

# Compensating a Move Planner

Determining what's eligible for reimbursement



BY DARRYL ROOT, JD, R/W-RAC AND KONSTANTIN AKHREM, SR/WA, R/W-RAC

**In recent years, there has been some controversy concerning the role of move planners in non-residential relocations. The use of a move planner can be of great benefit to both non-residential displacees and displacing agencies in federally-funded projects. However, their services should be directed, managed and controlled. If a move planner is not instructed early on about their role, their services may not be eligible for reimbursement. When a displacee hires a move planner, adhering to best practices will help eliminate potential issues.**

For most non-relocation professionals, the terms “moving” and “relocation” are synonymous. Therefore, it is vital to clarify the difference between relocation planning and move planning, as defined by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA) and its implementing regulations.

## Relocation Planning

Relocation planning typically begins in the early stages of project development. Its purpose is to evaluate a project's impact on the occupants of the properties needed. The URA requires that a displacing agency plan in a manner that ensures the problems associated with the displacement are recognized and solutions are developed prior to initiating any right of way activities.

The process of relocation planning considers the impact on the occupants, both residential

and non-residential. This is crucial because a residential occupant cannot be displaced legally without the offer of a “comparable replacement dwelling,” while unanticipated complexities of business relocations may cause costly project delays. One area of relocation planning associated with non-residential displacements is consideration of any special relocation advisory services that may be necessary for a timely and orderly business relocation.

The URA [49 CFR 205 (a)] states, “Such planning, where appropriate, shall precede any action by an Agency which will cause displacement, and should be scoped to the complexity and nature of the anticipated displacing activity including an evaluation of program resources available to carry out timely and orderly relocations.” The complexity and nature of the anticipated displacements must be addressed in

early project initiation documents, and appropriate relocation planning reports must be prepared. The relocation planning requirements are fully stated in 49 CFR 24.205(a).

## Move Planning

The issue of move planning is covered as part of the “Relocation Assistance Advisory Services” to be provided to a specific, eligible displaced business. The federal rule requires the advisory program to include such measures, facilities and services as may be necessary or appropriate in order to determine the relocation needs and preferences of each business displaced and explain the relocation payments and other assistance for which the business may be eligible. This includes a personal interview with each business.

At a minimum, interviews with displaced business owners and operators should include “Determining the need for outside specialists in accordance with §24.301(g)(12) that will be required to assist in planning the move, assistance in the actual move, and in the reinstallation of machinery and/or other personal property.” The rule 49 CFR 24.301(g)(12) allows for professional services as the Agency determines to be actual, reasonable and necessary for planning the move of the personal property, moving the personal property and installing the relocated personal property at the replacement location.

In order for such professional services to be considered “necessary,” they must be related to the moving of personal property, while the reasonableness of the cost and scope of these services may be dictated by comparative analysis of competing bids. Eligible actual moving expenses under 24.301(g) are as follows:

- 1) Transportation of the displaced person and personal property. Transportation costs for a distance beyond 50 miles are not eligible, unless the Agency determines that relocation beyond 50 miles is justified.
- 2) Packing, crating, unpacking, and uncrating of the personal property.

- 3) Disconnecting, dismantling, removing, reassembling, and reinstalling relocated household appliances and other personal property. For businesses, farms or nonprofit organizations this includes machinery, equipment, substitute personal property, and connections to utilities available within the building; it also includes modifications to the personal property, including those mandated by Federal, State or local law, code or ordinance, necessary to adapt it to the replacement structure, the replacement site, or the utilities at the replacement site, and modifications necessary to adapt the utilities at the replacement site to the personal property.
- 4) Storage of the personal property for a period not to exceed 12 months, unless the Agency determines that a longer period is necessary.
- 5) Insurance for the replacement value of the property in connection with the move and necessary storage.
- 6) The replacement value of property lost, stolen, or damaged in the process of moving (not through the fault or negligence of the displaced person, his or her agent, or employee) where insurance covering such loss, theft, or damage is not reasonably available.
- 7) Other moving-related expenses that are not listed as ineligible under §24.301(h), as the Agency determines to be reasonable and necessary.
- 8) The reasonable cost of disassembling, moving and reassembling any appurtenances attached to a mobile home,

such as porches, decks, skirting and awnings, which were not acquired, anchoring of the unit, and utility “hookup” charges.

9) The reasonable cost of repairs and/or modifications so that a mobile home can be moved and/or made decent, safe and sanitary.

10) The cost of a nonrefundable mobile home park entrance fee, to the extent it does not exceed the fee at a comparable mobile home park, if the person is displaced from a mobile home park or the Agency determines that payment of the fee is necessary to effect relocation.

11) Any license, permit, fees or certification required of the displaced person at the replacement location. However, the payment may be based on the remaining useful life of the existing license, permit, fees or certification.

**Reasonable and Necessary**

A good move planner should be diligent to focus on performance of only “reasonable and necessary” services and avoid or minimize any non-compensable costs. They may offer services to assist displacees with such issues as schematics relevant to reconnecting machinery and equipment at the replacement site. This may include developing phases of a complex move, while addressing electric power supply and distribution issues, for which the move planner would need to be a general contractor with an electrician on staff. Most agencies recognize the need for such services in move scenarios that require capabilities beyond a typical moving company. However, use of such move planners should be preapproved based on specifications prepared by the relocation agent, inventory of movable personal property, scope of services and fee estimates submitted by the move planner and the move planner’s qualifications.

In complicated business relocations, coordinating with all parties—the agency, the displacee and the move planner—is vital. Unfortunately, some

move planners seek to not only participate in such coordination but to advocate for and attempt to represent the displacee before the agency. When this happens, issues often arise. In some cases, move planners have attempted to argue the eligibility of different benefits with the agency. Others have tried to charge displacees for preparing and submitting relocation claims, promising to ensure they will get paid. Clearly, these activities are not directly related to moving of personal property and therefore, not compensable under the URA. In fact, federal regulations specifically state that that any legal fee or other cost for preparing a claim for a relocation payment or for representing the claimant before the Agency is an ineligible expense [49 CFR 24.301 (h)(8)].

Assistance with completing and filing claims is intended as advisory services, a relocation benefit provided by the displacing agency. The displacee should rely on the agency’s staff or relocation agents for advisory assistance, explanation of benefits and assistance with completing and submitting claims.

**Best Practices**

In order to avoid these issues, the displacing agency staff and/or its relocation agents should fully discuss the move planning benefit with the displacee. This discussion should also include the limits on move planning services under the URA. Begin with a careful preparation of move bid specifications, review of the mover’s qualifications, proposed scope and fee, followed by a diligent selection of qualified move planner in consultation with the authorized agency staff. Pre-approval of hourly rates for move planners and requiring them to provide detailed task orders which describe the activities they will engage in and a schedule for these tasks are recommended. Specific deliverable written reports that clearly outline the plan to move and re-install the displacee’s personal property should be requested from the move planner.

With these principles in mind, the relocation professional can leverage the move planner’s expertise, while ensuring their services are compensable under the URA for the most optimal outcome of a complex business move. ☺



*Darryl is Program Manager for Overland, Pacific and Cutler, Inc. and has been in the right of way industry for 20 years.*



*Konstantin is employed at HDR, Inc., where he provides acquisition, relocation assistance and right of way program management services.*