE AVAILABLE	DISTANCE FROM BUILDING (MILES)	MATERIAL HANDLING EQUIPMENT			
CERTIFIED	YES NO	CAPACITY			
STORAGE METHODS (Give brief description)		IS THE EQUIPMENT PROPERLY MAINTAINED?			
SMOKING					
ARE "NO SMOKING" SIGNS POSTED?					
IS "NO SMOKING" POLICY ENFORCED?					
HOUSEKEEPING					
IS BUILDING AND OUTSIDE AREA NEATLY KEPT AND FREE FROM HAZARDOUS MATERIALS?					
ARE COMBUSTIBLE WASTE MATERIALS STORED AT LEAST 50 FEET AWAY FROM FACILITY?					
SECURITY					
IS BUILDING EQUIPPED WITH BURGLAR ALARM?					
IS A WATCHMAN ON DUTY?					
DO POLICE PATROL THE AREA?					
ARE DOORS AND WINDOWS ADEQUATELY PROTECTED?					
IS SEPARATION FROM JOINT OPERATION OCCUPANT, IF ANY, ADEQUATE? (See "Hazardous Operation" below.)					
FLOODING					
IS BUILDING SUBJECT TO FLOODING?					
I certify that I have inspected the above described facility and find that, to the best of my knowledge, the information herein is true and correct.		SIGNATURE (Inspecting Officer)		DATE (Yr/Mo/Day)	
I certify that the conditions and policies of this warehouse are, to the best of my knowledge, as indicated above.		SIGNATURE (Warehouseman)		DATE (Yr/Mo/Day)	
I certify that I have reviewed this survey and <input type="checkbox"/> APPROVE, <input type="checkbox"/> REJECT the facility for storage of household goods.		SIGNATURE (Contracting Office/Trans. Officer)		DATE (Yr/Mo/Day)	

DD Form 1811, JUN 79

EDITION 1 AUG 73 IS OBSOLETE.

Adobe Professional 7.0

Figure V.F.1-3. DD Form 1811

A copy of DD Form 1812 Warehouse Inspection Report is provided below ([Figure V.F.1-4](#)):

<b>WAREHOUSE INSPECTION REPORT</b> <i>(Read instructions on back before completing form.)</i>				1. (X as applicable)				2. DATE OF INSPECTION (YYYYMMDD)	
				BOTH BOA AND SIT		RSMO		ITO	
3. CONTRACTOR/CARRIER		4a. ADDRESS OF WAREHOUSE		b. FIRE SYSTEM/CLASS				c. LOTS	d. WEIGHT
a. NAME				SS:1	USS:2	D & R:3	FCR:4		
b. ADDRESS (Include ZIP Code)									
5. CONTRACT REFERENCE NUMBER		6. STATUS (X)		INACTIVE		7. CURRENT CONTRACT OR TENDER OF SERVICE ON FILE (X)			
		ACTIVE		INELIGIBLE		YES		NO	
8. PRE AND POST STORAGE SERVICES				10. (Continued)					
<input type="checkbox"/> a. Unauthorized equipment in use <input type="checkbox"/> b. Unauthorized cartons and packaging used <input type="checkbox"/> c. Improper packing/sealing/marking of cartons <input type="checkbox"/> d. Pickup service not accomplished on time <input type="checkbox"/> e. Improper loading/unloading of van or pallet <input type="checkbox"/> f. Disassembled parts not packaged/inventoried <input type="checkbox"/> g. Inventory stickers on finished surfaces <input type="checkbox"/> h. Improper appliance servicing/labeling <input type="checkbox"/> i. Smoking observed at residence <input type="checkbox"/> j. Employees on duty not efficient/heat <input type="checkbox"/> k. Origin premises not left in good order <input type="checkbox"/> l. Designation services improperly performed <input type="checkbox"/> m. Deviations to service order <input type="checkbox"/> n. Delivery service not accomplished on time				<input checked="" type="checkbox"/> l. Improper piano/organ storage <input type="checkbox"/> m. Improper storage of mattresses <input type="checkbox"/> n. Segregated pieces not properly identified <input type="checkbox"/> o. Improper packing of mirrors/glass table tops <input type="checkbox"/> p. Inadequate protection against mold/mildew <input type="checkbox"/> q. Aisles being used to process goods in/out <input type="checkbox"/> r. Previous discrepancies not corrected*					
9. ADMINISTRATION				11. FIRE PREVENTION AND HOUSEKEEPING					
<input type="checkbox"/> a. Incorrect inventory preparation <input type="checkbox"/> b. No separate weight ticket and certificate/PB and EAWT <input type="checkbox"/> c. Incorrect warehouse receipt preparation <input type="checkbox"/> d. Ineffective locator system* <input type="checkbox"/> e. Contract supporting paperwork needed				<input type="checkbox"/> a. Electric/heat/water systems require repair <input type="checkbox"/> b. Evidence of smoking in warehouse* <input type="checkbox"/> c. Unauthorized items stored* <input type="checkbox"/> d. Improper aisle and/or stacking clearance <input type="checkbox"/> e. No fire system inspection* <input type="checkbox"/> f. No fire extinguisher inspection _____ <input type="checkbox"/> g. No extinguishers on warehouse equipment <input type="checkbox"/> h. Trash/debris in storage area <input type="checkbox"/> i. Fire doors inoperable/in need of repair <input type="checkbox"/> j. No fire plan posted <input type="checkbox"/> k. Space heaters/extension cords being used <input type="checkbox"/> l. Gas and oil not drained from motorized items <input type="checkbox"/> m. Hazards noted within 50 feet of warehouse* <input type="checkbox"/> n. Flammables/combustibles found in warehouse*					
10. STORAGE METHODS AND OPERATION				12. WAREHOUSE PRACTICES					
<input type="checkbox"/> a. Consigned lots not stored within 5 days* <input type="checkbox"/> b. Improper storage, stacks/pallets <input type="checkbox"/> c. Finished surfaces not protected by pads/wrap <input type="checkbox"/> d. Lots and separated pieces not elevated 2 inches <input type="checkbox"/> e. Lots stored against exterior walls <input type="checkbox"/> f. Lawnmovers not stored at base level of lot <input type="checkbox"/> g. Improper firearms control <input type="checkbox"/> h. Loose stack storage over 10 feet* <input type="checkbox"/> i. PBC contents not identified on inventory <input type="checkbox"/> j. Improper storage of upholstered pieces* <input type="checkbox"/> k. Improper storage of rugs/pads*				<input type="checkbox"/> a. Inadequate security* <input type="checkbox"/> b. Inadequate loading/unloading area <input type="checkbox"/> c. Structural deficiencies (doors/floors/roof/walls/windows) <input type="checkbox"/> d. Inadequate protection from sun/dust/heat/cold/moisture <input type="checkbox"/> e. Lack of insect/rodent control _____ <input type="checkbox"/> f. Vehicles parked in storage area <input type="checkbox"/> g. Commingled storage with undesirable commodities <input type="checkbox"/> h. Multiple occupancy* <input type="checkbox"/> i. Weight stored in excess of authorized limit*					
13. DEFICIENCIES OBSERVED/ACTIONS TAKEN BASED ON QUALITY CONTROL RATING RAW SCORE				<input type="checkbox"/> a. No deficiencies observed <input type="checkbox"/> b. Corrective action without report is required as soon as possible <input type="checkbox"/> c. Corrective action, confirmed in writing, is required by (YYYYMMDD) _____ Send notice of corrective action to _____ <input type="checkbox"/> d. You are _____ for further business as of _____ <input type="checkbox"/> e. You are continued ineligible for further initial service orders.					
14. DOCUMENT FILES CHECKED				15. LOT NUMBERS CHECKED					
16. CONTRACTOR/CARRIER REPRESENTATIVE				17. SIGNATURE OF DEPARTMENT OF DEFENSE INSPECTOR					
a. SIGNATURE		b. TITLE							

