



April 2020

MOVEMENT OF HOUSEHOLD GOODS

DOD Should Take Additional Steps to Assess Progress toward Achieving Program Goals

GAO Highlights

Highlights of [GAO-20-295](#), a report to congressional committees

Why GAO Did This Study

DOD, through its DP3, arranges for the movement and storage of about 400,000 personal property shipments of servicemembers and their families annually—40 percent of them during peak moving season. DOD has identified problems meeting peak season demand and addressing long-standing quality-of-service issues.

TRANSCOM announced that in April 2020 it would award a Global Household Goods Contract to a single commercial move manager to oversee DP3 activities that relate to the movement and storage-in-transit of household goods.

GAO was asked to evaluate matters related to DOD's plans to implement the Global Household Goods Contract. GAO assessed the extent to which TRANSCOM has (1) determined the cost implications of moving to a DP3 that incorporates the Global Household Goods Contract and (2) developed metrics to assess program activities and that relate to overarching DP3 goals. GAO evaluated TRANSCOM's cost estimates against the *GAO Cost Estimating and Assessment Guide* and a DOD business case analysis against GAO's *Assessment Methodology for Economic Analysis*.

What GAO Recommends

GAO makes three recommendations—that DOD collect and track data to more precisely determine DP3's manpower needs and costs, develop performance metrics for DP3 activities not part of the contract, and articulate the linkage between performance metrics and program goals. DOD concurred with all three GAO recommendations.

View [GAO-20-295](#). For more information, contact Elizabeth A. Field at (202) 512-2775 or fielde1@gao.gov.

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Movement of Household Goods

DOD Should Take Additional Steps to Assess Progress toward Achieving Program Goals

What GAO Found

The U.S. Transportation Command (TRANSCOM) has developed cost estimates to assess the cost implications of adjusting the Defense Personal Property Program (DP3), its program to move and store servicemembers' household goods, to incorporate a single move manager approach through the Global Household Goods Contract. However, TRANSCOM may not have accurately calculated some Department of Defense (DOD) costs because of unanswered questions about how tasks related to counseling servicemembers and overseeing contractor performance will be performed. DOD plans to conduct a manpower study in the third year of the contract to determine the number and cost of government personnel required to perform these tasks. However, TRANSCOM does not have a process in place to track data over the initial years of the contract to inform its manpower study, such as the number and associated cost of military service personnel needed to perform contract oversight. We have reported that organizations should determine their personnel requirements by identifying the minimum number and type of personnel needed to fulfill their missions, functions, and tasks by conducting a workforce analysis. Without a way to track key data, DOD risks conducting a manpower study that would result in less than a full understanding of the personnel and cost implications of the move to the Global Household Goods Contract.

TRANSCOM has developed performance metrics for assessing some, but not all, DP3 activities. For example, TRANSCOM has developed indicators for assessing contractor performance, including the timeliness of household goods deliveries under the Global Household Goods Contract. However, TRANSCOM has not developed metrics for other activities that DOD personnel will continue to perform at least partially once the contract is in place, such as servicemember counseling. Further, TRANSCOM has not articulated how existing metrics link to TRANSCOM's program goals that relate to servicemembers' household goods movement and storage experience (see fig.).

Factors Impacting Servicemembers' Household Goods Movement and Storage Experience



Source: GAO analysis of Department of Defense documentary and testimonial evidence. | GAO-20-295

Without developing performance metrics for all DP3 activities, and articulating the linkage between metrics and goals, TRANSCOM will have limited ability to assess whether a DP3 incorporating the new contract is an improved program for servicemembers.

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Abbreviations

BCA	business case analysis
DOD	Department of Defense
DP3	Defense Personal Property Program
IDA	Institute for Defense Analyses
LMI	Logistics Management Institute
OSD	Office of the Secretary of Defense
TRANSCOM	U.S. Transportation Command
TSP	transportation service provider

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April 6, 2020

Congressional Committees

The Department of Defense (DOD) is the single largest customer in the nation's personal property moving and storage industry, representing about 15 percent of all domestic and international moves. Each year, through its Defense Personal Property Program (DP3), DOD arranges for the movement and storage of approximately 400,000 personal property shipments of servicemembers and their families.¹ DOD reports that about 40 percent of these shipments occur during DOD's peak moving season of mid-May through late-August. The U.S. Transportation Command (TRANSCOM), located at Scott Air Force Base, Illinois, manages DP3, which provides privately owned vehicle shipment and storage as well as household goods relocation, transportation, and warehouse services worldwide for servicemembers.

In 2018, servicemembers and their spouses aired grievances on social media about loss and damages to their personal property resulting from the quality of work of moving companies. In response to the social media attention and concerns about DP3 and its ability to meet the demand for personal property shipments during the peak moving season, DOD established a Military Personnel Relocation/Household Goods Movement Cross-Functional Team in October 2018. The cross-functional team, co-chaired by the Under Secretaries of Defense for Acquisition and Sustainment and for Personnel and Readiness, respectively, was established with the goal of significantly improving the likelihood that servicemembers and their families will experience high-quality, on-time moves that are free from loss and damage to property. In conjunction with TRANSCOM, the cross-functional team identified a number of short- and long-term actions to improve DP3, including awarding a multiyear Global Household Goods Contract. Under the contract, a single commercial move manager would oversee certain DP3 activities related to the movement and storage-in-transit of servicemembers' and their families' household goods.

¹Under certain circumstances, DOD civilians who relocate are also eligible to participate in DP3. Therefore, in this report when we refer to servicemembers and their families, we are also referring to eligible DOD civilians.

We have previously reported on DOD's efforts to address long-standing quality-of-service issues associated with DOD's household goods movement and storage process, such as late pick-up and deliveries and high claims costs.² On January 6, 2019, the DOD Office of the Inspector General issued a report that described similar quality-of-service issues involving the timeliness of household goods deliveries and the claims resolution process associated with moves during fiscal year 2018.³

The Chair and Ranking Member of the Subcommittee on Readiness and Management Support, Senate Committee on Armed Services requested that we evaluate DOD's plans to implement the Global Household Goods Contract. Subsequently, the National Defense Authorization Act for Fiscal Year 2020, enacted in December 2019, included a provision for us to similarly review matters related to DOD's proposed single move manager approach.⁴ In this report, we assess the extent to which TRANSCOM has: (1) determined the cost implications associated with moving to a DP3 that incorporates the Global Household Goods Contract; and (2) developed metrics to assess program activities and that relate to overarching DP3 goals.

For objective one, we assessed preliminary cost estimates that TRANSCOM developed in connection with the move to a DP3 approach that incorporates the Global Household Goods Contract, including servicemember counseling that will be partially implemented under the contract.⁵ Using the *GAO Cost Estimating and Assessment Guide*, we

²For examples, see GAO, *Defense Transportation: Efforts to Improve DOD's Personal Property Program*, [GAO/T-NSIAD-99-106](#) (Washington, D.C.: Mar. 18, 1999); *Defense Transportation: Preliminary Personal Property Pilot Results Are Inconclusive*, [GAO/NSIAD-00-52R](#) (Washington, D.C.: Dec. 21, 1999); *Defense Transportation: DOD Has Adequately Addressed Congressional Concerns Regarding the Cost of Implementing the New Personal Property Program Initiatives*, [GAO-05-715R](#) (Washington, D.C.: June 9, 2005); and *Defense Transportation: DOD Needs a Comprehensive Approach to Planning for Implementing Its New Personal Property Program*, [GAO-07-671](#) (Washington, D.C.: May 31, 2007).

