**SUP 9: Guidelines on Transportation and Storage**

(For Procurements of EUR 300 and above)

This annex provides basic information on common terms and definitions related to the transport of goods.

**Considerations Before Deciding on Mode of Transport**

**Type of goods**

Some goods require a short transport time due to limited shelf life, some are temperature sensitive and need refrigerated transport, and some goods may be classified as dangerous goods and special rules apply.

**Different modes of transport**

As described above the type of goods may limit the options you have when deciding on the mode of transport. If the options are not limited calculate consider the transport time and costs for each mode of transport. Also consider the route of the shipment. Some sea ports are congested, and the goods may be delayed for several weeks. Goods often need to transit other countries before reaching the destination. Be therefore aware of delays at transit points and be aware of the documentation required at the transit points.

**Pre-shipment inspections**

In some countries (often African countries) the government requires that all goods have been inspected by an international inspections company prior to shipment.

**Transport insurance**

In case the transport is not covered by the Contracting Authority or implementing partner transport insurance agreement, it is recommended that offers for transport insurance are collected from both the insurance companies and the forwarder.

**Clearing agent in receiving country**

Before you book transport always check the following with a local import clearing agent:

Documents required to custom clear the specific goods (no. of copies and originals). The types of documents that can be required is: Bill of Lading or Air Way Bill, Invoice, Packing list, embargo papers, GMO-certificate, IMCO documents, import license etc.

Time required to clear the goods

Time to obtain import license (and the documents required for this purpose)

Price from the clearing agent for service(s)

Before goods are shipped to a specific country it is very important to ensure that all necessary documents are in order and that an import licence is obtained - if required.

**Booking transport with a forwarder**

When booking transport with a forwarder use the templates found in SUP 10-1: Transport Booking - Air Freight and SUP 10-2: Transport Booking - Sea Freight. These templates can also be applied as a check list when collecting offers from forwarders.

**Ethical transport and cargo**

When using transport and cargo providers consider the ethical risks involved and take precautions to avoid providers who are involved in transport activities which initiate, sustain or exacerbate conflict or other illegal activities. Whenever air transport is required, preference shall be given to providers who are not on the [EU Safety Ban List](http://ec.europa.eu/transport/air-ban/list_en.htm).

Furthermore, environmental risks shall be considered when choosing mode of transport and transport provider.

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| **Example: Transport challenges**  AIR FREIGHT TO BURUNDI  Satellite communication equipment was sent to Burundi by Air Freight, but the clearing agent was unable to clear the goods as an import licence was required. The authorities denied issuing the licence. It took 14 months before import license was obtained and the goods cleared.  CONTAINER TRANSPORT TO ANGOLA  A container was shipped to Angola, Luanda, but the goods could not be cleared upon arrival due to problems with documentation. As a result, demurrage was charged (demurrage is charged for each day the container is stored in the port). As the consignee did not have additional funds to pay for the demurrage the container could not be cleared, and additional demurrage costs were applied. |

**Mode of Transport and Documents**

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| --- | --- |
| **Mode of Transport** | **Shipping document issued by carrier** |
| Sea freight | Bill of Lading (B/L) |
| Air freight | Air Way Bill (AWB) |
| Road transport | CMR freight letter |
| Railway | Railway Bill |
| Combined transport | Combined Bill of Lading |

**Bill of Lading**

A Bill of Lading (B/L) is a contract between the owner of the goods and the carrier. There are two types of B/L. A straight B/L is non-negotiable. A negotiable or ‘shipper's’ order B/L can be bought, sold, or traded while goods are in transit and is used for many types of financing transactions. The customer needs the original as proof of ownership to take possession of the goods. Thus, it is important that all originals are kept in a safe place.

**Air Way Bill**

An AWB is a B/L which covers both domestic and international flights transporting goods to a specified destination. Technically, it is a non-negotiable instrument of air transport which serves as a receipt for the shipper, indicating that the carrier has accepted the goods listed therein and obligates himself to carry the consignment to the airport of destination according to specified conditions. Normally an AWB refers to the bill issued by carrying airlines and is also called Master Air Way Bill (MAWB). The MAWB comes with three digits of numeric airline identification codes. Air Freight forwarders also issue House Air Way Bill (HAWB) to their customers for each of the shipments.

