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GLOBAL VIEW

Notes



WHAT TO INCLUDE IN AN RFP

for an International Logistics Company

By Michelle Bruno

For most exhibition organizers, international exhibition shipping and customs clearance is a mystery. Shipping exhibitor materials—into a U.S.-based show or from the U.S. to an international show—is a complex process that is heavily regulated and constantly changing. A Request for Proposal (RFP) for contracting an official international exhibition logistics company should cover some key areas. Here is a rundown of what to include in an RFP and what organizers should look for in the response.

The RFP should include some key areas:

Background, history, details, special considerations

This section of the RFP must be adequate for the bidding company to develop a strategic plan for servicing the event. Some specific areas of detail to include are:

1. Dates (including move-in and move-out periods)
2. Venue (convention center, state/country)
3. Number of years show has been held
4. Future locations/venues on show rotation
5. Type of equipment/exhibits (machinery, food and beverage, electronics, etc.)
6. Amount of international freight (per year) over the last three years (number of shipments and total weight)
7. Points of origin (cities/countries)

8. Length of contract (1, 3, 5 years)
9. Amount of show organizer freight to be shipped
10. Level and frequency of reporting
11. Special requirements

Licenses/insurance/bonds/certification

The section is an opportunity for the bidder to list their capabilities for offering exhibitors a wide range of transportation options, customs clearance capabilities, and additional timesaving facilities. **Key questions to ask include:**

- What licenses (license numbers) do you hold for ocean freight (FMC), airfreight (IATA), and ocean freight consolidations (NVOCC)?
- What types of insurance do you carry (maritime, errors and omissions)?
- Does your insurance offer exhibitors coverage while on show site?
- Is your company a licensed customs brokerage?
- How many licensed customs brokers do you have on staff?
- Does your company offer surety bonds for importers?
- Does your company act as the importer of record (important)?
- Can your company issue ATA Carnets (not critical but a definite time-saver)?
- Is your company C-TPAT certified?
- Does your company have a Certified Cargo Screening Facility (streamlines the export process)?

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What organizers should look for: It is preferable for the bidding company to hold the licenses, insurance, bonds, and certifications directly (vs. using a licensed sub-contractor) and have licensed individuals on staff. Licensing, certifications, and staffing indicate a level of experience, financial stability and competency. Using sub-contractors is not necessarily a reflection of the inability to perform, however, it is an indication of potentially higher pricing and reduced supply chain efficiency.

Financial stability

This section of the RFP represents an opportunity for the bidder to demonstrate financial stability—an important feature in a recessionary climate. **Key questions to ask include:**

- What is the total sales volume of the company annually?
- What is the total sales volume of the exhibition department annually?
- How many years has the company been in business?
- Is the company publicly or privately held?
- How many offices does the company have worldwide?

What organizers should look for: Offices, sales volume, and years in business are key indicators of financial stability. Small companies and start-ups may have the expertise but lack the financial backing. Larger, more financially stable companies are in a better position to rectify problems, exercise buying power and adequately staff operations.

Network of offices and agents

This section of the RFP is an opportunity for the bidder to list their agents and offices worldwide. **Key questions to ask include:**

- Where are your offices located?
- Where are your representatives located?



- How long have your representatives been in business?
- Do your representatives specialize in international exhibition logistics?

What organizers should look for: Having a number of offices worldwide represents an adequate supply chain. Most important is whether the offices have an exhibition department or specialize entirely (preferable) in exhibition logistics. Having a foreign office or an experienced agent in the city where the exhibition will be held is an important indicator of the office or agent's familiarity with the convention center, customs authorities and procedures. It also speaks to their ability to manage on-site operations including drayage, lifting and handling.

Show schedule

This section allows the bidding company to demonstrate their level of experience. **Key questions to ask include:**

- How many shows do you handle annually?
- How many official appointments have you secured in the last three years?
- How many shows have you or your office/ representative handled in the country where this show will be held?
- How many shows have you handled in this industry?

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What organizers should look for: Handling a large number of shows annually speaks to the specialization and experience level of the bidder. If the exhibition will be held in a particularly remote location or difficult venue, it is important to seek bidders with some level of expertise in the country or at least with the type of goods that will be shipped.

Pricing

This section allows bidders to demonstrate their pricing competitiveness. It is a difficult area for non-experts to evaluate. One approach is to request that each bidder provide pricing on three different shipment scenarios. **The scenarios should include the following information:**

- Point of origin (exhibitor's warehouse vs. airport/port)
- Destination (show floor vs. destination city)
- Mode of transport (surface, ocean, air)
- Commercial value
- Number of pieces
- Weight and dimensions per piece
- Inclusions (one lift to position on stand, for example)
- Exclusions (duties and taxes, for example)

What organizers should look for: Inclusions and exclusions in the price are very important. At least one scenario should include a request for round trip pricing. The scenarios should fit the parameters of typical exhibitor shipments including large, more complex shipment as well as smaller shipments.

References

This section allows bidders to identify current clients and reputable sources for recommendations.

What organizers should look for: Endorsements from organizers with shows of similar size or similar commodities (food, for example) are optimal. At least three references with contact information are recommended.

NICE BUT NOT NECESSARY:

Features and benefits that can differentiate one bidder from the next

It is fairly easy to tell whether a bidder is competent or not by their show, schedule, agent network, and references but some other attributes of a company that may help them stand out from other bidders include:

- **Are they or their parent company members of the International Exhibition Logistics Association (IELA)?** Membership in the association is granted to companies with the experience and financial stability that meets specific standards.
- **Is the company automated?** In other words, can they produce reports or provide organizers with online access to shipment manifests? Knowing what, if anything, exhibitors are shipping helps organizers plan more effectively.
- **Is the customs operation in house?** Having an in-house brokerage can streamline clearance operations. It increases the likelihood that bidders can perform clearances quickly (good for last minute shipments) or remotely (electronic clearances). In house clearance is usually less expensive for the exhibitor.
- **Does the bidder offer drayage and equipment handling services?** In some countries, drayage can be a bit disorganized and lifting equipment can be hard to come by. Working with a logistics company that runs its own drayage operation or who has a representative in the venue that can make arrangement for these services is a plus for the exhibitor.

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