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# AFJAGS Podcast: Episode 33

## Defense Personal Property Program with Mr. Rick Marsh and Mr. Bradley Richardson – Part 1

**HOST:** MAJOR RICK HANRAHAN, USAF

**GUEST:** MR. RICK MARSH AND MR. BRADLEY RICHARDSON

Two-part interview, where we speak with two guest experts, Defense Personal Property Program or DP3 Director Mr. Rick Marsh and USTRANSCOM attorney-advisor Mr. Bradley Richardson on the DP3 program.

### **MAJOR RICK HANRAHAN:**

In this two-part interview, we speak with two guest experts on the [Defense Personal Property Program](#) or DP3 program for short with Director Mr. Rick Marsh and Mr. Bradley Richardson, an attorney-advisor for [USTRANSCOM](#). The DP3 program deals with the movement of household goods and POVs non-temporary storage and the DoD management framework. We discuss the challenges faced by the DP3 program, innovative solutions that the team is working on, and how they conduct strategic communication with their stakeholders.

### **MAJ HANRAHAN:**

Here are a few clips from part one of today's show.

[Upbeat Intro Music].

### **SHOW EXCERPT, MR. RICK MARSH:**

Really, the program and it's huge. It's about a \$3 billion a year enterprise.

We do roughly 400,000 of these moves a year. There's about 950 household goods providers.

### **SHOW EXCERPT, MR. BRADLEY RICHARDSON:**

One way to enforce standards is to enforce a contract when you have 400,000 contracts running around there per year. How are you going to do that?

### **ANNOUNCER:**

Welcome to The Air Force Judge Advocate General's Reporter Podcast, where we interview leaders, innovators, and influencers on the law, leadership, and best practices of the day. And now to your host from [The Air Force Judge Advocate General's School](#).

**MAJ HANRAHAN:**

So welcome to another episode from The Air Force Judge Advocate General's School at Maxwell Air Force Base. I'm your host, Major Rick Hanrahan. Remember, if you like the show, please consider subscribing on Apple Podcasts, Spotify, or your favorite podcast platform and leaving a review. This helps us to grow in outreach to the JAG Corps and beyond.

In today's interview, we plan to discuss the Defense Personal Property Program known as the DP3 program, which deals with movement of household goods, movement of POVs, non-temporary storage and other things as well. And we have two guests that we're going to speak with today, Mr. Rick Marsh, the Director of the DP3 program, and Mr. Bradley Richardson, an attorney-advisor for USTRANSCOM. Gentlemen, thank you for coming on the show today.

**MR. MARSH:**

Thank you for having us.

## **GUEST INTRODUCTIONS**

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**MAJ HANRAHAN:**

So Mr. Rick Marsh is a member of the Senior Executive Service, or SES, and is the current director of the Defense Personal Property Program known as the DP3 Program at U.S. Transportation Command at Scott Air Force Base, Illinois. USTRANSCOM conducts globally integrated mobility operations, leads the broader joint deployment and distribution enterprise, and provides enabling capabilities in order to protect and sustain the joint force in support of national objectives.

Mr. Bradley Richardson is an attorney-advisor for USTRANSCOM. In his military capacity, he is a judge advocate individual mobilization augmentee, or IMA assigned to AF/JACL as a litigation attorney. So Mr. Marsh, could you start off by providing a little more background on your current position in what you do?

**MR. MARSH:**

Absolutely. Thanks again for having us. So as the director of the Defense Personal Property Program my job is to be an advocate and a champion for, for DoD families in the relocation process, to integrate the operational, contractual financial IT aspects of the Defense Personal Property Program and then just drive broader reforms.

**MAJ HANRAHAN:**

And Mr. Richardson, you also provide a little more background on your current position in what you do.

**MR. BRADLEY RICHARDSON:**

Sure. I'm designated as an acquisition attorney. And, you know, when you look at my you know, personnel document that, you know, just says your typical stuff, you know, contract reviews, you know, in litigation, if we go up to the Government Accountability Office or the Court of Federal Claims, I'll serve as of counsel, which basically means I have cradle to grave legal responsibility of a particular contract leading all the way up to award and performance of that contract.