³*Department of Defense Office of the Inspector General Report, Audit of the DoD Personal Property Program Related to Household Goods Shipments*, DODIG-2020-046 (Project No. D2019-D000AT-0056.000), January 6, 2020.

⁴See Pub. L. No. 116-92, § 375(c) (2019). The House Appropriations Committee report accompanying the Department of Defense Appropriations Bill, 2020, contained a similar provision. See H.R. Rep. No. 116-84, at 64 (2019).

⁵Counseling includes, among other things, advising servicemembers on matters related to entitlements, such as household goods weight allowances.

reviewed the validity of the assumptions TRANSCOM used in developing these preliminary cost estimates.⁶ We also evaluated updated cost estimates developed by the Logistics Management Institute (LMI), which developed a business case analysis (BCA) of the move to the Global Household Goods Contract for TRANSCOM. The BCA examines, among other things, the costs associated with the movement and storage-in-transit of household goods under DP3 as currently configured and DP3 as it would be configured with the proposed Global Household Goods Contract. We evaluated these cost estimates using criteria from our *Assessment Methodology for Economic Analysis*, which provides criteria for evaluating economic analyses like LMI's BCA and outlines key elements of an economic analysis.⁷ For the purposes of this objective, we focused on those DP3 activities that would be moved entirely under the Global Households Goods Contract, such as the movement and storage-in-transit of household goods, and those activities that would be partially implemented under the contract and partially implemented by the military services, such as servicemember counseling. We also focused on the costs associated with elements of DP3 that would be performed by DOD, such as contract oversight.

For objective two, we reviewed relevant DOD guidance, including DOD Instruction 4500.57, *Transportation and Traffic Management*, which requires TRANSCOM, in coordination with the DOD components, to annually evaluate the effectiveness of DP3.⁸ We collected information on TRANSCOM's overarching program goals for DP3 and compared TRANSCOM's plans for assessing DP3 activities, including those that would be performed under the Global Household Goods Contract, against those program goals. We evaluated DOD's actions against the *Standards for Internal Control in the Federal Government*, which calls for management to define objectives (or metrics) in terms of what is to be achieved, who is to achieve it, how it will be achieved, and the time

⁶GAO, *GAO Cost Estimating and Assessment Guide: Best Practices for Developing and Managing Capital Program Costs*, [GAO-09-3SP](#) (Washington, D.C.: March 2009).

⁷GAO, *Assessment Methodology for Economic Analysis*, [GAO-18-151SP](#) (Washington, D.C.: April 2018).

⁸See Department of Defense Instruction 4500.57, *Transportation and Traffic Management*, para. 7.5 (Mar. 7, 2017) (incorporating change 3, effective Sept. 23, 2019).

frames for achievement so that performance toward achieving those objectives (or metrics) can be assessed.⁹

To inform both objectives, we met with officials from the Office of the Secretary of Defense (OSD), TRANSCOM, the military services, the Coast Guard, and the DOD Office of the Inspector General. We also met with external stakeholders, including associations representing the movement and storage industry, officials from the Small Business Administration and the American Federation of Government Employees, and members of TRANSCOM's Personal Property Relocation Advisory Panel.¹⁰ More detailed information on our scope and methodology can be found in appendix I of this report.

We conducted this performance audit from May 2019 to April 2020 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

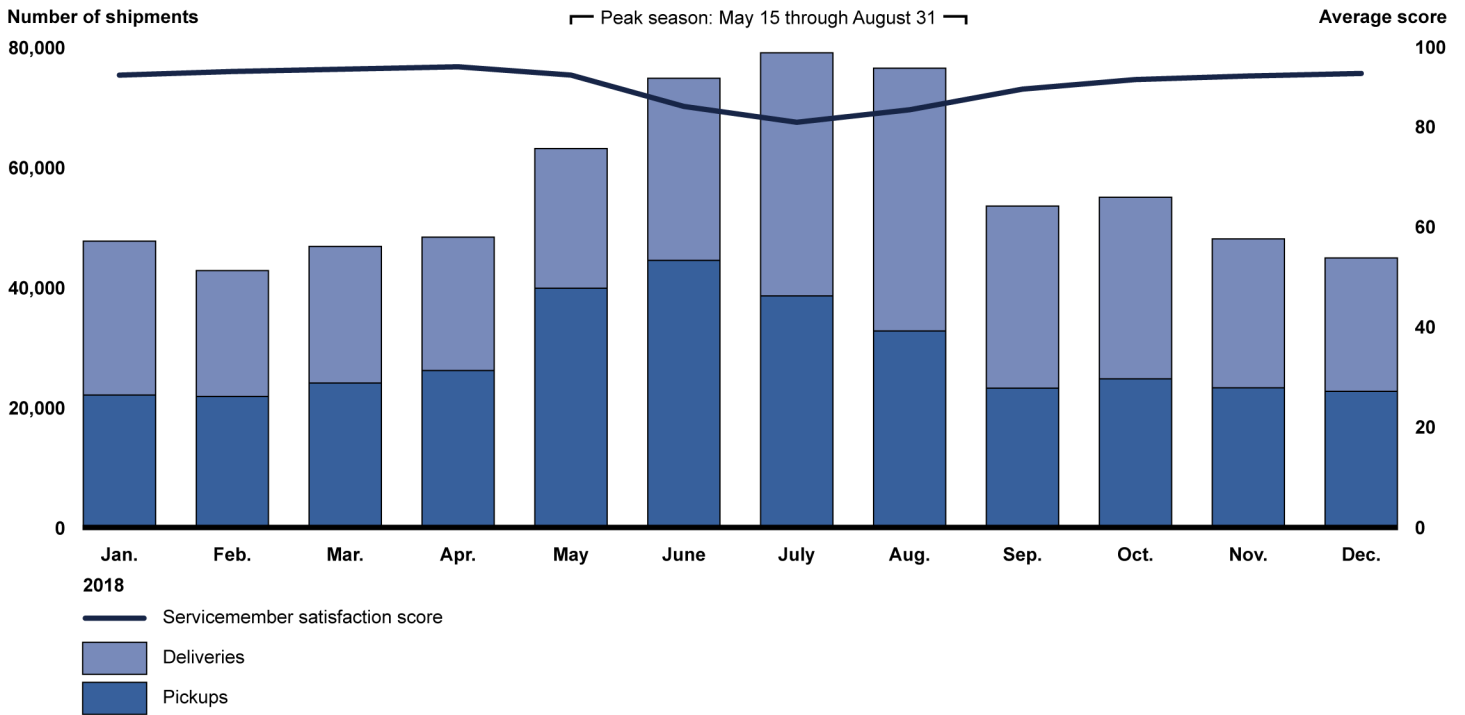
The Defense Personal Property Program

DOD currently relies on more than 900 commercial industry transportation service providers (TSPs) to move and store servicemembers' and their families' household goods. About 40 percent of DOD's annual household goods moves occur during the 14-week annual peak moving season, which runs from May 15 through August 31. As figure 1 shows, servicemember survey satisfaction scores declined in 2018 during the peak moving season. According to TRANSCOM officials, this decline in satisfaction scores during the peak moving season has persisted for years.