DD FORM 1812, SEP 1998

PREVIOUS EDITION IS OBSOLETE.

COPY DESIGNATION:

COPY 1 - RSMO/  
ITO FILE COPY

COPY 2 - CONTRACTOR/  
AGENT COPY

COPY 3 - ITO/RSMO  
INFO COPY

Reset

Figure V.F.1-4. DD Form 1812

3. CS:

The CS is another source of data that determines a portion of the performance evaluation used to calculate each TSP’s BVS. Prompt resolution of claims on behalf of the customer is deemed a significant performance factor. Customers moving under the DP3 are counseled on the importance of completing their claim in the DPS.

The CS is calculated on a 100-point scale, and is weighted as twenty percent (20 percent) of the total BVS. The table below ([Table V.F.1-2](#)) describes the measures and metrics that determine the CS.

**Table V.F.1-2. CS Metrics**

Section	Measure	Definition	Metric	Value	Percent of BVS
A	Average Days to Dispose of Claim	Days from Filing to Disposal of the Claim	Average Days	40 points	<b>8 percent</b>
B	Late Payment	Percent reporting payment not received within 30 days	% Late	40 points	<b>8 percent</b>
C	Percentage of Over-Aged Claims	Percent of claims “Not Disposed” within 60 Days	% Over-aged	10 points	<b>2 percent</b>
D	Avoiding Transfer of Claims to MCO	Percent of Total Claims Submitted to MCO	% Not Diverted	10 points	<b>2 percent</b>
		Total Claims Score		100 points	<b>20 percent</b>

The performance of a TSP in each of the areas in the chart above in [Table V.F.1-2](#) is measured after the first program year. The CS is calculated at the end of each defined evaluation period. Scores for the CS metrics will be based upon actual performance for each specific performance subcriteria in [Table V.F.1-2](#). Points are awarded based on how well a TSP performed in each area.

The “Customer Satisfaction with the TSP’s handling of the Claims Process Prior to Payment” award is based on the average score of the Claims CSSs completed. The Claims Performance subfactor Average Days to Dispose of a Claim” calculates the average number of days is different from the other measures as it considers in large part the performance of peers. Awards for the remaining measures are based on the TSP’s performance. The DPS provides the data for all five measures which are described in detail below.

Quick claim settlements filed directly with the TSP and claims filed directly through the MCO (not transferred from the DPS) are not included in the CS and are not tracked in the DPS.

The details of calculating the CS have been outlined in the following section.

a. Number of Days the TSP needed to “Dispose” of Claim:

This performance subfactor measures the number of days the TSP takes to dispose of a claim filed by the customer.

**Definition:** The number of days from the date of the initial claim filed in the DPS to disposal of the claim. The Date of Disposal of the Claim will be calculated depending upon the actions taken by the TSP to resolve the claim.