As far as in the Defense Personal Property Program, I tend to take a more of a guidance role and be more integrated as a team member. I end up being at the very, very basic groundwork of a particular action that we're taking. It might be a contract, it may be reforming of rules, but I'm really part of the beginning of any type of change that Mr. Marsh and his team are planning to do.

## **DEFENSE PERSONAL PROPERTY PROGRAM**

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**MAJ HANRAHAN:**

Well, thank you for that. So kind of diving into the substance of our discussion today on Mr. Marsh, I kind of want to start off by just asking you a very broad question of what is the Defense Personal Property Program?

**MR. MARSH:**

The Personal Property Program is the mechanism. It's the enterprise that supports the relocation of duty personnel to their next duty assignment or to their home of record in case of a retirement. Really, the program I mean, it's huge. It's about a \$3 billion a year enterprise. And I break it down into four components

There's an element that handles household goods and unaccompanied baggage shipments between duty stations. You know we do, you know, roughly 400,000 of these moves a year. There's about 950 household goods providers that are that have signed up to do business with us. We don't have a formal contract with any of them currently and we spend a little over \$2 billion a year in that element.

We have one element of the program that deals with the movement of privately owned vehicles. We do just over 60,000 vehicle shipments a year. We store about 7,000 shipments a year. We do have a single award contract industry partner that we deal with, and this is about \$200 million a year in annual spend.

We have a third element that manages the non-temporary storage of household goods when service members, typically in conjunction with an overseas assignment. At any given time we have about 60,000 lots in storage. There's another 800 or so providers that support this program. Again, no formal contract and there's about \$100 million in spend here.

And in the fourth element is DoD's management framework. Again, it's pretty significant. At the installation level, there's about 300 offices that the Services own, that handle the counseling, doing the quality assurance tasks associated with the household goods pick up or delivery.

The Services have another 42 regional shipping offices that handle what we refer to as the is the back-office functions, right? They do the ordering of services with

industry. Between these offices, it's about several thousand people and a couple hundred million dollars in spend, just managing those. And then that management framework deals with a broader set of stakeholders across the DoD, integrating with the personnel community in agreement the logistics community, the military claims offices, the Defense Travel Management Office in terms of entitlement.

And then the OSD staffs, right? Both on the acquisition and sustainment side and then the personnel and readiness side. So it's a pretty significant program and it really touches just about every member of the DoD. And, certainly ripe for reform.

## **HISTORY OF THE PROGRAM**

**MAJ HANRAHAN:**

Well, thank you, sir. Yes, this program is clearly a massive program. And I think everyone that's been in the DoD for any period of time, whether military or civilian, has had personal experiences with right, from PCS-ing into other issues where this touches folks. Could you maybe also briefly address just the history of this program and maybe what you've even seen through your career, how it's changed over time?

**MR. MARSH:**

There's been some aspect of the program that, you know, as long as, long as your folks have been moving around the globe. But I guess the you know, the most important aspects of the history are the, are the issues that we see with it right? The enduring issues that we've seen literally for decades You know, one better assignment cycle exerts a lot of strain on industry capacity, particular during the summer months.

The second, that are very transactional in nature of our relationship really prevents us from capitalizing on the capacity that is available. And then a third, internally, that management framework I talked about is just internally, we're very fractured.

Those are the problems that we're trying to solve. And I think the foundational themes of our history, right, that we'll revisit pretty often during this conversation.

## IMPROVEMENTS

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### MAJ HANRAHAN:

Yes, sir. And you had mentioned that there are certain aspects within these different sections of the program that are fairly ripe for review. Or perhaps to reevaluate kind of how we do those. Is there anything there that maybe you'd like to address?

