



The Pitfalls of Business Relocations

Some basic steps can improve the odds of a smooth and seamless outcome.

BY ROGER OTTAWAY

Anyone involved with business relocations knows that the process can require a delicate balancing act. Making sure the business is made “whole,” with minimal down time, all while working under a tight budget, can be challenging. Add to that the task of being fair and reasonable, along with satisfying all the federal regulations, and it is easy to see why commercial and industrial relocations necessitate a unique skill set.

Over the years, I have witnessed a diverse range of situations, and the creativity used by some displacees can still take me by surprise. So how do you avoid—or at least prepare for—those displacees who may be cheating the system in hopes of increasing their compensation?

Using a strategic and methodical approach can greatly improve the agency’s chances of ensuring a smooth process while offering significant savings of time, money and resources for the business owner. The most essential steps are actually

the easiest to implement. They include keeping detailed and accurate inventories, identifying and addressing special needs, maintaining a base of qualified vendors, and keeping open lines of communication with the local agency and displacees throughout every phase of the relocation process.

Certifying the Inventory

Over the years, we have had cases where personal property items appear in more than one location during the inventory process. In one instance, the project manager had finished recording the inventory only to discover that some of the items had been secretly moved to another parcel in the take area. However, because our records included a detailed list of items as well as photographs, we could quickly confirm that the items had been moved and were able to avoid the duplicate payments of benefits.

In this relocation, we were surprised to find the owner's residence located behind the business and positioned twenty feet off the ground.



At the start of any relocation, certifying the inventory is a critical first step. I normally begin the process by conducting a walk-through with the business owner or their representative to identify all personal property items. At this stage, the inventory is reviewed and certified by the owner/representative and is accompanied by digital photographs and a site map that identifies the specific location of each inventoried item. With this type of systematic approach, the walk-through goes much more smoothly and usually addresses all the move needs with just one visit to the site.

Another way to expedite the process is by including inventory documentation that incorporates the specific details needed by professional movers who are tasked with creating the relocation bid. If the movers already have access to information about net cubic feet and packing information for each item, they will only need to verify the inventory during their physical walk-through and discuss all third-party needs relating to the equipment. This helps to alleviate the need to rehash issues during the bidding process and leads to significant efficiencies.

Addressing Special Needs

Creating a special needs list is an essential step. When a project manager walks a facility and creates a certified inventory list, this is the ideal time to identify the nature of any special services needed. Some examples include disconnecting and reconnecting the electrical commercial/industrial equipment, computers, phones, plumbing and rigging, to name a few.

As new issues are uncovered, the project manager must work with the local governing agency and business owner and assist in meeting the local code requirements for the equipment reinstallation. Since these special needs can represent the basic requirements for the business to operate, these special services must be included in the original scope of work. The project manager must also be prepared to evaluate the condition of each piece of equipment slated for relocation. This requires that they have a thorough knowledge of the Uniform Act, as well as the local codes.

Until the destination site has been determined, the scope of services cannot be considered fully complete. There could be several unknown variables with the selected parcel, and depending on what they are, the project manager may need to adjust the scope of services. For example, the destination site may not meet current local code

requirements for specific equipment. In this case, the moving schedule may be impacted, and this could affect the cost.

For one relocation project, we found this process to be especially complicated. We were informed that the displacee had both a commercial site and residential property on the site. When we arrived, we saw that his home was located immediately behind his business and surprised to find that the home was positioned twenty feet off the ground. Supported on metal stilts, the structure's inner and outer walls were comprised of bamboo thatching and resembled a tree house. Since the only access was through the floor of the home, we had to climb up a 12-foot ladder in order to conduct our inspection of the inventory. This same displacee also had a large pontoon boat beneath the home that he used when hosting guests and entertaining. In this case, the special needs list was particularly helpful in the relocation bidding process.



Certifying inventory for this business relocation proved to be a painstaking process.



Relocating industrial equipment for this manufacturing company required specialized skills, including a thorough knowledge of the Uniform Act, as well as the local codes.

Selecting the Right Vendor

Once the scope of services is completed, qualified vendors should be contacted and scheduled for a site walk-through to review the scope and address any potential issues or questions. It is important for the local agency to maintain a bank of qualified vendors who specialize in relocating personal property and can also disconnect and reinstall the equipment.

In some cases, the agency may rely on the displaced business to assist in this function. While this can work to free up the relocation agent up to perform other duties, this could have costly consequences for the agency if proper procurement standards are not met and conflicts of interest arise.

Regulations also permit a displaced business to use the self-move option, and as a result, a high percentage of relocates opt to move themselves. When the self-move option is used, there may be a need to obtain comparison bids from various vendors. Once a vendor realizes that their only function is to supply a comparison bid, it won't be long before they stop submitting bids. In my experience, it is beneficial for the agency to compensate the bidders for their bid preparation time, thus keeping them actively engaged. Maintaining a list of qualified vendors is an essential and compensating them for their time keeps them from dropping out.

During the vendor selection process, a relocation progress report can serve as an effective time-management tool. By keeping a list of all scopes of services, descriptions of each moving discipline and a summary of vendors and their bid activity, the project manager can make quicker decisions while selecting the most qualified service providers. Access to accurate and detailed information also helps to simplify the benefit determination process for the local agency, especially if the report includes all property, equipment and services required, as well as the reinstallation of equipment to make the business operable and complete the relocation. The process may sound labor intensive, however it ensures proper procurement requirements are met and enables them to move more expeditiously.

Maintaining Open Communication

An important concern for any agency is the additional commitment of its resources and personnel to address the complexities of a relocation effort. Regardless of the relocation size and scope, a wide variety of unexpected issues and challenges can arise during the process. For most staff, adding this level of responsibility to their other regular business activities can lead to unrealistic expectations, excessive stress and unnecessary resentment.

In many cases, it benefits the agency to consider delegating certain aspects to a third party consultant who specializes in handling business relocations. This not only enables the employees to focus on other pressing issues, it can result in significant savings in time and money. A consultant can serve as an effective intermediary overseeing the interactions of those involved and smooth the way between agency, displacee and vendor, thereby reducing confusion or misinformation. The consultant's main role is to assist the governing agency with the issues and obstacles that often occur with business relocations. In addition to providing procurement, management, monitoring, administration, auditing and reporting services throughout the relocation process, consultant's can be invaluable when adhering to federal regulations is required.

Although each business relocation project is different, there are certain actions that, if taken, can improve the odds of the process going smoothly. Maintaining a positive working relationship with both the governing agency and the displacee is the project manager's first priority. This can go a long way in mediating and resolving any possible conflicts that may arise from the move, while offering considerable savings in time, money and resources.



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