There are four ways to dispose of a claim or “stop the clock” within this metric. Two are actions that may be taken only by the TSP and two are actions that may be taken only by the claimant. Offers may be sent back and forth between the TSP and the claimant and particular items may be designated as “agreed to” during the negotiating process, but a claim is not disposed of until one of the below actions is taken.

b. TSP Actions to Determine “Disposal” Date:

- (1) Denial of a Claim in Full: The TSP may, at any time prior to settlement or transfer, deny a claim in full. Once the TSP sends a Denial of a Claim in Full it may not be modified or withdrawn. The disposal date is the date the Denial is filed in the DPS.
- (2) Final Offer: The TSP may, at any time prior to settlement or transfer, designate an offer to the claimant as final. Once the TSP sends a Final Offer it may not be modified or withdrawn. The disposal date is the date the Final Offer is sent in the DPS.

c. Claimant Actions:

- (1) Settle in Full: A claimant may elect to accept the latest offer of a TSP as full and final settlement of all items claimed. When this occurs all items in the claim are considered settled for the amount specified, even if that amount is \$0 or the item is otherwise denied.
- (2) Transfer to the MCO: At any time the claimant may choose to transfer the entire claim to their respective MCO. In this case, the disposal date is the date the claimant sends the transfer in the DPS. There are two types of Transfers.
  - (a) Transfer of the entire claim: At any time the claimant may choose to transfer the entire claim to their respective MCO. The entire claim is forwarded, including those items where agreement between the claimant and the TSP was annotated.
  - (b) Transfer of impasse items: At any time the claimant may choose to accept the TSP’s offer on particular items (where agreement was annotated) and transfer the remaining items to their Service. The agreed to items is paid, repaired, or replaced by the TSP as agreed and the impasse items are addressed by the MCO.

There can be only one disposition date for a claim. In the case where two actions noted above occur, the disposition date will be the date of the first event. For example, if a TSP sends a Final Offer to the claimant and the claimant later accepts the offer as settlement in full, it is the first event (dispatch of the final offer) that stops the clock.

d. Calculating the CS:

Universe: All NTS claims disposed within the previous twelve months. The CS is calculated using rolling 12 months of data, which is the same time period used in calculating the PS.

Data Source: Date Filed by the customer and Date Disposed fields from the DPS as indicated by the appropriate scenario above.

Calculation: To determine the average days a TSP has to dispose of a claim:

- (1) Subtract Date Filed from Date Disposed to determine Days to Disposal for all claims disposed during the previous twelve months.
- (2) Determine the average of the values calculated in step 1 above. This value is the metric for Time to Dispose of Claim for that TSP.
- (3) If a claim is settled on the same day it is filed, the time to dispose will be computed as 1 day.
- (4) A TSP with zero claims disposed and zero claims over-aged will receive the full 40 points.
- (5) A TSP with zero claims disposed and all claims over-aged will receive 0 points.

The example below shows the metric calculation process for a TSP. This TSP disposed of 20 claims during the previous twelve months.

- (1) Subtract Date Filed from Date Disposed to determine Days to Disposal for all claims disposed during the previous twelve months:

**Table V.F.1-3. Sample Calculations of Days to Dispose Claims**

Date Filed	Date Disposed	Days to Disposal	Date Filed	Date Disposed	Days to Disposal
15-May	1-Jul	47	25-Jun	16-Jul	21
17-May	1-Jul	45	6-Jun	16-Jul	40
19-May	1-Jul	43	20-Feb	16-Jul	146
15-Jun	5-Jul	20	10-Jun	22-Jul	42
23-May	5-Jul	43	12-Jun	22-Jul	40
25-May	5-Jul	41	14-Jun	23-Jul	39
27-May	5-Jul	39	15-Apr	24-Jul	100
29-May	5-Jul	37	18-Jun	2-Jul	14
17-Jun	22-Jul	35	20-Jun	30-Jul	40
2-Jun	5-Jul	33	22-Jun	10-Jul	18

- (2) Determine the average of the values calculated in step 1 above. This value is the metric for Time to Dispose of Claim for that TSP:

Sum = 883

Average = 883/20 = 44.15 days

The metric value for this TSP is 44.15 days.

Points Assignment: The Time to Disposal (TtD) measure is worth 40 possible points and calculated using the following equation:

$$TtD = \left[ 1 - \left( \frac{TSP_{Avg} - Best_{Avg}}{Std - Best_{Avg}} \right) \right] * 40$$

Equation 1: Average Days to Disposal

TSP Avg = Average Days to Disposal for a given TSP

Best Avg = TSP with the Lowest Average Days to Disposal. Only those TSPs that have claims settled would be considered when determining the TSP “Best Avg”.

Std = Minimum acceptable performance level, 60 days for Claims Disposal

Assume a market with any number of TSPs with the top performer taking on average 20 days to dispose of a claim and the lowest-ranked performer taking on average 45 days to dispose of a claim.

For the top-ranked performer the TtD score is:

$$TtD = \left[ 1 - \left( \frac{20 - 20}{60 - 20} \right) \right] * 40 = \left[ 1 - \left( \frac{0}{40} \right) \right] * 40 = [1 - 0] * 40 = 1 * 40 = 40 \text{ points}$$

For the lowest-ranked performer:

$$TiD = \left[ 1 - \left( \frac{45 - 20}{60 - 20} \right) \right] * 40 = \left[ 1 - \left( \frac{25}{40} \right) \right] * 40 = [1 - 0.625] * 40 = 0.375 * 40 = 15 \text{ points}$$

For our nominal TSP with an average value of 44.15 days, the award is:

$$\begin{aligned} TiD &= \left[ 1 - \left( \frac{44.15 - 20}{60 - 20} \right) \right] * 40 = \left[ 1 - \left( \frac{24.15}{40} \right) \right] * 40 \\ &= [1 - 0.60375] * 40 = 0.39625 * 40 = 15.85 \text{ points} \end{aligned}$$

A TSP meeting the minimum standard (the requirement to settle claims within 60 days) earns zero points:

$$TiD = \left[ 1 - \left( \frac{60 - 20}{60 - 20} \right) \right] * 40 = \left[ 1 - \left( \frac{40}{40} \right) \right] * 40 = [1 - 1] * 40 = 0 * 40 = 0 \text{ points}$$

A TSP not meeting the minimum standard, i.e., an average in excess of 60 days, will earn a zero point score.

e. Late Payment:

Purpose: To count late payments from the TSP to the customer.