### MR. MARSH:

Well, I think the, you know, the three things that [General Lyons](#) has his laser focused on is in improving the quality capacity within the program. And I think we've absolutely seen some improvements over the last couple of years in terms of customer satisfaction surveys. But there's, you know, there's still 4 to 5% of the customers that, that report new an unsatisfactory or a poor move. You know, when things go wrong, things seem to go really, really wrong. So we really focused on raising the level of standard within the program.

The second thing he has focused on is as accountability. Right? I mean, as I mentioned in the overview, we have we have a new transactional relationship with over a thousand providers with no formal contract, right? So, from an accountability perspective, there's a lot to be desired.

And then just internally, from a responsibility perspective, when folks have a problem, you know, who can they go to for help? You know, who is ultimately responsible for the management of this program? There's a ton of stakeholders and General Lyons has put TRANSCOM into the breach as far as responsibility for this program goes, which is a role, you know, I really enjoy and welcome.

### MR. RICHARDSON:

And for me, and everybody that, that has worn the uniform, that has worked in that is working right now in this reform effort it's a very personal thing. I spent

four years on active duty, you know, had two moves. For JAGs in particular, it's really the first military thing that you do. You go and you take the oath. Most of us are called direct commissioned officers. So we take the oath. We're all officers before we even go to any training, and you really don't know what to do at that moment, however you get this list. And one of the things on the list is to go and get counseled for your move because you're going to be going to a new duty location.

And so that's the really the first thing that you do that's actually military. So I went to Fort Belvoir, to the military, the Army personnel property office, and I went through my pre move counseling and then I went off to commission officer training and my wife had to deal with it. That was her first introduction to the military, which was a household good move.

And it didn't go great, I'll be honest. And so for those of us that are involved in this, it's a very personal thing to help the people that are moved, the service members DoD and their families to have better household good moves, better POV moves, etc. It's a very personal thing and it is something that everybody in the program is really committed to.

## CHALLENGES

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### MAJ HANRAHAN:

Yes. Things that come in and I can kind of concur with that too. I mean, similar situation with my wife through a move, and that was an overseas move as well. So even added to the complexity of it, and I think we all as military members can relate. We've all had different experiences with these moves, and I know you both had mentioned as we were prepping for this discussion today, just about how the current system is set up and how you mentioned Mr. Marsh, there's about 900 providers or so, I believe you said, for movement of household goods. I guess what's the current status of that as far as are they looking to try to make this more of a streamline process in some way? Or where is kind of you and your team on that particular issue?

**MR. MARSH:**

And that's a great question. So I think you know, before I get into the solution that has been proffered, right, the Global Household Goods Contract, which addresses that household goods element of the program, I think it's important just to, you know, talk about why, the challenges we see and the status quo. Right? And we have briefings full of facts and figures, but our inability to consistently deliver quality capacity, an acceptable level of performance at the curb, really boils down to three figures.

So the first is you know, as I mentioned, we spend over \$2 billion a year in packing and transportation services. We are 15 to 20% of the domestic market. And we don't act like the major customer that we are right so part of it is about using our using our market share to raise the standard service for military families.

The second is that, you mentioned the more than 900 providers, all of them again have met a minimum screening. Right? They've all agreed to operate in line with our business rules, but we don't have an enduring contract with any of them.

And then the third element you I mentioned those 42 regional shipping offices. So the way this works is that each of those 42 shipping offices deals with some subset of those, you know, more than 900 providers and awards shipments, awards business on a shipment by shipment basis.

So this transactional approach means that, you know, we don't give industry any meaningful forecast of what they can expect to move, which means they don't have any real basis to invest in relationships with quality agents or assets to respond to what went ends up being a very predictable summer period. So not only does that really fractured you know, operational construct keep us from maximizing our market share and tapping into available capacity, it also stymies our efforts to hold industry accountable.