⁹GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: September 2014).

¹⁰The Personal Property Relocation Advisory Panel is an information-sharing forum that TRANSCOM established in November 2018 to identify personal property move issues and trends. Panel members include military servicemembers and their spouses.

Figure 1: Household Goods Shipments Compared with Average Servicemember Survey Satisfaction Scores, by Month for 2018



Source: Department of Defense documentary evidence. | GAO-20-295

Under the current DP3, the military services own, operate, and staff most of the infrastructure involved in managing and overseeing the movement and storage-in-transit of DOD's household goods, including the personal property processing offices and personal property shipping offices. The military services' processing offices, among other things, ensure that the servicemembers' reassignment orders and paperwork authorizing a move are in order, and that their application is accurate and complete. The processing offices also provide counseling, including advising servicemembers on the DP3 process, entitlements, and restrictions so they can make informed decisions about their moves. The military services' shipping offices work with TSPs to schedule moves, monitor

TSP performance, and take or recommend punitive action against poor performing TSPs.¹¹

Recent DOD Efforts to Address Long-Standing DP3 Performance Issues

DOD has conducted and sponsored several studies to help address persistent DP3 performance issues, including those related to servicemember satisfaction and challenges with meeting capacity demands during the peak summer months. For example, LMI and the Institute for Defense Analyses (IDA) produced reports on behalf of DOD in 2012 and 2018, respectively, to analyze DP3 performance issues and make recommendations to improve DP3.¹² In its report, LMI outlined the impact of a range of options for contracting out some or all of the management of DOD's household goods movement and storage activities. IDA recommended that DOD create consistent performance metrics, unify its DP3 operating structure, and improve servicemember support.

Concurrent with pursuing its Global Household Goods Contract, TRANSCOM has several ongoing initiatives intended to improve servicemember satisfaction in general, and household goods loss and damage specifically. According to survey data, loss of and damage to household goods is the number one reason servicemembers cite for dissatisfaction. Ongoing TRANSCOM initiatives to improve servicemembers' moving experiences that are independent of the Global Household Goods Contract include the following:

- Increasing the use of shipping containers in domestic household goods moves to reduce the number of servicemember loss and damage claims. According to TRANSCOM officials, in the past

¹¹In February 2011, the Joint Logistics Board approved a plan to consolidate the military services' shipping offices from 151 to 17 by 2016, and DOD subsequently extended the date to complete this consolidation by 2 years to fiscal year 2018. From fiscal years 2012 through 2019, the military services collectively reduced the number of shipping offices from 151 to 42. As of March 2020, TRANSCOM officials told us that DOD is continuing to work to determine the right number of shipping offices to ensure the proper structure is in place for program accountability and oversight of contractor performance. DOD Instruction 4500.57 directs DOD components to consolidate personal property shipping offices and standardize traffic management functions whenever possible, and to work with other DOD components to implement the joint consolidation plan. DOD Instruction 4500.57, para. 7.2.

¹²Logistics Management Institute, Report TR110T1, *Household Goods Business Case Analysis*, March 2012; and Institute for Defense Analyses, IDA Paper P-9078, *The Defense Personal Property Program: Organizing to Better Serve Military Members*, August 2018.

TRANSCOM has primarily used shipping containers only for international moves.

- Replacing the internet-based system used to manage DOD household goods moves, the Defense Personal Property System, with a new, mobile-friendly information technology operating system platform called MILMOVE. MILMOVE is intended to provide servicemembers and their families with more reliable information about their planned and ongoing household goods moves through access to all phases of the move process via their personal smartphones or tablets.
- Tracking whether quality inspections occur in person or via telephone, and requiring that at least 50 percent of all shipments have an in-person quality inspection.
- Increasing the liability limits for damaged or lost household goods shipments to \$6 per pound and the total loss cap to \$75,000 per shipment, when claims are filed within a specified time.

TRANSCOM Efforts to Develop the Global Household Goods Contract

In November 2018, TRANSCOM, in coordination with OSD and the military services, began planning and developing requirements for the Global Household Goods Contract. According to TRANSCOM officials, the goal was to have the contract in place in time for the 2021 peak moving season.¹³ TRANSCOM announced that in April 2020 it would award a Global Household Goods Contract to a single commercial move manager to oversee DP3 activities that relate to the movement and storage-in-transit of household goods. The proposed contract includes an initial 9-month transition period that will commence in May 2020, a 3-year base period, three 1-year option periods, two 1-year award terms, and an option to extend the contract 6 months. Including all option periods and award terms, the contract is expected to be completed at the end of January 2029 or, if the option to extend services is exercised, by the end of July 2029. The 9-month transition period is intended to give the Global Household Goods contractor sufficient time to, among other things, integrate its information technology systems with existing DOD information technology systems.¹⁴ During the initial years of the contract,

¹³DOD's annual peak moving season runs from May 15 through August 31.

¹⁴Under the Global Household Goods Contract, the contractor will be required to provide and maintain its own information technology systems to track the status of household goods movement and storage-in-transit and interface with certain DOD information technology systems.

the contractor's volume of workload will incrementally increase, including the volume of household goods moves that it will handle.¹⁵

The Global Household Goods Contract is not intended to replace DP3 in its entirety. Activities that are planned to be a part of the contract include the movement and storage-in-transit of household goods, direct procurement method shipments, and some level of servicemember counseling.¹⁶ DP3 activities that are not to be a part of the Global Household Goods Contract include the long-term storage of household goods (referred to as non-temporary storage) and the movement and storage of servicemembers' privately owned vehicles.¹⁷ Additionally, while the contract is expected to include counseling to servicemembers, the military services will also perform some counseling. According to TRANSCOM and military service officials, they are working to determine the amount of counseling that will be retained by the military services.

Key Differences in How Household Goods Are Moved and Stored in DP3 Currently and under the Planned Global Household Goods Contract

The movement and storage-in-transit of household goods in the current DP3 differs in key ways from the approach under the planned Global Household Goods Contract, as shown in table 1.

¹⁵An appendix within the request for proposals documentation describes the 9-month transition period, followed by a phase in of shipment volume. Between February 1, 2021 and January 1, 2022, the domestic volume will transition over a 4-month period, followed by a 4-month transition of the international volume. Concurrently, the phase in of shipment volume currently covered by certain worldwide contracts will conclude by September 1, 2022.

¹⁶Direct procurement method moves use *Federal Acquisition Regulation*-based government contracts that the military services' shipping offices use to transport personal property to specific locations.

