Army Information Update

Because information is power, we are informing you each personally and inspiring you to pass it along.

Personally Procured Moves (PPM) Petition

the rest of this moving story

On 6 January 2025 a petition was started regarding Personally Procured Moves (PPM) reimbursement under the Global Household Goods Contract (GHC). Several items in the petition are inaccurate and risk misleading Soldiers about their actual move entitlements. This document aims to provide accurate information and additional background so that Army families can make informed choices about their next move.

WHAT IS A PPM? A Personally Procured Move (PPM) is when a Soldier elects to move their own personal property instead of using a moving company contracted by the Department of Defense (DOD). Soldiers may elect to do a full PPM or partial PPM. Soldiers are paid what the DOD would have paid the government contractor to conduct their move, minus any applicable taxes.

The Department of Defense and Army recognize there are many reasons a Service member and family may choose to coordinate their own move instead of using a DOD-arranged move. We agree that choice is a good thing! To facilitate this choice, the government offers Service members the option of using the Global Household Goods Contractor (HomeSafe Alliance) at locations where GHC is phased in or taking the money that would have been paid to the GHC contractor (minus contract specific fees) to pack, load, transport, and deliver the property, and moving their household goods themselves.

Service members who elect to do a PPM can use the money any way they wish – for example, use their own truck, rent a U-Haul truck, and/or use a container service like PODS. Service members may also research and hire a commercial moving company non-affiliated with DOD's Personal Property Program (DP3) to independently move their personal property. However, if they choose this option, DOD and the Army do not provide any legal protections to assist Service members if their move does not go as expected.

HOW DOES PPM MONEY WORK? DOD has elected to give Service members 100% of the money paid to HomeSafe to pack, load, transport, and deliver to the property if the Servicemember chooses to do a PPM instead of a DOD-arranged move.

WHAT ABOUT THE PETITION? The change.org petition objects to the government constructed cost (GCC) and inaccurately states how the GCC amount is determined. The GCC is not what HomeSafe pays a subcontractor. It is what DOD would have paid HomeSafe for a specific move if it were a DOD-contracted move. The pricing rate table, which was part of the Global Household Goods Contract that all GHC offerors submitted rates upon, determines the GCC and is based upon weight, distance, location, and other variables.

WHAT IS THE PPM RATE? The PPM rate is the same as the transportation rates for a DOD arranged move. There is not a separate PPM rate. There is only one GHC pricing rate table which is not publicly available since because it is proprietary. This is why Service members are required to work with their local transportation office to plan the unique aspects of their move to determine their actual PPM reimbursement amount.

WHO CREATED THE GHC PRICING RATE TABLE? USTRANSCOM created a blank Rate Table as part of the bidding process for the Global Household Good Contract. It is based upon many variables, largely determined by geographic service areas, weight, and distance the property will be moved. It's important to know that the GHC bidding process was not based on the lowest bidder but on a best-value model, and reflects market-based conditions.

WE USED TO GET MORE MONEY FOR A PPM. WHAT CHANGED? DOD's household goods moving program is transitioning from its current structure to a Federal Acquisition Regulation (FAR) based contract. The GHC contract drives the GHC contractor to provide the best service at the best price for DOD. Compared to the private sector, the government was not getting the quality, consistent service for the price it was paying to move servicemembers. When the military solicited the GHC contract, the resulting GHC offers reflected a full and open competition that resulted in market-based rates. A move that used to cost the Army \$18,000 may now cost thousands less. Annually, the GHC contract includes an Economic Price Adjustment to reflect economic changes, similar to a Cost-of-Living Allowance (COLA).

BUT THE AMOUNT NOW OFTEN DOES NOT COVER THE COST OF A PPM. DOD is offering a choice for Service members to take more control over their move if desired. If the Service member chooses to make their own move, the government is going to reimburse the Service member 100% of what it would have cost the government to move them. The government is NOT COVERING the difference between what they can move the Service member for and what it will cost for a PPM. The petition rightly points out a PPM is not about making money. We agree!

