



# 101<sup>st</sup> Annual CMSA Convention

## March 27, 2019

# Charles “Chuck” White

## President

International Association of Movers (IAM)

»» *“What effect will DOD HHG outsourcing have on the worldwide moving market?”*



## SCOPE

- U.S. DOD moves approx. 400,000 shipments annually
- 900 Transportation Service Providers
- 1500 approved Agents....60,000 NTS shipments currently in storage
- 2000 DOD personnel...uniformed & civilian working in T.O. worldwide

## Goals

- Increase capacity, improve customer satisfaction & reduce claims



# HHG Relocation Services

## Contract Initiative



### Concept

- Outsource/Contract/"Privatization" of the entire DOD Household Goods program to a single contractor
- Draft RFP – April 11, 2019
- Issue Solicitation – June 21, 2019
- Proposal submissions NLT – August 5, 2019
- Award Contract – January 2, 2020
- Performance Start Date – October 1, 2020
- Phased Rollout – Two programs running simultaneously
- Potential Bidders???



# Current Landscape



- *CARTUS – “assist nearly 162,000 relocating employees, expatriate assignees” – 2700 employees*
- *BGRS – “Managing more than 63,000 relocations per annum” – 1500 employees*
- *Large Military Move Manager – manage as many as 50,000 moves/year*
- *This provides the scope for what one entity controlling the entire DOD program will look like.*



# Potential Impacts



## Impacts within the DOD environment

- Increase costs to the government
- Leverage pricing to “sub-contractors”
- Reduce capacity...Agents, International Freight Forwarders, SCACs disappear
- Service Contract Act (SCA)????
- Payment times???

## Impacts within the non-DOD government arena

- DOS, GSA
- NGAs, World Bank, etc.



# Potential Impacts



## Impacts within the Commercial Arena

- Increase in competitors moving from the DOD arena into the commercial marketplace for survival
- Competitors undercutting pricing
- DOD contractor leveraging shipment volumes to move into this new space
- MONOPOLY????



# Potential Impacts



## Impacts within the Commercial Arena

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- Competitors undercutting pricing
- DOD contractor leveraging shipment volumes to move into this new space
- MONOPOLY????





# What is IAM doing??



- Significant congressional outreach
  - Collaboration with AMSA
  - 85 different Congressional offices visited
  - 120+ total visits
  - Working on pushing for a “Working Group” to be convened through language in the NDAA
  - Also pushing for a GAO report to be analyze if the Outsourcing initiative will accomplish the DOD goals and what this initiative will cost.
- Working in the Public Relations arena
  - Op-Ed pieces
  - Working with key Military Spouses and the groups they represent.



# • QUESTIONS



## CONTACT INFORMATION



Charles “Chuck” White

President

International Association of Movers (IAM)

Alexandria, VA

[Charles.White@IAMovers.org](mailto:Charles.White@IAMovers.org)

703-317-9950