¹⁷"Non-temporary storage" is long-term household goods storage in lieu of transportation. It includes necessary packing, crating, unpacking, uncrating, transportation to and from storage locations, storage, and other related services.

Table 1: Key Differences in How Household Goods Will Be Moved under the Planned Global Household Goods Contract

Attribute	Current Defense Personal Property Program	Defense Personal Property Program with the Planned Global Household Goods Contract
How household goods moves are awarded	The Department of Defense (DOD) generally awards household goods moves to individual transportation service providers (TSPs) on a shipment-by-shipment basis via tenders of service. ^a	DOD will enter into a multi-year contractual relationship with a single commercial move manager. The move manager will arrange household good moves with subcontractors.
DOD’s relationship to industry	DOD has a direct relationship with TSPs through the U.S. Transportation Command (TRANSCOM) and the military services. TRANSCOM maintains the business rules and rate structure, and the military services’ shipping offices order moving services, process invoices, and monitor TSP performance.	DOD will not have a direct relationship with TSPs; rather, DOD will have a direct relationship with a move manager. DOD will order move services through task orders, develop invoices, and monitor contractor performance. The move manager will arrange for moving services, request payment, and monitor subcontractor performance.
How DOD allocates workload to TSPs	DOD allocates workload to TSPs based on a best-value algorithm that weighs a combination of servicemember survey satisfaction scores and price. Workload is allocated on a transactional basis, which limits the ability to aggregate shipments on a regional basis.	DOD will allocate all workload to the move manager. The move manager will have discretion in allocating workload to subcontractors. This may allow the move manager to gain additional efficiencies by aggregating shipments on a regional basis.
How household goods moves are tracked	DOD uses the Defense Personal Property System to track the status of household good moves (e.g., awarded, in-transit, arrived, etc.). ^b	The move manager will provide and maintain its own information technology systems to track the status of household goods moves from pick-up to delivery and, if applicable, through claims resolution.
How household goods claims are resolved	TSPs work directly with servicemembers to resolve claims. The military services’ claims offices handle unresolved claims.	The move manager will work directly with servicemembers to resolve claims. The military service claims offices will continue to handle unresolved claims.
How DOD oversees the movement of household goods	The military services oversee shipment award, quality assurance, customer satisfaction, and resolution of claims that are transferred to them. TRANSCOM oversees storage warehouse inspections, and the tender of service.	The move manager will be responsible for servicemember counseling, shipment, maintaining visibility of household goods while in-transit, customer service, claims resolution, and meeting key metrics regarding customer satisfaction. The military services, in conjunction with TRANSCOM, will oversee the move manager’s performance of these tasks.

Source: GAO analysis of DOD documentary and testimonial evidence. | GAO-20-295

^aA “tender of service” is an offer by a qualified carrier to provide transportation service to DOD at specified rates or charges and submitted to a central authority for acceptance—TRANSCOM, in the case of household goods. See Department of Defense 4500.9-R, *Defense Transportation Regulation, Definitions* (Nov. 8, 2019).

^bDOD uses the Defense Personal Property System to track the status of household goods movement and storage-in-transit.

TRANSCOM Has Taken Steps to Determine the Cost Implications Associated with Moving to a DP3 That Incorporates the Global Household Goods Contract, but Plans Not to Determine Some Cost Estimates for Years

TRANSCOM has developed preliminary and refined cost estimates for determining the cost implications associated with moving to a DP3 that incorporates the Global Household Goods Contract. According to TRANSCOM officials, they began developing preliminary cost estimates in December 2018 in order to (1) create a baseline cost estimate for the movement and storage of household goods under the current DP3, (2) create a cost estimate for those DP3 activities that will be a part of the Global Household Goods Contract, and (3) serve as a point of comparison between the two estimates to determine the cost implications of moving to the Global Household Goods Contract.

TRANSCOM's preliminary cost estimates for the current DP3 and for the activities that will be a part of the Global Household Goods Contract included costs associated with the movement and storage of household goods and government personnel costs associated with the military services' personal property processing and shipping offices. TRANSCOM developed these preliminary cost estimates in part by requesting and collecting information from the military services about their current costs under DP3.¹⁸ Some DP3 costs were not included in the preliminary cost estimates, such as infrastructure and vehicle costs because these assets are used to support multiple programs and could not be easily isolated.

However, our assessment of the preliminary DP3 cost estimates associated with moving to the Global Household Goods Contract found that TRANSCOM may not have accurately calculated some costs because of unanswered questions about how certain activities will be performed. TRANSCOM's cost estimates associated with the number of government personnel that (1) will counsel servicemembers and (2) oversee contractor performance under the contract had weaknesses. Specifically, these estimates relied on assumptions that may have resulted in over- or underestimating some costs.¹⁹

First, TRANSCOM's preliminary DP3 cost estimates associated with moving to the Global Household Goods Contract assume that DOD's costs related to government personnel will be equivalent to those under the current DP3. However, TRANSCOM officials acknowledge that this assumption is based on discussions with military service officials that occurred before the Global Household Goods Contract draft request for

¹⁸The Marine Corps, the Army, and the Navy responded to the request for information. The Air Force did not.

¹⁹Government personnel include both military and civilian personnel.

proposals was issued in April 2019. Furthermore, military service officials told us they have not decided how much of the counseling function their service has provided will be moved to the planned contract, and the services' approaches will likely differ. TRANSCOM officials pointed out that while the Global Household Goods contractor will perform some level of servicemember counseling, the contract will allow the individual military services to decide how much of the counseling responsibility to retain.

Second, TRANSCOM's cost estimates do not account for the number of DOD contracting officer's representatives and quality assurance evaluators required to oversee contractor performance under the contract. According to TRANSCOM officials, the command's preliminary cost estimates assume that government personnel who have been relieved of servicemember counseling responsibility will perform contract oversight and quality assurance responsibilities under the planned contract. For example, TRANSCOM officials told us that quality assurance inspectors under the current DP3 will transition to serve as quality assurance evaluators once the contract is in place. However, TRANSCOM officials acknowledge that it is possible that workload (and personnel costs) for the military services under the current DP3 will change under the planned contract. Moreover, if government personnel do switch roles and responsibilities, TRANSCOM did not take into account the cost to transition and train personnel to execute their contracting officer's representative and quality assurance evaluator responsibilities under the contract.

TRANSCOM officials told us that they were unable to determine with any precision the number and associated costs of government personnel required to counsel servicemembers and oversee the contract because of the fractured nature of the current DP3. Nonetheless, in September 2019, TRANSCOM tasked LMI with developing a BCA with refined cost estimates. LMI finalized the BCA and we received it on January 17, 2020.²⁰ When we assessed the BCA, we found that like us LMI determined that it did not have complete information to fully calculate the

²⁰LMI, *Global Household Goods Contract Business Case Analysis*, January 2020. The National Defense Authorization Act for Fiscal Year 2020 required TRANSCOM to submit the business case analysis to the congressional defense committees, which the command did on January 17, 2020. See Pub. L. No. 116-92, § 375(b).

cost of a DP3 that incorporates the Global Household Goods contract.²¹ Specifically, LMI acknowledged some of the same limitations in its cost estimates that we identified in TRANSCOM's preliminary cost estimates, such as uncertainty about the number of government personnel required to oversee the Global Household Goods Contract. For example, LMI states in its BCA that the Global Household Goods Contract may reduce DOD staffing requirements for functions such as counseling; however, roles such as quality assurance evaluators and contracting officer's representatives to oversee contractor performance may increase DOD staffing requirements.