WHO HELPS US DECIDE WHAT TYPE OF MOVE? The PPM process is managed by each Military Service. This includes counseling, rate estimate, PPM approval, PPM closeout, and payment. Service members are required to meet with their <u>Personal Property Office</u> before every move to ensure they understand their actual move entitlements and options to decide how to conduct their move. Soldiers see the estimated amount of money that they will be reimbursed before making the final decision to conduct a PPM.

IS HOMESAFE PROVIDING QUALITY MOVES? USTRANSCOM and the Services are actively and regularly engaging HomeSafe to measure their performance and ensure it meets our standards and expectations. DOD has begun to see instances where HomeSafe missed the mark: HomeSafe has suffered from missed and late shipments, due to not enough trained movers in their consortium and reports of some movers who walked off in the middle of their jobs. USTRANSCOM and the Services made it clear that the government expects improved performance.

WHAT IS THE ARMY DOING? Since learning about this issue, we want to make sure our Army families understand the facts about what caused the change, and why. Additionally, we have

contacted USTRANSCOM and are going to work with the other miliary services to ensure we have the correct PPM reimbursement policy in place during DOD's moving program transition to GHC. DOD has an established process and committee in place to review entitlements like the PPM reimbursement rate.

WHAT CAN CUSTOMERS DO TO ENSURE A SMOOTH MOVE?

- Be sure you know what to expect and you **prepare properly for your move**.
- Be aware a Move Inspector from your installation will be assigned to your move. That inspector will either call or stop in-person to visit you and see how the move is going. If this does not happen, contact your <u>Personal Property Office</u> or <u>Army Community Service Relocation Readiness</u> to help.
- Be on the lookout for the DoD's official Personal Property survey after your move is complete. It will be emailed to whatever email address you put in the MilMove program on the <u>Defense Personal Property System (DSP)</u> which is where you must go to schedule a move. It's important to take the time to fill this out as HomeSafe's performance and future ability to continue business with the DOD is impacted by your responses. Early GHC evaluations show a 93% satisfaction rate, however only 34% of the surveys were filled out. *If you want your voice heard, make the time to complete the survey after your move*.

MORE RESOURCES:

- DOD's "Moving Your Personal Property" Landing page on Military
 OneSource
- <u>Find a Personal Property Office</u>
- <u>GHC Customer Information Page</u>
- Fact Sheet on Personally Procured Moves
- Department of Transportation Warning about Rogue Movers

Want to Know Even More? read on...

MOVING ACRONYMS

DOT – Department of Transportation

- DP3 Defense Personal Property Program
- GCC Government Constructed Cost
- GHC Global Household Goods Contract
- HHG Household Goods
- PPM Personally Procured Move
- TOS Tender of Service

WHO WON THE GLOBAL HOUSEHOLD GOODS CONTRACT? HomeSafe Alliance won the contract. HomeSafe is not the actual mover. Think of them as the head of a consortium of movers. Moving companies sign on to do the actual moves. HomeSafe is using their IT Platforms and algorithms to most efficiently and effectively coordinate and execute moves. HomeSafe is always working to build their network of moving companies. In fact, recently, they signed on the fourth largest moving company in the U.S. The more moving companies they can sign on, the more resources they have.

IN THE ARMY, WHO PAYS FOR THE MOVES? Paying for every Army move comes out of the total Army budget. That means what the Army spends on moving, we cannot spend on other important things like Soldier training, weapon modernization, housing, and pay. Like you, the government wants quality work performed at a great price point.

DOES HOMESAFE MANAGE PPMs, TOO? No. HomeSafe has nothing to do with PPMs. Each service manages their own PPMs and the GCC reflects what HomeSafe is paid. Each service pays that same amount to Servicemembers who choose to do a PPM.