Definition: After customers and TSP agree on the claim settlement amount, customers will receive a survey via Electronic Mail (e-mail). This survey measures the percentage of members responding negatively as to whether they received a claims settlement check within 30 days from the date the claim settlement amount was agreed upon. This metric tracks payments (i.e. issued checks) and does not track repaired or replacement items on a claim.

Universe: All claims settled by payment during the previous twelve months except for those settled within the last 30 days.

- (1) Data Source: Number of “No” responses to e-mail question on claims settlement check receipt of payment for total number of claims settled during the previous twelve months. Data will come from the DPS. Non-responses or customers without e-mail addresses are counted as positive responses (i.e., check received within 30 days). The DPS sends the question thirty days after the date the customer and TSP agreed upon a dollar amount. The e-mail will indicate the date payment should have been received by the customer. Calculation: For each TSP, the percentage of respondents reporting late or non-receipt of claims settlement check will be determined as follows: Determine the number of customers answering “No” to a question asking if they received a claims settlement check within 30 days of claims settlement.
- (2) Determine the total number of claims settled within the previous twelve months where the date is greater than 30 days prior to last date of the performance period.
- (3) Divide the results of step 1 above by the results of step 2 above and multiply by 100 to determine the reported percent of claim settlement checks.

This metric will be used to measure the number of settled claims that were not paid by the TSP within thirty days of the date of settlement.

The example below shows the calculation process for a TSP.

- (1) Determine the number of customers answering “No” to a question asking if they received a claims settlement check within 30 days of claims settlement.
- (2) This TSP had 4 customers report that they had not received a check within 30 days of settlement. (Non-responses are treated as positive responses.)
- (3) Determine the total number of claims settled within the previous twelve months (data from the DPS) where the settlement date is greater than 30 days prior to last date of the performance period.
- (4) This TSP settled 100 claims meeting the above criteria.
- (5) Divide the results of step 1 above by the results of step 2 above and multiply by 100 to determine the reported percent of claim settlement checks not received within thirty days.

$$\frac{4}{100} * 100 = 4\%$$

The metric value for this TSP for Late Payment is 4 percent.

**Points Assignment:** The Late Payment measure is worth 40 possible points and awarded based on the TSP’s performance against the standard of zero percent late payments. Award points are based on the following table ([Table V.F.1-4](#)):

**Table V.F.1-4. Late Payments Scoring**

% Late Payments	Award
0	40
> 0 - < 0.5	34.34
> = 0.5 - < 1.0	28.60
> = 1.0 - < 1.5	22.88
> = 1.5 - < 2.0	17.17
> = 2.0 - < 2.5	11.45
> = 2.5 - < 3.0	5.71
> 3.0	0

A TSP with zero percent reported late payments earns the full award points. A TSP with greater than 3 percent reported late payments earns no points. The example TSP with 4 percent late payments earns 0 points.

f. **Percentage of Over-Aged Claims:**

**Purpose:** To count over-aged (over 60 days) claims.

**Definition:** The Percentage of claims not disposed within 60 days.

**Universe:** All NTS claims disposed during the previous twelve months, and all open claims that have been open longer than 60 days. “Disposal” is derived from the following criteria: Two are actions that may be taken only by the TSP and two are actions that may be taken only by the claimant. Offers may be negotiated between the TSP and the claimant and

particular items may be designated as “agreed to”. However, a claim is not disposed of until one of the below actions is taken.

(1) TSP Actions:

- (a) Denial: The TSP may, at any time prior to settlement or transfer, deny a claim in full. Once the TSP sends a Denial it may not be modified or withdrawn. The disposal date is the date the Denial is sent in the DPS.
- (b) Final Offer: The TSP may, at any time prior to settlement or transfer, designate an offer to the claimant as final. Once the TSP sends a Final Offer it may not be modified or withdrawn. The disposal date is the date the Final Offer is sent in the DPS.

(2) Claimant Actions:

- (a) Settle in Full: A claimant may elect to accept the latest offer of a TSP as full and final settlement of all items claimed. When this occurs all items in the claim are considered settled for the amount specified, even if that amount is \$0 or the item is otherwise denied.
- (b) Transfer to the MCO: After at least 30 days from filing the claim in the DPS, a claimant may elect to transfer a claim to the MCO. In this case, the disposal date is the date claimant sends the transfer in the DPS. There are two types of Transfers.
  - 1 Transfer of the entire claim: After at least 30 days from filing the claim in the DPS, the claimant may choose to transfer the entire claim to their respective MCO. The entire claim is forwarded, including those items where agreement between the claimant and the TSP was annotated.
  - 2 Transfer of impasse items: After at least 30 days from filing the claim in the DPS, the claimant may choose to accept the TSP’s offer on particular items (where agreement was annotated) and transfer the remaining items to their MCO. The agreed to items is paid, repaired, or replaced by the TSP as agreed and the impasse items is addressed by the MCOs.