When we raised concerns about these unanswered questions and their potential cost implications with TRANSCOM officials, they told us that the move to the Global Household Goods Contract is less about saving money than it is about representing the best value to DOD when both cost *and* program performance are considered. They also told us they have developed a plan of action for the phase-in of the Global Household Goods Contract, and that plan includes conducting a manpower study during the third year of the contract. As described earlier in this report, the initial 3 years of the contract involve a gradual phase-in of household goods move volume for the contractor, and in the third year the contractor will be responsible for all of DOD's household goods move volume. According to these officials, by waiting until year 3 of the contract to conduct a manpower study, DOD will have data to more precisely determine the number (and cost) of government personnel required to counsel servicemembers and oversee the contract, such as contracting officer's representatives and quality assurance evaluators.

However, we have determined that TRANSCOM does not have a process in place to track data that would inform its manpower study in year 3, such as how many personnel within each military service are needed to perform contract oversight duties and the costs associated with these personnel. We have reported that organizations should determine their personnel requirements as part of a systematic requirements-determination process that includes (1) identifying an organization's mission, functions, and tasks and (2) determining the minimum number

²¹We also found that the BCA fully met all but one of the five key components of an economic analysis and that it informs decision makers and stakeholders, with caveats, about the economic effects of the proposed Global Household Goods Contract. Our assessment of the cost and benefit information in LMI's BCA is described in appendix II of this report.

and type of personnel—military, civilian, and contractor—needed to fulfill those missions, functions, and tasks by conducting a workforce analysis.²² Without a way to track key data, DOD risks conducting a manpower study that does not allow it to fully understand the personnel and cost implications of its move to a DP3 that incorporates a Global Household Goods Contract. Notably, in its BCA LMI recommended that DOD reexamine the BCA when additional relevant information becomes available, such as when DOD completes its manpower study. TRANSCOM officials told us they are in agreement with this recommendation. However, if TRANSCOM does not have a process in place to collect key pieces of data during the first 3 years of the contract, a reexamination of the BCA will be less fruitful than it otherwise might be.

TRANSCOM Has Developed Performance Metrics to Assess Some but Not All DP3 Activities, and Not All of TRANSCOM's Overarching Program Goals Have Clearly Associated Performance Metrics

First, TRANSCOM has developed performance metrics—referred to as performance indicators—for its Global Household Goods Contract, and has developed performance metrics for some, but not all, activities that fall outside of the contract.

TRANSCOM's draft quality assurance surveillance plan for the Global Household Goods Contract, which was developed in coordination with the military services, outlines how the contractor's performance will be assessed against performance indicators.²³ These performance indicators set measurable standards for, among other things, information technology systems' availability, claims settlement timeliness for lost and damaged goods, and the timeliness of household goods pick-up and deliveries. Examples of performance indicators include:

- settling 90 percent of all loss and damage claims valued at less than \$1,000 within 30 days and settling 95 percent of all claims, regardless of value, within 60 days;

²²GAO, *Defense Headquarters: DOD Needs to Reassess Personnel Requirements for the Office of Secretary of Defense, Joint Staff, and Military Service Secretariats*, [GAO-15-10](#) (Washington D.C.: Jan. 21, 2015).

²³As of January 2020, TRANSCOM's draft quality assurance surveillance plan included a list of 30 tasks, including six contractor reporting requirements (e.g., small business utilization) that we did not consider to be metrics to assess DP3 performance. Separate from the quality assurance surveillance plan, the contract will include evaluation criteria used to determine whether the contractor may earn up to two award terms. As described in the request for proposals, the award term evaluation criteria consist of eight performance objectives (which are included in the 30 tasks of the draft quality assurance surveillance plan) and whether the contractor meets or exceeds a small business utilization requirement.

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- delivery of household goods on the scheduled date 95 percent of the time per month; and
 - overall customer satisfaction rating of satisfactory at least 95 percent per month.

Based on a DP3 briefing TRANSCOM provided us, the command has also developed metrics for assessing other contracted DP3 activities, such as the transport of privately owned vehicles and non-temporary storage, which TRANSCOM captures under contracts separate from the Global Household Goods Contract. For example, TRANSCOM tracks the number and cost of non-temporary storage lots maintained annually to support its storage requirements.²⁴

However, TRANSCOM officials acknowledge that the command has not developed metrics for other activities that government personnel will continue to perform in DP3, once a Global Household Goods Contract is in place, such as servicemember counseling and claims resolution. Although TRANSCOM's draft quality assurance surveillance plan includes a performance indicator to assess the contractor's performance with respect to servicemember counseling, TRANSCOM officials told us the command has not developed commensurate metrics to assess the military services' performance in providing servicemember counseling. TRANSCOM officials also noted that while the military services' claims offices will be responsible for handling unresolved loss and damage claims between the servicemember and the contractor, the command has not developed metrics associated with this DP3 activity.

Second, we found that, while TRANSCOM has articulated overarching DP3 goals, it has not clearly articulated how its performance metrics align with each of these goals. According to TRANSCOM officials, they decided to move certain DP3 activities to the Global Household Goods Contract because doing so could positively impact the program's five goals regarding cost, quality, capacity, accountability, and responsibility, terms described in LMI's BCA as shown below:

²⁴The *Defense Transportation Regulation* defines lots as those household goods placed in storage at government expense and covered by one service order. DOD 4500.9-R, *Defense Transportation Regulation, Definitions* (Nov. 8, 2019).

-
- **Cost** considers the potential financial impact, including either opportunities or risks to the future-state costs and any savings the program is likely to achieve.²⁵
 - **Quality** encompasses the value of a move, typically measured by customer (i.e., servicemember) satisfaction. Quality may improve with on-time performance and minimized loss or damage.
 - **Capacity** is the availability of industry providers to meet the program's demands at a given time. This can be during peak or non-peak season.
 - **Accountability** refers to the government's ability to affix responsibility to the contractor and their supplier network for performance.
 - **Responsibility** encompasses the authority of the government and how each government stakeholder will be held responsible for accomplishing their assigned tasks.

Planned contract performance indicators and metrics are intended to assess contractor performance, but they may also provide information that TRANSCOM could use to more broadly assess the extent to which DP3 is meeting its overarching program goals. However, TRANSCOM has not clearly articulated which of the performance metrics it has established under the Global Household Goods contract align with which program goals. For example, one performance indicator for the Global Household Goods Contract is for contractor delivery of household goods to be on-time at least 95 percent of the time. While it appears that this performance indicator could relate to the quality and capacity goals, TRANSCOM has not established linkage between this performance indicator and either of these goals. Determining how it will assess improved capacity is particularly important. When we spoke with them about the move to the Global Household Goods contract, some military service officials, representatives of the moving and storage industry, and members of TRANSCOM's Personal Property Relocation Advisory Panel told us that they doubt whether the Global Household Goods Contract will, indeed, improve capacity.

