

Long-Term Travel

Written by Nick Sanders

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We've noticed that, for a while now, the Department of Energy (DOE) has been moving forward on clarifying and streamlining existing acquisition rules and regulations. Good for them! We believe that DoD might learn a thing or two from following the lead of DOE.

Thus, we were interested to see DOE issue [Acquisition Letter 2018-08](#) on May 3, 2018. The Acquisition Letter addresses a topic in which we have long been interested – “long-term travel” (or, as DOE terms it “domestic extended personnel assignments”).

Most contractors' travel policies address the costs of normal business travel, which is sometimes called “TDY travel.” The policies tell employees what costs will be reimbursable and at what amounts. The policies are (usually) aligned somewhat with the FAR cost principle at 31.205-46. Most contractors understand that there are also government travel rules, which apply to government travelers—and some (but not all!) of those government travel rules are incorporated into the FAR travel cost principle. As the DOE Acquisition Letter explains, “the travel cost principle does not incorporate the entirety of the FTR, JTR or SR. Absent specific contract language to the contrary, only the maximum per diem rates, the definitions of lodging, meals, and incidental expenses, and the regulatory coverage dealing with special or unusual situations are incorporated.”

Even though most contractors understand the interplay between the FAR travel cost principle, the Federal Travel Regulations, the Joint Travel Regulations, and the Standardized Regulations, many of those same contractors have not extended their travel policies to address long-term travel. Long-term travel is the situation where an employee is assigned to a single location for an extended period of time. The employee's permanent work location has not changed, but they are going to be somewhere else for 60 or 90 days, or perhaps as much as a year. (You don't want to go over a year in duration unless you want to deal with some complicated tax issues.)

When an employee is on long-term travel (or, as DOE calls it “a domestic extended personnel assignment”), it's not reasonable to have them keep incurring the same amounts of travel costs they would incur on normal business travel. For example, if they are going to be at a single location for six months, why can't they lease an apartment, or (at least) start renting their hotel room by the month instead of by the day? Why can't they buy food and cook it in their own kitchen, instead of going out to eat three meals a day?

In other words, reasonable people would expect the employee's daily travel costs to drop significantly while on long-term travel. Lodging costs should drop. The Meals & Incidentals allowance should drop. Too many contractors' travel policies don't take this into account.

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The DOE Acquisition Letter addresses this issue and establishes DOE policy on cost allowability associated with long-term assignments. The AL starts with a clear, concise definition: “Contractor domestic extended personnel assignments are defined as any assignment of contractor personnel to a domestic location different than (and more than 50 miles from) their normal duty station for a period expected to exceed 30 consecutive calendar days.” In other words, you can be on TDY travel for the first 30 days, but on day 31 the employee’s travel costs are supposed to come down. That sounds very reasonable to us.

The DOE AL lists a number of allowability rules. We won’t recap them all here (we provided a link to the AL in the 2nd paragraph). Here are some significant policy positions:

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For the first 60 days and last 30 days of the assignment, DOE/NNSA will reimburse costs associated with lodging at the lesser of actual cost or 100% of the Federal per diem rate at the assignment location. The intervening days will be reimbursed at the lesser of actual cost or 55% of Federal per diem.

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For the first 30 days and last 30 days of the assignment, DOE/NNSA will reimburse costs associated with meals and incidental expenses (M&IE) at a rate not to exceed 100% of the Federal per diem rate at the assignment location. The intervening days will be reimbursed at a reduced rate, not to exceed 55% of Federal per diem.

Contractors whose travel policies do not currently address long-term travel would do well to review this DOE Acquisition Letter in some detail and consider adopting the DOE cost allowability standards as the company’s reimbursement policy positions when their employees are on an extended assignment that does not involve a permanent change in work location. In particular, we advise paying attention to the portion of the AL that discusses the cost analysis that should be performed when considering putting an employee into a long-term travel situation. The AL recommends that a full-up relocation be considered and costed. If the relocation is less expensive than the costs of the extended assignment, it would seem reasonable and prudent to relocate the employee—and that’s what the DOE AL suggests.

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In other words, there is more to this particular topic than simply complying with applicable regulations. There is a certain level of analysis expected. We agree. And we recommend that contractors structure their travel policies accordingly.