There can be only one disposition date for a claim. In the case where two actions noted above occur, the disposition date will be the date of the first event. For example if a TSP sends a Final Offer to the claimant and the claimant later accepts the offer as settlement in full, it is the first event (dispatch of the final offer) that stops the clock.

Data Source: Data sources are Date Filed and Date Disposed fields for all claims disposed during previous 12 months as well as Date Filed and Performance Period End Date for all open claims. All data is derived from the DPS. The term disposal does not include actual completed repairs or actual payment.

Calculation: For each TSP, determine percent of claims not disposed within 60 days by the following steps:

- (1) For claims disposed during the previous 12 months, subtract Date Filed from Date Disposed and identify those claims with Days to Dispose greater than 60 days.
- (2) For all claims that were open at the end of the performance period, subtract Date Filed from the last day of the performance period and identify those claims open greater than 60 days.
- (3) Determine the total number of claims disposed of during the previous 12 months and the total number of claims open at the end of the performance period.

- (4) Add the results of steps 1 and 2 above and divide that amount by the results of step 3 above.
- (5) Multiply the results of step 4 above by 100 to determine the percent of claims not disposed of within 60 days.

This metric measures the percent of claims not meeting disposal standards. The example below shows the calculation process for a nominal TSP:

- (1) For claims disposed during the previous 12) months, subtract Date Filed from Date Disposed and identify those claims with Days to Dispose greater than 60 days.

This TSP had two claims that required more than 60 days to dispose:

Date Filed	Date Disposed	Days to Disposal
15-Apr	24-Jul	100
20-Feb	16-Jul	146

- (2) For all claims that were open at the end of the performance period, subtract Date Filed from the last day of the performance period and identify those claims open greater than 60 days.

This TSP had one claim that was open at the end of the performance period and had been open for greater than 60 days:

Date Filed	Performance Period End	Days to Disposal
25-May	31-Jul	67

- (3) Determine the total number of claims disposed of during the previous 12 months and the total number of claims open at the end of the performance period.

This TSP disposed of 20 claims during the previous 12 months, and had 15 claims open at the end of the performance period for a total of 35 claims.

- (4) Add the results of steps 1 and 2 above and divide that amount by the results of step 3 above:

$$\frac{(2+1)}{35} = 0.0857$$

- (5) Multiply the results of step 4 above by 100 to determine the percent of claims not disposed within 60 days:

$$0.0857 * 100 = 8.57\%$$

The metric value for this TSP for Percent of Over-Aged Claims is 8.57 percent.

**Points Assignment:** The Percent of Overage Claims measure is worth 10 possible points and awarded based on the TSP’s performance against the standard of zero percent over-aged claims. Award points are based on the following table ([Table V.F.1-5](#)):

**Table V.F.1-5. Over-Aged Claims Scoring**

Percent Over Aged Claims	Award
0 percent	10
>0 percent or = 1 percent	9.09
>1 percent or = 2 percent	8.18
> 2 percent or = 3 percent	7.22
> 3 percent or = 4 percent	6.30
> 4 percent or = 5 percent	5.45
> 5 percent or = 6 percent	4.54
> 6 percent or = 7 percent	3.63
> 7 percent or = 8 percent	2.73
> 8 percent or = 9 percent	1.82
> 9 percent or = 10 percent	.91
>10 percent	0

A TSP with zero percent over-aged claims earns the full award points. A TSP with greater than 10 percent over-aged claims earns no points. The example TSP with 8.5 percent late payments earns 1.82 points.

g. [Avoiding Transfer of Claims to MCO:](#)

**Purpose:** All claims are to be entered into the DPS and first processed by the TSP. The number of claims not settled by TSPs and subsequently transferred to the MCO for settlement is tracked.

**Definition:** The number of claims transferred to a MCO.

**Universe:** All NTS claims submitted in the DPS during the previous 12 months.

**Data Source:** The DPS will track all claims that were transferred to the MCO.

**Calculation:** Determine the percent of claims submitted to MCO by the following steps:

- (1) Determine the number of claims transferred to the MCO in the DPS over the previous 12 months.
- (2) Determine the total number of claims submitted over the previous 12 months.
- (3) Divide the results of step 1 above by the results of step 2 above and multiply by 100. The result is the percent of claims submitted to the MCO.

The example below shows the calculation process for a TSP:

- (1) Determine the number of all claims sent to the MCO in the DPS over the previous 12 months.

This TSP had 5 claims transferred to the MCO.

- (2) Determine the total number of claims submitted over the previous 12 months. This TSP had 100 claims submitted in the last 12 months.

- (3) Divide the results of step 1 above by the results of step 2 above and multiply by 100. The result is the percent of claims submitted to the MCO.

$$(5/100)*100 = 5 \text{ percent}$$

This TSP had 5 percent of claims submitted to the MCO. The metric value for Success in Diverting Claims from Services for this TSP is 5 percent.