Moreover, none of the existing performance indicators appear to relate to TRANSCOM's responsibility goal. It is not surprising that the Global Household Goods Contract does not include performance indicators on how government stakeholders are to be held responsible for various

²⁵TRANSCOM officials told us that the command will award a contract that represents the best value for DOD, which may or may not result in a cost savings.

program activities, because indicators under the contract are intended to evaluate contractor performance. However, we would expect to see performance metrics outside of the contract to measure government stakeholders' performance.

When we spoke with TRANSCOM officials about the gaps we identified in their performance assessment approach, they agreed that clarifying the linkage between performance metrics and the overarching program goals and ensuring there are performance metrics for assessing each of the goals would improve the command's ability to assess overall program performance. While the performance indicators and metrics related to the various contracts, including the Global Household Goods Contract, are intended to assess contractor performance, they could also provide information that TRANSCOM could use to more broadly assess the extent to which DP3 is meeting its overarching program goals. DOD Instruction 4500.57, *Transportation and Traffic Management*, calls for TRANSCOM, in coordination with DOD components, to conduct annual program reviews to ensure the overall effectiveness of the DP3. The instruction calls for these reviews to include a metrics-based evaluation of the program, and assessments of TSP and service-provider cost and performance, information technology systems and contracts that support DP3, and external factors that impact the program such as industry capability and changes to servicemember shipping entitlements.²⁶ Moreover, the *Standards for Internal Control in the Federal Government* call for management to define objectives (or metrics) in terms of what is to be achieved, who is to achieve it, how it will be achieved, and the time frames for achievement so that performance toward achieving those objectives (or metrics) can be assessed.²⁷ We have also previously reported on the importance of linking lower-order performance metrics and higher-order strategic goals to achieve desired outcomes.²⁸

Without performance metrics that account for those DP3 activities that fall outside of the Global Household Goods Contract and other DP3 contracts and without clearly articulating the linkage between performance metrics and program goals, TRANSCOM's ability to assess progress toward, and

²⁶DOD Instruction 4500.57, para. 7.5. The instruction also directs TRANSCOM to develop a 5-year strategic plan, to be updated on an annual basis, which establishes goals, objectives, and initiatives for the program. *Id.* para. 7.6.

²⁷[GAO-14-704G](#).

²⁸GAO, *Executive Guide: Effectively Implementing the Government Performance and Results Act*, [GAO/GGD-96-118](#), (Washington, D.C.: June 1996).

take actions to help achieve, its overarching program goals will be hindered. The need to take these steps is particularly important, given some of the skepticism that TRANSCOM faces with its move to a DP3 that incorporates the Global Household Goods Contract. Further, because TRANSCOM officials have determined that the move to the Global Household Goods contract is about delivering better value, rather than just saving money, it is imperative that they have a robust performance assessment approach in place.

Conclusions

DOD has experienced long-standing quality issues moving and storing the household goods of servicemembers and their families, despite numerous reform efforts. To address persistent quality-of-service issues, such as late pick-up and deliveries and high claims costs for lost and damaged goods, TRANSCOM intends to award a multi-year Global Household Goods Contract, under which a single commercial move manager would oversee the movement and storage of household goods shipments. DOD has been working to award its Global Household Goods Contract in time to meet the fiscal year 2021 peak season demand, and will award the contract without precise information on the number and cost of government personnel required to counsel servicemembers and oversee the contract. Given this determination, it is particularly important that DOD put in place a process to track key data during the first 3 years of the contract to inform its planned manpower study, so that it can fully determine the cost implications of this shift in DP3. Moreover, because DOD has stated that the purpose of the move to the Global Household Goods contract is to provide better value for the customers, DOD should ensure that it has in place performance metrics to assess all DP3 activities, including those that fall outside of the Global Household Goods contract, and clearly articulate the linkage between performance metrics and overarching program goals. Without doing so, TRANSCOM will be hindered in its ability to assess whether a DP3 that incorporates the Global Household Goods Contract is an improved program, particularly as it relates to the moving experiences of servicemembers and their families.

Recommendations for Executive Action

We are making the following three recommendations to the Secretary of Defense:

The Secretary of Defense, in coordination with the Chairman of the Joint Chiefs of Staff, should ensure that the TRANSCOM Commander, in coordination with the military services and the Coast Guard, develop a process for tracking data during the first 3 years of the Global Household Goods Contract to inform its planned manpower study during the third

year of the contract to more precisely determine DP3 manpower needs and associated costs. (Recommendation 1)

The Secretary of Defense, in coordination with the Chairman of the Joint Chiefs of Staff, should ensure that the TRANSCOM Commander develop performance metrics for those DP3 activities that will not be a part of the Global Household Goods Contract, such as servicemember counseling and claims resolution that will, at least in part, continue to be performed by the military services. (Recommendation 2)

The Secretary of Defense, in coordination with the Chairman of the Joint Chiefs of Staff, should ensure that the TRANSCOM Commander articulate the linkage, where appropriate, between DP3 performance metrics, including Global Household Goods Contract performance indicators, and overarching program goals. (Recommendation 3)

Agency Comments and Our Evaluation

We provided a draft of this report to DOD for comment. In its comments, which are reproduced in Appendix III, DOD concurred with all of our recommendations and described ongoing and planned actions to address them.

We are sending copies of this report to the appropriate congressional committees; the Secretary of Defense, the Chairman of the Joint Chiefs of Staff, and the Secretaries of the Army, the Navy, and the Air Force; and the Commandant of the Marine Corps. In addition, the report will be available at no charge on the GAO website at <http://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at (202) 512-2775 or fielde1@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix IV.



Elizabeth A. Field
Director
Defense Capabilities and Management

List of Committees

The Honorable James M. Inhofe
Chairman
The Honorable Jack Reed
Ranking Member
Committee on Armed Services
United States Senate

The Honorable Dan Sullivan
Chairman
The Honorable Tim Kaine
Ranking Member
Subcommittee on Readiness and Management Support
Committee on Armed Services
United States Senate

The Honorable Richard Shelby
Chairman
The Honorable Richard Durbin
Ranking Member
Subcommittee on Defense
Committee on Appropriations
United States Senate

The Honorable Adam Smith
Chairman
The Honorable Mac Thornberry
Ranking Member
Committee on Armed Services
House of Representatives

The Honorable Pete Visclosky
Chairman
The Honorable Ken Calvert
Ranking Member
Subcommittee on Defense
Committee on Appropriations
House of Representatives

Appendix I: Scope and Methodology

Our review focused on household goods movement and storage-in-transit for servicemembers in the Army, the Navy, the Air Force, the Marine Corps, and the Coast Guard. We did not evaluate Department of Defense (DOD) Defense Personal Property Program (DP3) activities that will not be a part of the Global Household Goods Contract, which include the long-term storage of household goods and the movement and storage of servicemembers' privately owned vehicles. We did, however review metrics being tracked for these activities to determine the U.S. Transportation Command's (TRANSCOM) ability to assess performance for the broader DP3.

