



United States
General Accounting Office
Washington, D.C. 20548

Office of the General Counsel

B-232472

October 24, 1988

Dear Mr. [redacted] :

This is in response to your letter dated August 22, 1988, concerning your claim for reimbursement of losses you allegedly incurred due to the cancellation of a contract between the General Services Administration (GSA) and Better Homes and Gardens for Better Homes and Gardens to act as a relocation company and provide relocation services to certain transferred employees.

In view of our decision-making authority, we are unable to render a formal decision to you at this time. See 31 U.S.C. § 3529 (1982). However, based on the information contained in your letter, we offer the following comments on your situation.

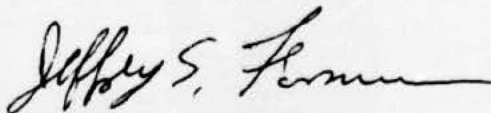
Although not perfectly clear from your submission, it appears that your claim can be stated summarily as one for damages arising from GSA's cancelling a relocation contract with a company providing you with assistance. You allege that the cancellation of the contract caused the sale of your residence to be delayed and resulted in your incurring nearly \$6,500 in losses due to this delayed sale.

With the enactment of Section 118, Pub. L. 98-151, 97 Stat. 978, November 14, 1983, codified at 5 U.S.C. § 5724c, federal agencies were given the discretionary authority to enter into relocation service contracts with private firms to provide relocation services to agencies and employees. Under a relocation service contract, among other things, the contractor may arrange for the purchase of the employee's residence, but the employee's participation in the program is voluntary. More importantly, under the regulations implementing 5 U.S.C. § 5724c, "losses due to failure to sell a residence at the old official station at the price asked, at its current appraised value, or at its original cost . . . and any similar losses, are not reimbursable." Federal Travel Regulations (FTR), para. 2-12.b(1)(a); see

also 5 U.S.C. § 5724a(a)(4). Thus, this regulatory provision would preclude you from being reimbursed for the losses you claim due to the cancellation of the relocation services contract. See 64 Comp. Gen. 847 (1985).

If, after considering the above information, you still believe that you are entitled to reimbursement of these claimed losses, you may file a claim with our Claims Group under the procedures set forth in 4 C.F.R. Part 31. Copies of the statutes, regulations, and decisions cited in this letter are enclosed for your information.

Sincerely yours,



Jeffrey S. Forman
Senior Attorney

Enclosures