

Request for Government Accountability Office (GAO) Evaluation of the Global Household Goods Contract (GHC) Program

Core Questions for Formal Letter Request

Request that the Comptroller General of the United States conduct an evaluation of the Department of Defense's Global Household Goods Contract (GHC) Program. The evaluation should focus on the quality of the relocation experience for US servicemembers and their families, considering potential impacts to military readiness and retention. It should assess the key risks to the program's execution, including the level of capacity committed to military relocations from the asset-based full service moving industry. The evaluation should include the input of military families, individual military service relocation staff, asset-based full service moving companies, and other industry professionals, while addressing, at a minimum, the following topics and questions:

1. What are the impacts to military readiness, servicemember and family quality of life, and personnel retention if there is insufficient full service moving industry capacity available under the GHC Program to meet the Department's relocation requirements?
2. Is the affirmative and documented commitment from asset-based full service moving companies to provide capacity under the GHC Program current service terms sufficient to both meet the Department's relocation requirements and reduce impacts to military readiness, servicemember and family quality of life, and personnel retention?
3. In the Department of Defense's business case analysis (BCA) evaluating the move to the GHC Program, was the projected service provider compensation level properly assessed to determine the feasibility of meeting the costs of servicing military household goods shipments under the current economic inflation and rising costs to asset-based full service moving companies? Was there consideration to future military readiness and servicemember quality of life if there was no economic incentive for industry to invest in capacity for this line of business? Did the Department of Defense evaluate the additional incurred time, procedure modifications, cost and liability that would be added to the industry with new-to-the-industry federal prevailing wage requirements and consider those risk factors in their BCA and overall GHC Program implementation?
4. How will small business moving companies and industry independent contractors, especially professional van operators (drivers), be impacted by prevailing wage mandates and administrative obligations, and will these requirements lead to quantifiable impacts on the availability of skilled industry professionals to service military relocations?
5. If the GHC Program does not have sufficient committed capacity from asset-based full service moving companies, independent contractors, and other industry professionals to meet the Department's relocation requirements and service expectations, what plans are in place to avoid service interruption or other negative impacts to servicemember relocations?
6. Has the Department of Defense assessed GHC Program-related changes to the level of entitlement servicemembers receive to complete Personally Procured Moves and how any changes will impact the servicemember's relocation experience?
7. What is the maturity and resiliency of the technology systems developed to enable the GHC Program, including the level of integration between the Department of Defense, individual services, military families, the prime contractor, and subcontractor asset-based full service moving companies?

Supplemental Information and Questions

Military Readiness and Servicemember / Family Quality of Life

1. Military moves are critical to national security, supporting readiness and advancing careers. Relocating thousands of miles away is often stressful for service members and families, which can impact morale and retention.
 - a. How would delays in servicing military relocations due to insufficient moving industry capacity impact individual and collective readiness performance goals?
 - b. How would relocation delays and service quality reductions due to insufficient moving industry capacity impact Department and individual service reenlistment targets?
 - c. To what extent has the Department developed contingency plans and approaches to mitigate potential information technology system risks and reduce impacts on servicemember relocations?
2. Servicemember entitlement for Personally Procured Moves (PPM) is based on 100% of the service provider compensation level. For those military families who chose to relocate through the PPM program, adequate entitlement ensures that they are able to purchase quality moving services on the consumer marketplace.
 - a. Does the GHC Program result in changes to the level of entitlement for PPM moves?
 - b. What are the potential negative impacts to servicemember quality of life if the PPM entitlement is not sufficient to purchase quality moving services on the consumer marketplace?

Moving Industry Capacity and Workforce

1. Key to a quality moving experience for military families is ensuring there is sufficient capacity of trucks, drivers, crew, etc. to meet the demands of DOD relocations. Too few trucks or not enough drivers and crew means shipment delays and other negative impacts while servicemembers are beginning new roles and their families are starting out new lives in new communities.
 - a. Are there sufficient verified commitments from asset-based full service movers to ensure continuity of service under the GHC Program?
 - b. Are these commitments sufficient to fulfill the GHC Program's projected capacity requirements across the three-year period of performance?
 - c. If there are shortfalls in capacity, what factors are keeping asset-based full service moving companies from agreeing to become subcontractors under the GHC Program?
2. The operating model for the full service moving industry relies upon independent contractors for servicing military and non-military moves, including independent contractor relationships between drivers and laborers.
 - a. What challenges and additional costs do federal prevailing wage requirements, especially the potential change to their status as independent contractors, place on these industry professionals?
 - b. Will these challenges and additional costs result in industry independent contractors deciding to not service military relocations, and if so to what level?

Moving Industry Costs and Compensation

1. To support a successful execution of the GHC Program and a high-quality moving experience for our servicemembers and their families, it is critical that the Program offer a level of financial reward sufficient for asset-based full service moving companies to dedicate the capacity necessary to meet the military's relocation needs.
2. While DOD stated that the GHC Program would "provide industry with the confidence and rationale to invest in capacity...to meet DOD's demand," the Program's current compensation structure, especially when compared to the additional costs that service providers face due to new-to-the-industry

government contract requirements and overall industry cost increases, does not appear to provide that investment incentive.

- a. For asset-based full service moving companies, what has been the historic baseline cost to service military household goods shipments and how does that compare to the projected baseline cost of servicing military household goods shipments under the GHC Program, including the additional mandates and administrative requirements of FAR-based contracts?
- b. Similarly, how does the defined reasonable baseline cost of servicing a shipment under the GHC Program compare with the baseline cost for asset-based full service moving companies to service other lines of household goods business (direct-to-consumer, corporate account, GSA, etc.)?
- c. How does the level of service provider compensation projected under the three-year period of performance of the GHC Program contract compare to historic service provider compensation for servicing military household goods shipments and other lines of household goods business (direct-to-consumer, corporate account, GSA, etc.)?