During our review, we coordinated with officials from the DOD Office of the Inspector General to gain an appreciation for the objectives, scope, and methodology of their ongoing audit on the timeliness of household goods deliveries and claims resolution under the current DP3. The resulting audit report contained several recommendations, including that TRANSCOM issue warnings or letters of suspension to transportation service providers (TSPs) within 14 days of missing the agreed-upon delivery date from storage, and that TRANSCOM help servicemembers and their families file inconvenience claims with TSPs within 14 days of a missed delivery date.¹

To inform both of our objectives, we met with officials from the Office of the Secretary of Defense (OSD), TRANSCOM, the military services, the Coast Guard, and the DOD Office of the Inspector General. We also met with external stakeholders, including associations representing the moving and storage industry, the Small Business Administration, the American Federation of Government Employees, and members of TRANSCOM's Personal Property Relocation Advisory Panel.²

For objective one, we assessed preliminary cost estimates TRANSCOM developed in connection with the move to a DP3 approach that

¹*Department of Defense Office of the Inspector General Report, Audit of the DoD Personal Property Program Related to Household Goods Shipments, DODIG-2020-046 (Project No. D2019-D000AT-0056.000), January 6, 2020.*

²We met with three moving and storage associations: (1) The American Moving and Storage Association; (2) The International Association of Movers; and (3) the National Defense Transportation Association. The Personal Property Relocation Advisory Panel is an information-sharing forum that TRANSCOM established in November 2018 to identify personal property move issues and trends. Panel members include military servicemembers and their spouses.

incorporates the planned Global Household Goods Contract against best practices in the *GAO Cost Estimating and Assessment Guide*.³ The guide states that valid and useful historical data are important in developing sound cost estimates, and that risk and uncertainty and sensitivity analyses should be performed to mitigate the effects of changing assumptions.

We analyzed TRANSCOM's preliminary cost estimates, and discussed with TRANSCOM officials assumptions that were used to develop the estimates and techniques that were applied to account for variability in the assumptions. Given that TRANSCOM's cost estimates were preliminary and likely to change based on the Logistics Management Institute's (LMI) ongoing business case analysis (BCA), we did not conduct a reliability assessment of TRANSCOM's cost estimates.⁴ We instead focused on TRANSCOM's treatment of evolving assumptions in its preliminary cost estimates. We met with representatives from LMI to discuss their process for updating TRANSCOM's preliminary cost estimates as part of a BCA that it was preparing for the command. We evaluated these cost estimates, including the cost estimates in the BCA that was issued in January 2020, using criteria from *GAO's Assessment Methodology for Economic Analysis* that outlines five key elements for an economic analysis.⁵ Our assessment of LMI's BCA is included in appendix II.

For objective two, we reviewed relevant DOD guidance, including DOD Instruction 4500.57, *Transportation and Traffic Management*.⁶ The instruction requires TRANSCOM, in coordination with the DOD components, to annually evaluate the effectiveness of the DP3. We also reviewed the Global Household Goods request for proposals and TRANSCOM's draft quality assurance surveillance plan. The draft quality assurance surveillance plan outlines how DOD will oversee the move manager's performance under the Global Household Goods Contract and describes the performance indicators that will be used to assess

³GAO, *GAO Cost Estimating and Assessment Guide: Best Practices for Developing and Managing Capital Program Costs*, [GAO-09-3SP](#) (Washington, D.C.: March 2009).

⁴LMI, *Global Household Goods Contract Business Case Analysis*, January 2020.

⁵GAO, *Assessment Methodology for Economic Analysis*, [GAO-18-151SP](#) (Washington, D.C.: April 2018).

⁶DOD Instruction 4500.57, *Transportation and Traffic Management* (Mar. 7, 2017) (incorporating change 3, effective September 23, 2019).

contractor performance. Using the *Standards for Internal Control in the Federal Government*, which calls for management to define objectives (or metrics) in terms of what is to be achieved, who is to achieve it, how it will be achieved, and the time frames for achievement so that performance toward achieving those objectives can be assessed, we also assessed DOD's DP3 performance metrics.⁷ Additionally, we discussed with TRANSCOM officials their approach for overseeing the Global Household Goods Contract, including the linkage between performance measures for those DP3 activities that will and will not be a part of the contract and DP3's overarching goals.

We conducted this performance audit from May 2019 to April 2020 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

⁷GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: September 2014).

Appendix II: GAO's Assessment of the Logistics Management Institute's (LMI) Business Case Analysis (BCA)

We assessed the cost and benefit information in LMI's BCA against our *Assessment Methodology for Economic Analysis*.¹ Our assessment methodology identifies the following five key components of an economic analysis:

- Objective and scope
- Methodology
- Analysis of effects
- Transparency
- Documentation

We found that the BCA informs decision-makers and stakeholders, with caveats, about the economic effects of the proposed Global Household Goods Contract. Further, we found that the BCA fully met four and partially met one of the five key components of an economic analysis. A summary of our rationale for these assessments is outlined in table 2.

¹GAO, *Assessment Methodology for Economic Analysis*, [GAO-18-151SP](#) (Washington, D.C.: April 2018).

**Appendix II: GAO's Assessment of the
Logistics Management Institute's (LMI)
Business Case Analysis (BCA)**

Table 2: Summary of the Rationale for Our Assessment of LMI's Business Case Analysis

Key element	Description of our assessment	Score
Objective and scope	<p>The economic analysis:</p> <ul style="list-style-type: none"> • Explains the action examined. • Explains its objective. • Includes the scope of the analysis. • Focuses on economic effects. • Is based on adequate time to encompass the important economic effects. <p>The cost estimate:</p> <ul style="list-style-type: none"> • Includes costs for the scope of the analysis. • Reflects the current schedule. • Is technically reasonable. • Is based on an appropriate level of detail in the work breakdown structure. 	Fully met
Methodology	<p>The economic analysis:</p> <ul style="list-style-type: none"> • Examines the effects by comparing alternatives. • Considers all relevant alternatives. • Defines an appropriate baseline. • Identifies the important economic effects. <p>The cost estimate:</p> <ul style="list-style-type: none"> • Is based on historical data and actuals. • Reflects the best methodology for the data collected. 	Fully met
Analysis of effects	<p>The economic analysis:</p> <ul style="list-style-type: none"> • Quantifies and monetizes the important economic effects. • Applies the criterion of net present value or related outcome measures to compare across alternatives. • Explains how the comparison of alternatives is impacted if economic effects cannot be quantified. • Details separately the full range of impacts and quantifies them where feasible. 	Fully met

