

The new DoD National Relocation Program (DNRP) contract has been awarded and is effective as of 19 November 2008. A major goal of the new contract was to structure the program services to help employees market their homes successfully to achieve market-based home sales at better than appraised value offers, increase transferee satisfaction and reduce DoD program expense.

New contract provisions include:

#### Multiple suppliers

BPA's were awarded to four (4) relocation management contractors. Utilizing multiple contractors significantly increases service volume capacity and reduces performance risk for DoD. Multiple contractors ensured adequate price competition and incentivizes contractors to provide the highest level of service possible in efforts to increase future volume share.

#### Contractor will take title to home

The relocation contractor is required to take title directly from the transferring employees when homes are acquired under appraised value offer.

#### Mandatory 60 day home marketing period

Employees are required to market their homes for 60 days after initiation into DNRP before the appraised value offer may be accepted. Home marketing time prior to DNRP program initiation does not apply towards 60 day mandatory marketing period.

#### Home Listing Price Limitations

Initial home listing price on employees' homes for marketing in DNRP must be within 10% of contractor's broker's price opinion. When the appraised value offer is established, the home listing price must be adjusted to not exceed 105% of appraised value offer

Limitations on inspections and repairs required of employees Contractors are limited in the type and amount of inspections and required repairs they can ask for; inspections and required repairs are limited to only those necessary to determine or enable program eligibility or that are necessary for property resale.

#### Home value range pricing

The new contract utilizes matrix pricing with different fees depending on the value of the property. When estimating DNRP costs, ordering agencies will utilize the highest fee on the matrix.

#### Estimating DNRP service fees

The fee to use for estimating DNRP service fees is 36.0%, which represents the "worst case" or highest possible fee percentage. The actual DNRP fee will be equal to or less than the estimated amount. When the contractor's home buyout offer is accepted by the employee, DNRP will notify the ordering activity of the actual fee and the amount of funds to be de-obligated, depending on the home value and disposition of the property (appraised value sale/amended value sale/buyer value option sale).

#### Authorizing/requesting DNRP services

The process for authorizing DNRP services is unchanged. Completed service request forms and copies of employees' PCS orders should be faxed to 410-962-4322. Additional information and forms can be found at the DNRP webpage: <http://www.nab.usace.army.mil/dnrrp/> <<http://www.nab.usace.army.mil/dnrrp/>>

#### DNRP Destination Services

DNRP contract services also include no-fee homefinding assistance and relocation mortgage counseling with referrals to national lenders offering preferential loan rates and terms for transferring DoD employees.

## Employee Questions

Employees with questions about utilizing DNRP services or to request referrals to contractor-recommended departure or destination area real estate brokers should call the DNRP toll-free line: 1-800-344-2501

When estimating DNRP program costs for Guaranteed Home Sale or Property Management, the Government Administrative Fee (GAF) must be included as well as the estimated program fee. The GAF is a fixed flat one thousand dollar (\$1,000) per property charge added to the estimated DNRP program fee.

(The GAF represents about 3/10 of one percent (.3%) of the average DNRP appraised value home price of \$332,250.)

For Property Management services, the estimated program fee to be utilized is \$10,300 for first year of services, \$9,500 for subsequent years. The GAF for Property Management services is \$650.

The calculation for DNRP Guaranteed Home Sale and Property Management services is as follows:

### Guaranteed Home Sale

Program fee:  $36.0\% \times \text{property's estimated value} + \$1,000 \text{ GAF} = \text{Total Estimated Cost}$

### Property Management

$\$10,300 \text{ program fee for first year} + \$9,500 \text{ for each subsequent year of authorized services} + \$650 \text{ GAF} = \text{Total Estimated Cost}$

For management questions or additional information regarding the new contract or DNRP program services, please contact David Gage at 410-962-4177 or email: [david.f.gage@usace.army.mil](mailto:david.f.gage@usace.army.mil).