

# Board of Contract Appeals

General Services Administration  
Washington, D.C. 20405

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August 28, 2002

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GSBCA 15878-RELO

In the Matter of RICHMOND H. LAISURE

Richmond H. Laisure, Columbia, SC, Claimant.

Terry Burton, Supervisor, Travel Section, Financial Services Center, Department of Veterans Affairs, Austin, TX, appearing for Department of Veterans Affairs.

**BORWICK**, Board Judge.

Claimant, an employee of the Department of Veterans Affairs (VA), seeks reimbursement of \$481.78. Cendant Mobility (Cendant) charged claimant that amount for temporary storage of household goods (HHG) in a residence claimant had sold to Cendant. The agency denied reimbursement because it believed Cendant's charges were not for HHG storage but for house rental. We grant the claim. We conclude that Cendant's charges were for storage of HHG; the agency does not dispute that the charges were reasonable. Claimant satisfied the requirements of the version of the Federal Travel Regulation (FTR) in effect when claimant reported for duty at his new duty station.

Claimant transferred in the interest of the Government from Montgomery, Alabama to Columbia, South Carolina. The agency granted claimant relocation expenses, including shipment of HHG and temporary storage. Block 11F of the authorization stated that "VA will ship and store your allowable household goods and personal effects on a bill of lading. The commuted rate system may only be authorized if cheaper than the VA [bill of lading] method." The agency authorized use of the bill of lading method.

Cendant Mobility purchased claimant's house at his old station. Cendant, however, let claimant keep his HHG at his old station between September 19 and October 5, 2001, until his new home was ready for occupancy. Claimant and his family were in temporary quarters during that period in Lexington, South Carolina. Claimant's date for reporting for duty was October 5, 2001.

For keeping the HHG at the old residence, Cendant charged claimant an amount equal to a pro-rata share of property taxes on the house, interest on the former mortgage loan for the prorated period, and insurance coverage on the HHG. This amounted to \$481.78.

Claimant submitted a relocation expense voucher of \$5269.53, including \$481.78 for the storage charges. The agency denied reimbursement of the storage expense because it concluded that claimant did not incur storage charges. The agency determined that storage charges could be paid when "legitimate storage facilities are used and there is an authority to reference and an obligation." The agency concluded that the claimant did not incur storage costs but "incurred taxes and interest charges and perhaps insurance charges for use of a house he did not own." Claimant's rejoinder is that he did not rent the house and that he made the arrangement with Cendant for only one purpose, to store his HHG.

Claimant says that this arrangement with Cendant saved the Government money by not incurring commercial storage costs. Had claimant placed his goods in temporary storage in South Carolina for the period of time claimant stored his HHG at his old residence, the cost would have been \$3894.73.

Under the version of the FTR in effect when claimant reported for duty, employees transferred in the interest of the Government could obtain storage of HHG either under the commuted rate system or the actual expense method (through Government bill of lading (GBL)). 41 CFR 302-8.5(b) (2001). When, as in this case, the actual expense method was authorized, the Government would normally arrange for storage of HHG and pay for the cost of the storage directly. Id. 302-8.5(b)(2). However, if the employee had to arrange for the storage of HHG, the employee could be reimbursed for "reasonable costs incurred for storage including in and out charges and necessary drayage within the applicable limitations." Id.

In denying reimbursement, the agency did not dispute claimant's arranging for self-storage of his HHG or the reasonableness of Cendant's charges for the storage. Instead, the agency focuses on the nature of the charges. The agency maintains that Cendant charged for house rental, not HHG storage. We disagree. While the payment provisions were unusual, it is evident that Cendant let claimant use the house it had purchased from claimant for claimant's self-storage of claimant's HHG, not for use as a residence.

The pertinent provision of the FTR required that the storage costs be reasonable. The FTR did list in and out charges and drayage as charges that could be reimbursed, but the FTR does not limit storage costs to those charges. In this matter, the agency does not dispute that the charges were reasonable -- indeed they were much less than claimant would have been charged had he placed his HHG in regular commercial storage in South Carolina. We see no regulatory impediment to payment here. The only limitation is one which we borrow from those instances in which an employee is authorized to move HHG by GBL and chooses a self-move. In those cases, an employee's reimbursement cannot exceed what the cost would have been had the Government shipped the HHG using a GBL. Faithon P. Lucas, GSBCA 15107-RELO, 00-2 BCA ¶ 30,958, at 152,783 n.2. The same rule should apply here. The Board grants the claim. The agency must pay claimant \$481.78 or the GBL cost of storage in Montgomery, Alabama, between September 19 and October 5, 2001, whichever is less.

Board Judge