**Railway Bill**

A Railway Bill is a freight document that indicates if goods have been received for shipment by rail. A duplicate is given to the shipper as a receipt for acceptance of the goods. Railway is mainly used in connection with combined transport, in which case the freight document will be a combined bill of lading

**CMR**

CMR is short for “Convention for the transportation Contract for international Road freight”. The CMR freight letter is used for international road transport.

**Combined Bill of Lading:**

Is carriage of goods by at least two different modes of transport from a place at which the goods are taken in charge to a place designated for delivery.   
  
It can be a combination of road, rail, inland waterway, sea or air. In this respect, the B/L is issued to cover the entire journey which is called 'Combined Bill of Lading'.

**Weight, Volume and Container Dimensions**

Depending on the mode of transport, the weight is calculated on the basis of the following international standards:

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| --- | --- | --- | --- | --- |
| **Mode of Transport** | **Pending factor** | **CBM[[1]](#footnote-1)** | **Equals** | **KGS** |
| Air Freight | KG | 1 | **←** | 167 |
| Sea Freight | CBM | 1 | → | 1000 |
| International road transport | CBM | 1 | → | 333 |
| Courier | KG | 1 | ← | 200 |
| Domestic transport | CBM |  | → | Normally 300, but depending on the country of operation |
| Railway | CBM | 1 | → | Normally 300, but depending on the country of operation |

**Calculating Air Freight**

If you have 5 boxes with the following dimensions: Length 70 cm x height 60 cm x width 50 cm = 0,21 CBM per parcel. Total CBM for 5 parcels is 0,21 x 5 = 1,05 CBM.

The actual unit weight of each parcel is 15 kg; total weigh is 5 x 15 kg = 75 kg.

To identify the shipping weight for air freight you must multiply the total volume with 167 (as per the above table). In this case the shipping weight is 1,05 CBM x 167 = 175,35 kg.Consequently the payable weight is 175,35 kg and the actual weight is only 75 kg. It is always the highest weight that is the payable weight.

**Calculating Sea Freight**

For sea freight the rate is calculated per CBM.

If you have the same 5 boxes, the shipping weight is 75 kg you have to divide the 75 kg by 1.000

= 0,075 CBM the freight charge will be calculated from the 1,05 CBM.

If the weight of the same 5 boxes is 250 kg each the total weight is 5 x 250= 1250 kg

1.250 kg divided by 1.000 = 1,250 and the freight will be calculated from the 1,250 CBM.

The highest factor will always be underpinning the freight calculation – meaning it will always be the highest weight or CBM which applies.

1. Please contact your local freight forwarder or the Procurement and Logistics Unit for more information on the kg price for each mode of transport.

**Container dimensions**

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| --- | --- | --- | --- | --- |
| **Container** | **Standard 40”** | | **Standard 20”** | |
| Inside length | 39'5" | 12.01 m | 19'4" | 5.89 m |
| Inside width | 7'8" | 2.33 m | 7'8" | 2.33 m |
| Inside height | 7'10" | 2.38 m | 7'10" | 2.38 m |
| Door width | 7'8" | 2.33 m | 7'8" | 2.33 m |
| Door height | 7'6" | 2.28 m | 7'6" | 2.28 m |
| Capacity | 2,390 ft³ | 67.67 m³ | 1,172 ft³ | 33.18 m³ |
| Tare weight | 8.160 lb[[2]](#footnote-2) | 3.701 kg | 4.916 lb | 2.229 kg |
| Max. cargo | 59.040 lb | 26.780 kg | 47.999 lb | 21.727 kg |

**Warehousing and Storage**

For goods with a limited life span it must be controlled that the oldest are used first (first in/first out), however, always check for expiry date. This goes for e.g. medicines and batteries, newer use/hand out expired goods. Simultaneously it is very important that such goods which have passed the expiry date are not disposed of in either illegal ways or ways which will endanger local population, the environment or anything else.

When in need of warehousing/storage facilities consider the following:

Receiving equipment/supplies

Warehouse specifications (construction, location etc.)

Stock management system

Stock taking

Storing systems

Staff issues (e.g. Health and Safety Guidelines, staff policy etc.)

Cleaning routines

1. CBM: Cubic Metres. [↑](#footnote-ref-1)
2. Lb: Pounds. [↑](#footnote-ref-2)