**Points Assignment:** The success in avoiding claims transferred to the MCOs measure is worth 10 points and awarded based on the TSP's performance against the standard of zero claims transferred. Award points are based on the following table ([Table V.F.1-6](#)):

**Table V.F.1-6. Claims Transferred to Services Scoring**

Percent Claims to Services	Award
0 percent	10
>0 percent or = 2.5 percent	9.09
> 2.5 percent or = 5 percent	8.18
> 5 percent or = 7.5 percent	7.22
> 7.5 percent or = 10 percent	6.30
>10 percent or = 12.5 percent	5.45
>12.5 percent or = 15 percent	4.54
>15 percent or = 17.5 percent	3.63
> 17.5 percent or = 20 percent	2.73
>20 percent or = 22.5 percent	1.82
> 22.5 percent or = 25 percent	.91
>25 percent	0

A TSP with zero percent claims to the MCO earns the full award points. A TSP with greater than 25 percent claims to the MCO earns no points. The example TSP with 5percent claims to the MCO earns 8.18 points.

h. **CS:**

The CS is the sum of the values awarded for each of the four metrics. The table below shows the calculation for the example TSP covered above ([Table V.F.1-7](#)):

**Table V.F.1-7: Example of Total CS**

Measure	Points
Time to Dispose of Claim	15.85
Time to Payment	0
Percentage of Over-Aged Claims	1.82
Avoiding Transfer of Claims to the MCO	8.18
Raw CS	25.85
<b>CS contribution to BVS (25.85 x 20 percent)</b>	<b>5.17</b>

As the CS is 20 percent of the BVS, this CS will contribute 5.17 points towards that TSP's BVS.

A TSP with zero claims would earn a CS of 100 and contribute the full 20 points towards that TSP's BVS.

#### **D. RS**

The RS is 30 percent of the BVS. While the PS is calculated based on the shipment market, the TSP's RS is calculated for all rates filed.

All TSP rates are compared to other TSP rates submitted by item and zone within the AOR for the same rate period to establish the RS score for each zone.

##### 1. RS for NTS:

An NTS TSP's Single Factor Rate (SFR) is determined by aggregating the service line items listed in DD Form 1162-1, Schedule of Services and Rates for Household Goods, [Figure V.F.1-5](#). This aggregation is done by zone for the service line items, resulting in a RS for each zone. For more information on rates see the Appendix V.D.1, Chapter 2, Annual Rate Filing Procedures.

SCHEDULE OF SERVICES AND RATES FOR HOUSEHOLD GOODS		
Rates listed in this schedule shall be inclusive of all charges for labor, materials, vans and equipment and incidental facilities and services necessary for the performing of the storage and related services specified in this schedule. All services to be performed under this schedule should be in accordance with requirements for services for storage of household goods. All service orders are subject to a minimum weight of 500 pounds.		
1. BASIC ORDERING AGREEMENT NUMBER	2. MODIFICATION NUMBER	3. EFFECTIVE DATE (YYYYMMDD)
<b>4. SERVICE PERFORMED</b>		
<b>a. TITLE</b>	<b>b. DESCRIPTION</b>	<b>c. RATE</b>
(1) ITEM I PACKING	Packing and protection as required by and incident to drayage, marking, tagging and inventorying for storage. (Includes flat wardrobe cartons) <i>(Rate per cwt.)</i>	\$
(2) ITEM II SPECIAL SERVICE	(a) Wardrobes: Upright wardrobes with minimum 18 inch bar. <i>(Cost each)</i>	\$
	(b) Inventory of high value items as declared by the member or his agent. <i>(Cost per inventoried carton)</i>	\$
(3) ITEM III DRAYAGE	Pickup at location, loading, weighing, drayage to warehouse and unloading onto warehouse platform. <i>(Rate per cwt.)</i>	<b>ZONE</b>
		1
		2
		3
		4
		5
(4) ITEM IV HANDLING IN	Handling in, labor and equipment required to place in storage from warehouse platform, wrapping for storage which is in addition to that required for drayage to contractor's warehouse and preservation of items for and during the storage period. <i>(Rate per cwt.)</i>	\$
(5) ITEM V STORAGE	Storage per Clause H-5, Basic Ordering Agreement <i>(Rate per cwt. per month)</i>	\$
(6) ITEM VI HANDLING OUT	Handling out, labor and equipment required to remove from storage and place onto warehouse platform. <i>(Rate per cwt.)</i>	\$
(7) ITEM VII DELIVERY	Delivery, to include loading at contractor's warehouse platform and drayage to destination, unloading, including the placing in appropriate rooms in accordance with specifications <i>(Rate per cwt.)</i>	<b>ZONE</b>
		1
		2
		3
		4
		5
(8) ITEM VIII UNPACKING	Unpacking, including unpacking all barrels, crates, cartons, recording overage, shortage or damage found while unpacking, removing from owner's residence all empty containers, packing materials and other debris accumulated incident to unpacking in accordance with specifications. <i>(Rate per cwt.)</i>	\$
<b>5. SERVICE AREA.</b> This agreement covers orders placed by using activities within the following area.		
<b>6. GEOGRAPHIC DESCRIPTION OF EACH ZONE SHOWN IN ITEMS III AND VII ABOVE</b>		
a. ZONE 1		b. ZONE 2
c. ZONE 3		d. ZONE 4
e. ZONE 5		f. ZONE 6
<b>7. CONTRACTOR CERTIFICATION STATEMENT</b>		
I certify that I hold a valid operating permit/certificate for the zones on which I have submitted rates.		
a. TYPED NAME <i>(Last, First, Middle Initial)</i>		b. SIGNATURE

**Figure V.F.1-5. DD Form 1162-1**

The RS for NTS consists of the following service items, at the corresponding weighted level ([Table V.F.1-8](#)).