You know, there's we always get questions, you know, from families and from Congress about what we're doing to hold industry accountable. And there's a ton of activity. You know, last year the Services issued, you know, 50,000 letters of warning and another 2000 suspensions when, you know, industry partners operated outside the bounds of our rules set. But because they're handled by 42 separate offices it doesn't translate into meaningful outcomes, right?

I mean a company could be suspended in one region and continue to operate in every other region. So that's what we're trying to get after you know, again change the conditions within which industry is operating to improve the level of service, improve our access to quality capacity and really drive accountability in the program when things go wrong.

**MR. RICHARDSON:**

And then from a legal standpoint, you know, Mr. Marsh shared a statistic earlier, there's 400,000 moves Those are 400,000 what are called tenders. Those are little individual contracts between a transportation service provider and the government, and I never reviewed a tender when I was at the base legal office. I didn't, you know, and I still don't, you know.

And so one way to enforce standards is to enforce a contract. When you have 400,000 contracts running around there per year, how are you going to do that? So that's a big thing that from the legal side that we'd like to see corrected.

**MAJ HANRAHAN:**

Yes. And I think we're going to be talking about this issue more as through this discussion. It's a fascinating one and I think one that I know that everyone's looking at to see what we can do to improve.

One of the other points here, I wanted to kind of briefly discusses the movement to COCOM or the centralizing movement to a joint combat command that specializes

in global logistics and warfighting, which is part of the program here. Would either of you like to discuss that?

**MR. MARSH:**

Sure. I can. I can dive on that. So to be clear, what we're talking about that moved to the U.S. Transportation Command staff was just the program management staff. The staff that manages the, you know, the business rules, the policy, develops the enabling IT. You know, what's what we're not talking about is the you know, the C2 construct of that broader network of installation and shipping officers I talked about. Right? I mean, that is still resonant within the Services and not part of the movement to the TRANSCOM staff.

So until 2018, that program management staff, right about 60 people was part of the Surface Deployment and Distribution Command. You get an Army component of TRANSCOM. There were a few folks at TRANSCOM headquarters working policy issues. There was a separate section in what's called our program executive office that manage the IT development. So you had, you know, the day-to-day management in one of our components, and the policy and IT handled at the TRANSCOM staff. So our commander at that time, moved that operational element that was in SDDC to the TRANSCOM staff.

## **CONTRACTING**

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**MAJ HANRAHAN:**

And with that in mind, maybe we can kind of jump over to another topic which is dealing with contracting, because so much of this is based on contracts, as both of you mentioned. Can one of you maybe just discuss that from a kind of a very general standpoint on how these contracts are set up? If there's an overview you could provide for the listeners?

**MR. RICHARDSON:**

I can do that. So as I said before, the current way that we do things is called a tender. If you've ever shipped a package through the post office, you essentially did

a tender. It's a transportation bill to move something. And what we're moving towards is rather than doing a whole bunch of tenders, we're moving towards doing single point contracts.

So you have a move manager that is going to manage all the flow of household goods, private vehicles, both from point A to point B, but also maybe point A to temporary storage, and then ultimately some day to point B. So we're moving away from doing those individual tenders with individual service providers. And then we'll have essentially a prime contract that has lots of subcontractors but there's always going to be that single point of contact that United States Transportation Command will have with a contractor. So when things go wrong, we know exactly who to call, rather than sorting through a whole bunch of layers of subcontractors.

I can remember there was an issue with crating one of my wife's tables. It was something that her grandfather had left her. And we got, you know, approval to have the special crating. But, you know, the, the transportation service provider didn't have the crate, but we didn't know who to call. And it ended up getting through three or four layers of subcontractors before we got to the person who authorizes the crate. And so the result was it shipped without a crate. And what do you know? It got damaged.

So this will kind of change that. And then we just have that one single point of contact.

## **INNOVATIONS**

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**MAJ HANRAHAN:**

Yes. Thank you for that. And as you gentlemen know, you know in this podcast show, we like to discuss things related to innovation and leadership. It seems to me that based on what your response is there, that this is a step in the right direction toward some new type of innovation within the contracting world. Would you say that's a fair statement?

