

A *Breakdown* of Competitive Bids

When it comes to relocation, details can make all the difference

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As relocation professionals, we have a tremendous amount of responsibility for federally-funded projects. We are called upon to relocate families, farms, businesses and non-profit groups who are part of the fabric of the communities we serve. These displacees are often understandably upset, anxious and fearful of the prospect of having to move from their homes and places of work. With families to support and employees to look after, it is our job to reduce their hardship during the relocation process as much as possible, but we must conduct this process in compliance with the applicable state and federal guidelines. This includes paying eligible relocation expenses, and ensuring that funds are distributed according to the proper procedures and eligibility requirements.

Competitive Bids

A seldom discussed part of these eligibility requirements involves the analysis of competitive bids for items that fit into the Moving Category of benefits under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Uniform Act). As per the Federal Highway Administration, competitive bids are required in several instances under different parts of 49 CFR 24. These sections include §24.305 (self moves); §24.2(a)(6) (contractor estimates to correct minor decent, safe and sanitary deficiencies); and §24.2(a)(8)(vii) (contractor estimates to modify dwellings for handicapped displacees).

In fact, any work done for an eligible moving item should have two

competitive bids unless the work is so complex that there is only one source of the required services. However, these “sole source” bids must only discuss eligible services that are “actual, reasonable and necessary.”

It's All About the Details

The relocation professional should assist the displacee in obtaining the necessary bids. This advisory service includes being present during the time of the walk through to make sure the bidding vendors understand the scope of the assignment. Each competitive bidder must prepare their estimate based on the same items. Although displacees may procure their own bids, the relocation agent should review these carefully during the bidding process.

The competitive bids should outline the scope of work in detail and provide at least some idea of the cost of labor and materials involved. It is important that detailed bids are obtained rather than estimates or line items with unsupported dollar figures. Although the bids may be a “lump sum not to exceed” amount, it is important to have a basic idea as to the cost of labor and materials to ensure the bid is reasonable. The displacing agency may have discretion to accept less detailed bids on less complicated moves, but larger moves require additional scrutiny, especially if the displacee procured the bids. And in instances where the displacee procures the bids for large or complex projects, the displacing agency should consider obtaining their own bids to verify that the estimates are reasonable.

Always Double Check

Once the competitive bids have been obtained, it is important to review them to ensure that items being claimed in the estimates have not already been paid for in the real estate settlement. For example, cost to cure items described in the real estate



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appraisal or agreed to by the displacing agency in the real estate settlement should not be included in the bid for relocation items. Also, if the displacee elects to sell items deemed fixtures by the agency's appraiser, these items should not be included in the relocation bid. Thus, it is important for the relocation agent to discuss with the displacee those items that are considered real estate and those that are considered fixtures or personal property prior to the move. The relocation agent should also monitor the move to ensure all items that are retained by the displacee are relocated to the replacement site.

Finally, the bids should not contain costs for ineligible capital assets. A thorough discussion of any possible duplication of payment for relocation items should take place prior to the work commencing to

ensure there are no misunderstandings about what will be paid.

If the displacee does not agree with the displacing agency's analysis of the bid, the eligibility, or the amount of payment on the estimated items, the displacee may exercise his right to appeal.

Never Lose Sight

It is the relocation professional's duty to expedite the relocation process and reduce hardship as much as possible. However, the relocation agent cannot lose sight of the fact that they must also understand and be able to demonstrate that all reimbursed expenses are "actual, reasonable and necessary" and eligible under applicable guidelines. If that cannot be done, the expense should not be paid. ☺



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