**Appendix II: GAO's Assessment of the
Logistics Management Institute's (LMI)
Business Case Analysis (BCA)**

Key element	Description of our assessment	Score
Transparency	<p>The economic analysis:</p> <ul style="list-style-type: none"> • Describes and justifies the analytical choices, assumptions, and data used. • Assesses how plausible adjustments to analytical choice and assumptions affect the estimates of economic effects. • Explains limitations of data used. • Quantifies how the statistical variability of the key data elements underlying the estimates of the economic analysis impacts these estimates, and the results of the comparison of alternatives. <p>The cost estimate:</p> <ul style="list-style-type: none"> • Contains ground rules and assumptions. • Contains a sensitivity analysis. • Contains a risk analysis. • Contains few, if any, minor mistakes. 	Fully met
Documentation	<p>The economic analysis:</p> <ul style="list-style-type: none"> • Is clearly written including plain language, clearly labeled tables, and a conclusion. • Cites all sources. • Documents that it is based on the best available economic information. • Complies with a robust quality assurance process. <p>The cost estimate:</p> <ul style="list-style-type: none"> • Shows source data, the reliability of data, and estimating methodology. • Describes how estimate was developed. • Discusses technical baseline that estimate is based on. • Was approved and accepted by management. 	Partially met

Source: GAO's assessment of the Logistics Management Institute's (LMI) January 2020 business case analysis. | GAO-20-295

Appendix III: Comments from the Department of Defense



SUSTAINMENT

ASSISTANT SECRETARY OF DEFENSE
3500 DEFENSE PENTAGON
WASHINGTON, DC 20301-3500

MAR 25 2020


Ms. Elizabeth A. Field
Director, Defense Capabilities and Management
U.S. Government Accountability Office
441 G Street, N.W.
Washington, DC 20548

Dear Ms. Field:

This is the Department of Defense (DoD) response to the Government Accountability Office (GAO) Draft Report, GAO-20-295SU, "MOVEMENT OF HOUSEHOLD GOODS: DoD Should Take Additional Steps to Assess Progress toward Achieving Program Goals" dated February 14, 2020 (GAO Code 103568). Detailed comments on the report recommendations are enclosed.

The Department has conducted a security review of Government Accountability Office (GAO) Draft Report, GAO-20-295SU, and found two items on page 11 that are source selection sensitive. The Department finds that if these two items are removed then the report is UNCLASSIFIED and cleared for open publication, and recommends the removal of all FOUO//SOURCE SELECTION INFORMATION markings. Enclosed is a copy of the Department's official security review.

Sincerely,



Peter J. Potochny
Acting

Enclosure:
As stated

GAO Draft Report Dated February 14, 2020
GAO-20-295SU (GAO CODE 103568)

**“MOVEMENT OF HOUSEHOLD GOODS: DOD SHOULD TAKE ADDITIONAL
STEPS TO ASSESS PROGRESS TOWARD ACHIEVING PROGRAM GOALS”**

**DEPARTMENT OF DEFENSE COMMENTS
TO THE GAO RECOMMENDATION**

RECOMMENDATION 1: The Secretary of Defense, in coordination with the Chairman of the Joint Chiefs of Staff, should ensure that the TRANSCOM Commander, in coordination with the military services and the Coast Guard, develop a process for tracking data during the first 3 years of the Global Household Goods Contract to inform its planned manpower study during the third year of the contract to more precisely determine DP3 manpower needs and associated costs.

DoD RESPONSE: Concur. GAO’s findings and recommendations confirm many of the longstanding issues the United States Transportation Command (USTRANSCOM) has highlighted to the Department and Congress over the last two years. GAO’s recommendation to develop a process to determine and document overall Defense Personal Property Program (DP3) manpower needs is consistent with USTRANSCOM’s vision to evolve the program from a series of disparate Service-owned activities into a truly integrated, synchronized DoD program.

Determining DP3 manpower needs across the management framework (namely Service-owned Personal Property Processing and Shipping Offices) is a critical task, and one that is currently underway. Since May 2019, representatives from USTRANSCOM, the Military Services, and the Coast Guard have convened on a routine basis to develop and refine plans to align and integrate what is currently a disparate confederation of Service-owned offices. DoD will use these routine DP3 Reform Workshops to develop and recommend DoD-wide manpower and resourcing standards for DP3 operations (none exist today). Similarly, DoD will use these workshops to develop tracking processes; all work will be accomplished by December 1, 2020. Once developed, DoD will leverage the existing DP3 governance structure to ensure tracking processes are followed and data is reported to DoD leaders.

Ultimately, this work will ensure the Defense Personal Property Program delivers improved quality of life for the Joint Force and employs rigorous management controls over industry operations.

RECOMMENDATION 2: The Secretary of Defense, in coordination with the Chairman of the Joint Chiefs of Staff, should ensure that the TRANSCOM Commander develop performance metrics for those DP3 activities that will not be a part of the Global Household Goods Contract, such as service member counseling and claims resolution that will, at least in part, continue to be performed by the military services.

**Appendix III: Comments from the Department
of Defense**

DoD RESPONSE: Concur. GAO's findings and recommendations confirm many of the longstanding issues USTRANSCOM has highlighted to the Department and Congress over the last two years. GAO's recommendation to develop performance metrics for all DP3 activities is consistent with USTRANSCOM's vision to evolve the program from a series of disparate Service-owned activities into a truly integrated, synchronized DoD program.

DoD appreciates GAO's recognition of the Global Household Goods Contract metrics (and associated Quality Assurance Surveillance Plan) as well as the metrics in place for other aspects of DP3 such as the movement of Privately Owned Vehicles. DoD concurs that similar metrics must be developed for those DP3 activities outside the scope of GHC that will be accomplished by the Services (such as counseling and claims processing within the Services' Military Claims Offices).

DoD will leverage the ongoing DP3 Reform Workshops to develop additional program metrics, and use existing DP3 governance processes to 1) approve the metrics and 2) share the data with DoD leaders. This work will be accomplished by October 1, 2020. USTRANSCOM is committed to program transparency, and—as appropriate—will share performance data broadly with all DP3 stakeholders.

RECOMMENDATION 3: The Secretary of Defense, in coordination with the Chairman of the Joint Chiefs of Staff, should ensure that the TRANSCOM Commander articulate the linkage, where appropriate, between DP3 performance metrics, including Global Household Goods Contract performance indicators, and overarching program goals.

DoD RESPONSE: Concur. DoD will document the linkages between DP3 performance metrics and overarching program goals (to include the additional metrics resulting from Recommendation 2). This work will be accomplished by October 1, 2020.

Appendix IV: GAO Contact and Staff Acknowledgments

GAO Contact:

Elizabeth A. Field, (202) 512-2775 or fielde1@gao.gov.

Staff Acknowledgments:

In addition to the contact named above, GAO staff who made key contributions to this report include Marc Schwartz, Assistant Director; Pedro Almoguera, John Bumgarner, William Cordrey (retired), Tim DiNapoli, Jennifer Echard, Christopher Gezon, Mae Jones, Jason Lee, Ned Malone, Tara Porter, Oliver Richard, Mike Shaughnessy, Susan Tindall, Nate Tranquilli, John Van Schaik, and Mary Weiland.

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