**MR. RICHARDSON:**

I would. So we're trying to do what's called an IDIQ contract, indefinite delivery indefinite quantity contract. So that means we're going to have task orders that are going to replace the tender system. And yes, we will have 400,000 task orders under at least the Global Household Goods Contract, not to mention the other contracts that we're working. When we're talking about innovation and contracting, I can hear every single lawyer out there saying, "Great, you did a contract, oh, my gosh." And usually when people come to me and say, "Hey, I want to do a contract to go do this thing", I usually ask them, "Why aren't we doing it ourselves?"

Why isn't the Department of Defense or the military doing it themselves? Why don't we have the organic resources to do this? With that said, though, this is a little bit different, where industry has always performed this function for us. It is not something that we're replacing a organic resource that we already have at our disposal.

You know an example is some people always want to contract out aircraft maintenance. There are some aircraft maintenance contracts out there, but that is something that the Air Force does and does very, very well. And we need that function for warfighting. So that's not a good idea to always, to contract something like that out.

When you have something that we are traditionally doing with industry, then we need to change the way that we approach it. And so, I came into Global Household Goods in the middle of it, you know, in the middle of while we were evaluating offerors who want to go perform this contract. And when I picked up what's called a performance work statement, which establishes all of the duties that we want the contractor to do, I expected to see a service contract—because this is a service, and service contracts are usually pretty detailed.

You know, like maybe cleaning a building. There's 50 rooms in a building. We need the trash taken out. We

need the floors mopped. We tell the contractor exactly what we want them to do. When I picked up this, I thought we were literally procuring what looked to be a weapon system. We had open-ended duties under there, but very specific standards. We need the contractor to do this general service. Here are your standards that we're going to hold you to, but you're going to tell us how you're going to do it. That's not usually what we do in a service contract, as I said before, you know.

So for example, you know, from the performance work statement [PWS], we have some standards on how we want the offeror to interact with the customer. We don't want them to go through three or four layers of people to go get an answer to a question.

So our standard is you're going to have a single point of contact. You're going to establish contact with the customer within one day of receiving a task order from us. And we have a scheduling timeline that we're going to hold you to. Now go out and tell us how you're going to do it.

And then we let industry be the technological driver on this. You know, we have market research on what the industry can do, but we're going to let them drive the innovation. So we didn't tell them how they're going to communicate with all of our different customers. The other thing that we're doing in this is we've really flipped on who is the customer.

Usually in government contracting, the government is the customer. You want to make the government happy. Here, we're saying that DoD civilians, DoD service members and their families are the customer. TRANSCOM certainly we're going to be there holding you accountable, but we're going to be really feeding off what our customer base is providing us. And so I see that as innovative. It's very nuanced, but it is something that is different than what we normally do under a service contract.

**MAJ HANRAHAN:**

And Mr. Marsh, you had mentioned earlier, at least with respect to the movement of household goods, that you had somewhere between 4 to 5% of an unsatisfactory rate. And some of your main initiatives are to improve standards in customer satisfaction and accountability. From your position as the director, what do you see it, you know, as far as innovation and or leadership approaches that are being taken here?

**MR. MARSH:**

So I think going back to, you know, Mr. Richardson's point on, you know, what the PWS looks like, right? So for a long time in the program, our focus was being very prescriptive on how industry should do things versus what we wanted to have happen at the curb. And if you looked at our regs you know, previously, it was it was very clear that every time an issue popped up, we wrote a rule to fix it, right? I mean, down to how thick craft paper has to be wrapping upholstery items, right? I mean, it's insane.

And the feedback we got from industry was, you know, it was a deterrent to new entrants joining the program, right? I mean, we pay very competitive rates, we are a reliable customer, but we were an onerous customer, right? The rules that we had were so complicated. It just wasn't worth doing business with us.

You know, again, I mentioned we're 20% of the market. You know, there are, there were customers who were choosing to do business with the other 80%, right, the purely commercial business simply because we were too hard to do business with.

