

3 agencies seek to sell relocation services

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Employees at the Homeland Security Department who have to move for work might get a call from the Environmental Protection Agency. Many officials assigned to new locations in the Centers for Disease Control and Prevention can expect to hear from the Administrative Resource Center in the Treasury Department's Bureau of Public Debt (BPD).

Relocation for civilian agency employees who move to new government jobs each year is complex, with multiple reimbursement procedures to consider, tax implications to weigh, expenses to track and rules that vary depending on seniority, geography and even children's ages.

The fact that many feds could have their moves coordinated by EPA, BPD or General Services Administration officials hired by other agencies may seem to muddle things further.

But relocation managers in those agencies, eager to expand their clientele, say they are making things simpler and cheaper by launching online systems to manage moves for agencies with limited capability to do it themselves.

Now, as agencies push to cut costs and add efficiencies in the evolving federal relocation process, BPD, EPA, GSA and private relocation companies appear poised to compete to sell automated relocation services to other civilian agencies, which spend an estimated \$800 million each year to relocate employees.

Following a 2005 report by a governmentwide committee formed to suggest ways for agencies to adopt industry best practices for relocation, BPD and EPA, using franchise fund authority through which they can sell products and services governmentwide, have launched automated "end-to-end" relocation services.

GSA, which sets relocation policy and manages schedules through which real estate brokers and movers contract with the government, is also developing an online management system for arranging moves.

EPA has consolidated its relocation services in its Cincinnati office. Last year, the agency launched what officials there call a "one-stop shop" for relocation.

The office moves mostly its own employees, but it is negotiating with a Homeland Security component to help its relocating employees, said Patrick Griffis, the former EPA activity manager for relocation who now works for a company selling relocation software.

EPA's relocation resource center, which moved about 200 people last year, hopes eventually to assist 20 percent to 25 percent of the 30,000 feds who relocate annually, Griffis said.

EPA offers a better developed service than GSA, Griffis said, adding that GSA's announcement this year that it was consolidating management over its various travel programs, including relocation, is "long overdue."

And he said GSA had been “slow to respond operationally” to the 2005 relocation panel report, noting that GSA in May announced it would offer automated relocation services well after BPD and EPA had said they would do so.

Less paperwork

Officials at BPD and EPA said their services can reduce paperwork in the relocation process by 95 percent. The systems, built by Fairfax, Va.-based mLINQS, allow the offices to move more employees faster than traditional paper methods and help create economies of scale that win better prices from vendors, Griffis said.

The relocation offices contact employees planning to move, and create a profile with job, tax demographic and moving cost information that determines the expenses for which each person can receive reimbursement.

Many relocating employees can get direct reimbursements for up to 10 percent of the closing costs on a new property, but must pay income taxes on the reimbursement, and then offset the taxes through relocation or withholding tax allowances. With tax laws varying by state, compliance gets complicated. Relocation providers tout their ability to help.

“Processing the taxes is part of end-to-end relocation services that we offer and includes withholding and making the tax deposits, processing the applicable withholding tax returns and W-2s and preparing ... vouchers,” said Lee Buckingham, relocation services branch manager in BPD’s Administrative Resource Center.

Buckingham estimated that his office processes 750 relocations a year, with growth of 10 percent to 20 percent annually. One-tenth of the customers are from the Treasury Department, with the rest from 17 other agencies, he said. The biggest customer is CDC. GSA declined make an official available for an interview, but in a written statement, a spokeswoman described the agency’s planned electronic Transportation Management Services Solution, which she said will be “the only transportation management system that will provide a comprehensive end-to-end solution for managing both freight and household goods when fully developed.”

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