



NATIONAL FORWARDING CO., INC.

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“Proudly Serving Military Families”

DATE: September 5, 2017

TO: Agents and Haulers of National Forwarding Co., Inc. and Affiliates

FROM: Kevin Spealman, Vice President, Claims & Customer Service

SUBJECT: Hardware Policy

We received some inquiries following the article in our last newsletter about hardware, and a follow-up memo seemed to be in order. Different TSP's have different policies (parts box, no parts box, etc.) and a lot of TSP's do not have a policy.

The DOD does not require the use of a parts box. It has become more prevalent because of a perceived advantage to this method, with the idea of preventing hardware loss. Unfortunately, I do not think the idea is working as well as industry would have liked. NFC does not require or forbid the use of a parts box. Either method – parts box or just attaching hardware to the individual items – is acceptable. It should be either/or however, not a combination of some parts attached to items while other parts are in a parts box.

I'd like to clarify something that was not mentioned in my recent newsletter article. It will always be the loader (driver if direct pick up, and origin agent if APU'd) that is responsible for disassembly. It is therefore that same party that will either attach the hardware to the items, or use a parts box. Some packers will leave a parts box at residence for the customer, but if a driver wants to use the parts box method, he should also have his own supply of parts boxes, as well as the necessary materials to bag and label the parts. Some packers like to do their own inventory (of the packed items) – but they will not be responsible for including the parts box on their inventory unless they're also loading. The bottom line here is this: Parts boxes, when used, should be the first item on the **furniture** inventory.

The following represents our current official policy, and liability will be determined accordingly should parts or hardware be lost.

When parts boxes are used:

- Parts for individual items must be bagged and labeled separately.
- Inventory should always say either “CD or DBO”, and a count of the pieces for disassembled items.
- Parts box when used should be the first item on the furniture portion of the inventory.
- Strongly suggested but not required – **Parts box should also be listed on the High Value/High Risk Inventory.** We have the discretion to put anything we like on this inventory, if it helps to protect the HHG. The full HV/HR treatment would be given to them, including the numbered security seals. Remember though, the parts box must still appear on the regular inventory as the first item.

- If a parts box is missing or tampered with, the last handler will be deemed responsible for any cost to replace and reassemble. This can be expensive when we are forced to call in repair firms and third parties to perform this service.
- If loading a trailer that will be hauled by another party, the parts boxes should be located somewhere in the middle of the shipment if possible, not placed into belly boxes or other areas where they may not be found by the destination unloader.

If a parts box is NOT used:

- Loader must attach to the item, as in the days before parts boxes, either using parts bags or just screwing bolts securely back into the items, etc.
- Drivers and agents should have their own tools, sufficient to handle most situations.
- Inventory should always say either “CD or DBO”, and a count of the pieces for disassembled items.
- If all hardware, or enough hardware is missing as so it would have been noticeable by the receiving party, it is up to the last handler of the goods to annotate on a rider that all or part of the hardware is missing; otherwise, the last handler will be responsible. This has always been our policy when parts boxes are not used.
- If there is an overflow, the parts box must be on the main load/portion of the shipment. If not, the loader of the main load will be responsible for any associated costs.
- A blanket or pre-printed statement on a rider that all parts and hardware are unknown, and/or that receiving party takes no responsibility for missing parts or hardware will NOT relieve the receiving party of liability. Exceptions must be item specific.

We realize that especially during peak season, that unpacking and reassembly take extra time. That said, they are absolutely required services unless the customer asks us not to do it. There are many instances where the delivering party leaves without offering to reassemble, or they are asked but decline to do it. These situations are extremely detrimental to our scores, and have even earned the name “dump and run” by SDDC. Also, when a shipment is not unpacked or properly assembled at destination to the member’s satisfaction, the base can and will issue a Letter of Warning.

Thanks to everyone for assisting us in our efforts to prevent the loss of parts and hardware. Please do not hesitate to contact me at 800-325-6889 or kevin.spealman@ncsclaims.com with any further questions or remarks.

KRS/ab