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Relocation

by *Harvey Chipkin*

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While a spotlight has been directed at transient government travel in the last few years, relocation—which ranks a close second in expenditures as far as travel—has been in the shadows.

However, that changed recently with the release of a report by a committee called Government Relocation Advisory Board (GRAB), which was formed in July of 2004 and which came up with more than 100 recommendations to make federal government relocation more cost effective, as well as fairer for employees.

At a panel discussion at the recent Education Conference of the Society of Government Travel Professionals, Ed Davis, a program analyst in the GSA's travel-management policy division, said the purpose of GRAB was "to take a fresh look at relocation and how to improve it."

According to Davis, "Relocation has tended to be only about finance; there has been a disconnect when it comes to travel and human resources." He also said, "Contracts must be joined together much more closely to provide leverage to the government. Relocation has frequently been handled by non-specialists and there has been a tremendous lack of information on the big picture for relocations."

Greg McIntyre, president of mLINQS, a consultant to the government on travel policies and on the GRAB panel, said in an interview, "One thing that struck me is the relocation process is not in that bad of shape; 85 percent of employees who moved were satisfied or extremely satisfied; also, we found that the overall cost per person was less than in private industry."

Still, McIntyre said, "There is room for improvement and that's what these recommendations are about. There are opportunities to save additional money and to capture better data."

Among GRAB's recommendations were the following: Federal agencies should:

- Adopt cost management systems; or in the case of smaller agencies use the system of a larger agency or outsource the process.
- Work together to develop leverage to obtain the best possible pricing for private sector services such as software.
- Reduce the time an employee can stay in temporary quarters from 120 to 60 days. According to McIntyre, "It turned out the average stay for government employees is only 67 days, so this is an effort to change behavior in a moderate way."
- Create a pilot program to change reimbursement for travel expenses to a lump sum. That would include expenses for a house hunting trip covering airfare or mileage, car rental, lodging, meals, incidentals and other expenses. A similar pilot program would be created to explore the use of a lump sum allowance for temporary quarters.

According to McIntyre, "This would have an adverse impact on some parties, including hotels." However, he added, it could save substantially on administrative costs involved with expense accounting.

- Require employees to list their homes with a real estate broker/agent approved by their home-sale program service provider, and to list their homes for at least 60 days prior to accepting the appraised value offer. Employees would be required to limit the asking price of their residences to no more than 105 percent of the appraised value or broker's estimate of their home value (there might be some flexibility in this if a home stays on the market for an extended period).

Other recommendations include:

- When a private vehicle is shipped at government expense, the employee would be allowed rental of one motor vehicle at origin or destination for use by employee during time his vehicle is in transit. The government would pay for the shipment of two private vehicles if the employee has dependents, one for a single employee.
- Because taxes are an issue in relocation (relocation benefits can be taxable, different taxes in new location, etc.), there were a number of tax related recommendations involving tax allowances, adjustments for changes in tax rates.
- Establish a permanent inter-agency forum to review, exchange and discuss relocation issues, programs, practices and policies.

Next step for the GRAB recommendations is for GSA to consider the recommendations and prepare a final report. McIntyre does not believe that will be in place for "at least a year."

Unlike the case of GSA's eTravel initiative where technology is the focus, technology is "a spoke on this wheel" when it comes to changing relocation policies, according to McIntyre.

However, GRAB raised the possibility of having relocation systems integrated with the eTravel initiative; or else establishing a separate eRelocation initiative. In either case, the goal would be to use technological tools for relocation to further reduce costs and make processes more efficient.

To see the full GRAB report and recommendations, visit:

http://www.gsa.gov/gsa/cm_attachments/GSA_DOCUMENT/Findings_and_recommendations_R2-yMA0_0Z5RDZ-i34K-pR.pdf

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