So when we wrote the PWS, you know, we just we spent a lot of time thinking about the outcomes that we wanted from the program. And honestly, it wasn't that hard to come up with those outcomes. I mean, we just listened to what families had been telling us all along, right, and it's they're not asking for VIP moves. They're not asking for white glove service. It's basic things, right?

Just, you know, better communication just, you know, treat me with respect. Treat my belongings with respect. Answer the phone when I call. Solid IT, right? I mean, just a system that's not you know, I don't have to be tied to a CAC in a government workstation to log in and hopefully figure out what's happening with my move. And then when do things go wrong? You know, just the knowledge, the certainty that, you know, industry will be held accountable when they fail customers.

And I want to go back to the earlier discussion on, you know, it's easy to have a discussion on, hey, tenders and contracts. And, you know, to be clear, there's in my view, there's nothing inherently wrong with tenders, right? I mean, it's a tool in the Department's toolkit.

The problem with our program is that we let the program evolve in a manner that favored industry, right? And that's not industry's fault, right? I mean, industry's operating in the environment that we established. We have a lot of companies that are focused on delivering a quality product. A lot of them do a really great job on the customer service front. But there are also many companies who entered this program. They're in it. And now they view being in it is an entitlement. And as long as we're running this structure, we are tied really to the lowest common denominator of service available. And then so this is where that transactional model comes in, right, that Brad talked about, shipment by shipment.

You know, we have really great companies that do a super job packing and storing household goods, but they're not IT companies, right? I mean, we can't expect them to deliver a world class IT, or even a even a standard IT system, right? I mean, I think about Uber in this instance, right? Now the takeaway can't be Marsh is trying to be the Uber of household goods [Maj Hanrahan laughs] , but think about how terrible Uber would be if every driver had its own IT interface. It only works because there's a, you know, an umbrella entity that's providing that IT platform for all those independent operators to plug into.

**MAJ HANRAHAN:**

Are we going to move to an app then for our movement of household goods?

**MR. MARSH:**

So we are going to have a, you know, part of the contract is developing, is deploying a customer portal. Absolutely.

We have proven that we cannot do it. Right? I mean, I can't do basic things like send a text message that a driver is on the way to pick up your house. I can't do a very simple thing you that you see in every aspect of your life on the claims process, that you can, I don't know, take your, take a picture of damage and upload it into the claims portal, right? I mean, I can't do that. Industry is doing it today.

So, this is you know, this is where Brad and I see it a little different on an innovation front, and I understand his perspective on the nuanced innovated aspects, innovative aspects of the potential in contracting, but from an innovation perspective in what we pushed to the curb. No! I'm just trying to change the conditions so that you movers within the military system can have the same kind of experience that movers out of the military system have. Right? I mean that we're not asking industry to develop anything new to us. We want industry to develop, to deliver to us what already exists in the marketplace today.

Really, the difference is scale, right? I mean we will be the biggest customer. As I see it, that's the main difference.

**MAJ HANRAHAN:**

That concludes part one of the interview with Mr. Rick Marsh and Mr. Bradley Richardson. Please tune into part two where we continue to discussion on the DP3 program. Thank you for listening.

[Upbeat Music].

**ANNOUNCER:**

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**GLOSSARY**

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- **AFJAGS:** Air Force Judge Advocate General's School
- **CAC:** Common Access Card
- **C2:** command and control
- **COCOM:** combatant command
- **DP3:** Defense Personal Property Program
- **IDIQ:** indefinite delivery indefinite quantity contract
- **IMA:** individual mobilization augmentee
- **JAG:** judge advocate general
- **OSD:** Office of the Secretary of Defense
- **POV:** privately owned vehicle
- **PWS:** performance work statement
- **SDDC:** Surface Deployment and Distribution Command
- **SES:** Senior Executive Service
- **TRANSCOM:** Transportation Command
- **USTRANSCOM:** United States Transportation Command