**Table V.F.1-8. NTS Service Items**

Item <sup>1</sup>	Description	Weighted%
Item I	Packing	12 percent
Item II	Drayage In	22 percent
Item III	Handling In	3 percent
Item IV	Storage	57 percent
Item V	Handling Out	2 percent
Item VI	Delivery	3 percent
Item VII	Unpacking	1 percent
Total		100 percent

All NTS TSPs submit rates by service item and AOR/zone combination in the format of \$xxx.xx/cwt for each component of the rate. TSPs are required to submit a rate for each of the seven components, as described in [Table V.F.1-8](#). The DPS finds the Lowest Rate (LR), and the Highest Rate (HR) for each item and AOR/zone combination.

The DPS then uses a multi-step equation to determine the NTS TSP RS portion of the BVS.

First the individual service item raw score is determined, using Equation 2. This includes comparing the TSP rate with the HR and the LR filed, and multiplied by the weight factor in [Table V.F.1-8](#). This determines the Service Item Raw Score.

Determine Service Item Raw Scores:

$$NTSR = \left[ 100 - \left[ 100 \times \left( \frac{\text{TSP's Rate} - \text{LR}_{\text{all transportation providers}}}{\text{HR}_{\text{all transportation providers}} - \text{LR}_{\text{all transportation providers}}} \right) \right] \right] \times \text{Weighted \% Factor}$$

**Equation 2: NTS Service Item Raw Score (NTSR)**

Finally, the TSP's Service Item Raw Scores are totaled to determine the TSP Total Raw Score. Each TSP's Total Raw Score is then divided by the Highest TSP Total Raw score and multiplied by 30percent. The overall NTS TSP Total Raw Score is multiplied by 30 because the RS is 30 percent of the BVS.

Determine NTS TSP RS:

$$NTS\_TSPRateScore = \left( \sum NTS / \text{HighestTSPTotalRawScore} \right) * 30$$

**Equation 3: NTS TSP RS**

The example below illustrates how the NTS RS is computed for each zone.

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<sup>1</sup> Item II on the 1162-1 form is Special Services and is not relevant for this calculation.

[Table V.F.1-9](#) contains rates submitted for a particular zone by TSPs 1 through 6. These rates are used in the following example.

**Table V.F.1-9. Example Rates filed by NTS Service Item**

	Service Items						
	Packing	Drayage In	Handling In	Storage	Handling Out	Delivery	Unpacking
TSP 1	\$18.00	\$30.00	\$1.10	\$1.50	\$0.90	\$25.00	\$20.00
TSP 2	\$25.00	\$40.00	\$2.00	\$1.25	\$2.00	\$28.00	\$15.00
TSP 3	\$19.00	\$35.00	\$1.25	\$2.00	\$0.50	\$20.00	\$20.00
TSP 4	\$10.00	\$25.00	\$1.50	\$1.50	\$0.30	\$33.00	\$25.00
TSP 5	\$20.00	\$20.00	\$1.60	\$1.00	\$0.90	\$50.00	\$10.00
TSP 6	\$12.00	\$33.00	\$0.75	\$1.75	\$1.50	\$45.00	\$18.00
Lowest Rate	\$10.00	\$20.00	\$0.75	\$1.00	\$0.30	\$20.00	\$10.00
Highest Rate	\$25.00	\$40.00	\$2.00	\$2.00	\$2.00	\$50.00	\$25.00

Using Equation 2 above and the rates from [Table V.F.1-9](#), the following service items raw scores can be calculated, which result in individual TSP RS. The highest possible RS is 30.00 ([Table V.F.1-10](#)).

**Table V.F.1-10. NTS Service Item Raw Score and Resulting Rate Score**

	Service Item Raw Scores							TSP Total Raw Score	TSP Rate Score
	Pak1	Dr1	HIn1	ST1	HOt1	D1	Upk1		
TSP 1	5.60	11.00	2.16	28.50	1.29	2.50	0.33	51.39	17.87
TSP 2	0.00	0.00	0.00	42.75	0.00	2.20	0.67	45.62	15.87
TSP 3	4.80	5.50	1.80	0.00	1.76	3.00	0.33	17.20	5.98
TSP 4	12.00	16.50	1.20	28.50	2.00	1.70	0.00	61.90	21.53
TSP 5	4.00	22.00	0.96	57.00	1.29	0.00	1.00	86.25	30.00
TSP 6	10.40	7.70	3.00	14.25	0.59	0.50	0.47	36.90	12.84

The following example shows how TSP 5 achieved a TSP RS of 30.

First, for each service item, a raw score is calculated.

Raw Score for TSP5 Pak1:

$$\text{TSP5 Pak1} = [100 - [100 * ((20.00 - 10.00) / (25.00 - 10.00))]] * 0.12$$

$$\text{TSP5 Pak1} = [100 - [100 * 0.6666]] * .12$$

$$\text{TSP5 Pak1} = 33.33 * .12$$

$$\text{TSP5 Pak5} = 4.00$$

Raw Score for TSP5 Dr1:

$$\text{TSPDr1} = [100 - [100 * ((20.00 - 20.00) / (40.00 - 20.00))]] * 0.22$$

$$\text{TSPDr1} = [100 - [100 * (0.00)]] * .22$$

$$\text{TSPDr1} = 100 * .22$$

$$\text{TSPDr1} = 22.00$$

Raw Score for TSP5 HIn1

$$\text{TSP5 HIn1} = [100 - [100 * ((1.60 - 0.75) / (2.00 - 0.75))] * 0.03$$

$$\text{TSP5 HIn1} = [100 - [100 * (0.68)] * 0.03$$

$$\text{TSP5 HIn1} = 32 * 0.03$$

$$\text{TSP5 HIn1} = \mathbf{0.96}$$

Raw Score for TSP5 ST1

$$\text{TSP5 ST1} = [100 - [100 * ((1.00 - 1.00) / (2.00 - 1.00))] * .57$$

$$\text{TSP5 ST1} = [100 - [100 * (0)] * .57$$

$$\text{TSP5 ST1} = 100 * .57$$

$$\text{TSP5 ST1} = \mathbf{57.00}$$

Raw Score for TSP5 HOt1

$$\text{TSP5 HOt1} = [100 - [100 * ((0.90 - 0.30) / (2.00 - 0.30))] * .02$$

$$\text{TSP5 HOt1} = [100 - [100 * (.353)] * .02$$

$$\text{TSP5 HOt1} = 64.7 * .02$$

$$\text{TSP5 HOt1} = \mathbf{1.29}$$

Raw Score for TSP5 D1

$$\text{TSP5 D1} = [100 - [100 * ((50.00 - 20.00) / (50.00 - 20.00))] * .03$$

$$\text{TSP5 D1} = [100 - [100 * (1.00)] * .03$$

$$\text{TSP5 D1} = 0.00 * .03$$

$$\text{TSP5 D1} = \mathbf{0.00}$$

Raw Score for TSP5 Upk1

$$\text{TSP5 Upk1} = [100 - [100 * ((10.00 - 10.00) / (25.00 - 10.00))] * .01$$

$$\text{TSP5 Upk1} = [100 - [100 * (0.00)] * .01$$

$$\text{TSP5 Upk1} = 100 * .01$$

$$\text{TSP5 Upk1} = \mathbf{1.00}$$

The individual service item raw scores are calculated and totaled. This summation is the NTS TSP Total Raw Score for this zone.

$$\text{NTS TSP Total Raw Score} = \text{Pak1} + \text{Dr1} + \text{HIn1} + \text{ST1} + \text{Hot1} + \text{D1} + \text{Upk1}$$

$$\text{TSP 5 example: } \mathbf{4.00 + 22.00 + 0.96 + 57.00 + 1.29 + 0.00 + 1.00 = 86.25}$$

The TSP RS is calculated by taking that NTS TSP Total Raw Score and dividing it by the highest TSP Total Raw Score in that zone, and multiplied by 30. The NTS TSP Total Raw Score is multiplied by 30 because the RS is 30 percent of the BVS.

$$\text{NTS TSP RS} = (\text{TSP Total Raw Score} / \text{Highest Total Raw Score}) * 30$$

$$\text{TSP 5 example: } \mathbf{(86.25 / 86.25) * 30 = 30}$$

## E. BVS COMPUTATION

The BVS is the weighted total of the PS and RS and is the means to rank individual TSPs. The BVS places qualified TSPs into quality bands. This provides TSPs with an indication of the level of traffic by AOR/zone that a TSP can potentially receive throughout the year.

The following is the logical description of the BVS construction process:

The TSP performance score will comprise 70 percent of the BVS (which is comprised 25 percent of customer satisfaction, 25 percent of warehouse inspection, and 20 percent of claims), and rate will comprise 30 percent of the BVS. The BVS is the result of the weighted PS (CSS, WIS, and CS), plus the weighted rate score. Since the scores are scaled from zero to one hundred, the resultant BVS will result in a score that is between zero and one hundred.

$$\text{BVS} = \text{PS} + \text{RS}$$

$$\text{PS} = \text{CSSS weighted at 25 percent} + \text{WIS weighted at 25 percent} + \text{CS weighted at 20 percent}$$

$$\text{RS} = \text{RS weighted at 30 percent}$$

For example, perfect price and perfect quality would result in a score of 100 as follows:

$$\begin{aligned}\text{BVS} &= [(\text{CSSS} = 100) \times (0.25)] + [(\text{WIS} = 100) \times (0.25)] + [(\text{CS} = 100) \times (0.2)] + (\text{RS} = 100) \times (0.3) \\ &= [25 + 25 + 20] + 30 \\ &= 70 + 30 = 100\end{aligned}$$

Similarly, a CSS Score of 70, a WIS of 75, a CS of 66, and a RS of 80, would equal a BVS of 73.45.

$$\begin{aligned}\text{PS} &= [(70) \times (0.25) + (75) \times (0.25) + (66) \times (0.2)] \\ &= 17.5 + 18.75 + 13.2 \\ &= 49.45\end{aligned}$$

$$\begin{aligned}\text{RS} &= (80) \times (0.3) \\ &= 24\end{aligned}$$

$$\text{PS} + \text{RS} = 73.45$$

#### **F. TSPS WITH MULTIPLE BEST VALUE SCORES (BVSS)**

TSPs are not limited to one BVS. There are three main reasons a TSP may have multiple BVSSs;

1. TSPs with more than one TOS receive a BVS for each zone within each TOS; 2) TSPs that participate in different AORs/zones receive a separate BVS for each AOR/zone; 3) TSPs that competes in multiple zones within an AOR receive a different BVS for each zone.

Multiple TOSs A NTS TSP with multiple TOSs receives separate WISs, and therefore, receives multiple PSs. If a TSP has more than one TOS in one AOR/zone, the BVS is calculated using an average of the PS for each TOS. The RS is calculated by specific zone.

Different AORs A TSP may span multiple AORs. A TSP that spans multiple AORs may independently compete in any AOR for which they have operating authority and file rates. The TSP is not limited to a lower number of shipments because they will receive shipments in other AORs. Rather, they are treated as independent TSPs in the shipment distribution process.

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