

Reimbursable Work Authorization (RWA) Training

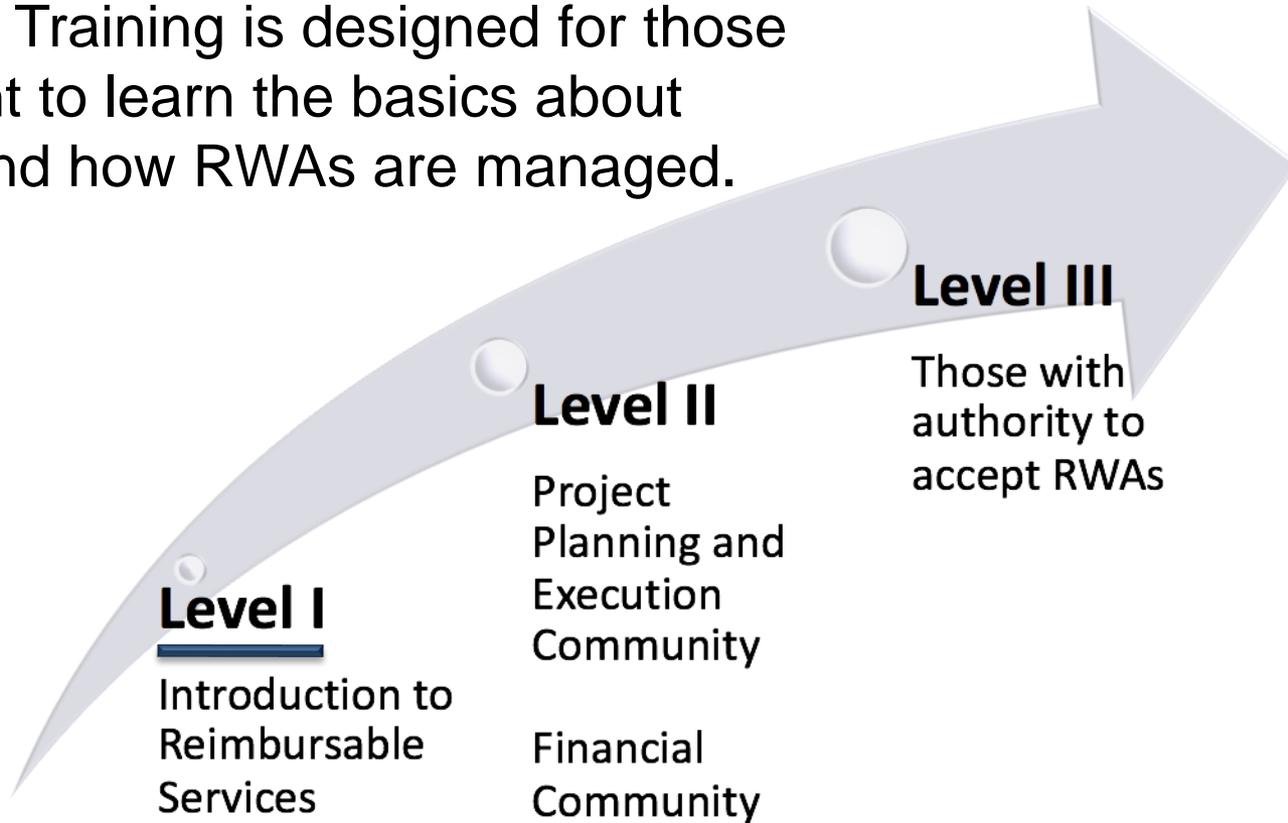
Level I Introduction to Reimbursable Services

Welcome

This training is brought to you by the
Small Projects and Reimbursable
Services Division in Central Office.

Training Continuum

The Level I Introduction to Reimbursable Services Training is designed for those who want to learn the basics about RWAs and how RWAs are managed.



Course Goals

- To ensure a consistent understanding of the RWA process by GSA and its Customers.
- To define the Small Projects & Reimbursable Services Program, and its processes, by introducing the:
 - Small Projects & Reimbursable Services (SPRS) Division
 - RWA Basics
 - RWA Types
 - Laws Governing RWAs
 - RWA Lifecycle
 - RWA Customer Letters

Small Projects and Reimbursable Services (SPRS) Program

- A goal of the SPRS Division is to provide GSA PBS Customers (internal and external) with an institutionalized RWA management process from receipt of RWA to close-out
- The RWA Program is currently a \$7 Billion business and accounts for approximately 18% of PBS revenue.
 - \$4 Billion in UFCO (FY11 Year-End Balance)
 - \$2.1 Billion across 15,000 RWAs accepted annually
 - \$850 Million in Recovery Act RWAs

RWA Basics—What Is an RWA?

- An RWA is an agreement between GSA and a Customer whereby GSA agrees to provide materials and/or services, and the Customer agrees to reimburse GSA's costs.
- RWAs capture and bill the costs of altering, renovating, repairing, or providing services, in GSA-managed space, over and above the basic operations financed through rent.
- The RWA identifies the specific needs of the Customer and establishes financial agreement.
- Provides written documentation of a formal agreement (GSA Form 2957).

RWA Basics— When to Use an RWA

- For Recurring Services
 - When above-standard service costs **cannot** be readily identified or separated from standard operating costs
 - Overtime (OT) Utilities where service is not separately metered and/or billed
 - One fiscal year limit

RWA Basics—

When to Use an RWA (cont.)

- For Non-recurring Services
 - When above-standard service costs can be specifically identified and separated
 - Alterations
 - Consulting or Estimating
 - Agency appropriations dictate fiscal year limitations and if funds are legally available for the purpose specified.

RWA Types

GSA assigns the RWA type based on the service to be rendered

•R Type

- Example: Overtime utilities (estimated)
- Recurring
- Charged over duration of service
- Closed at end of fiscal year

•C Type

- Example: Overtime utilities for private retail tenant space on first floor of Federal building
- Recurring
- Non-Federal Customer
- Must be pre-paid

RWA Types (cont'd)

- **A Type**

- Example: construction and/or design services
- Non-recurring, one time need
- Non-prospectus repair and alteration when associated with Federally owned property
- Part of split-funded project (GSA and Client Agency)

- **N Type**

- Example: space changes in owned or leased space
- Non-recurring, one time need
- Non-prospectus repair and alteration
- Typically used by a GSA field office/location
- Standalone project (fully funded by Client Agency)

RWA Types (cont'd)

- **B Type**

- Example: tenant-funded work associated with prospectus project
- Non-recurring, one time need
- RWA is associated with any prospectus project (leased or owned), regardless of the RWA amount

- **F Type**

- Example: changing key locks
- Non-recurring
- Small, miscellaneous items
- Both customer and GSA must obligate before the end of the FY
- Closes automatically at the end of the current FY
- Purchase limits apply (\$25,000 per single order)
- Maximum authorized amount (\$250,000)

RWA Types (cont'd)

- **E Type**
 - Example: move associated with declared disaster
 - Non-recurring
 - FEMA mission assignments
- **D Type**
 - Example: build-out of, or events in, Federal space
 - Non-recurring
 - Non-Federal Customer
 - Must be pre-paid
- Contact Reimbursable Services Regional Core Team Member with questions regarding RWA Type

Federal Agencies Must Follow Appropriations Laws

- 31 U.S.C. §1501(a): Purpose of Appropriation
 - Agencies have authority to spend funding for certain purposes and must have documentary evidence to support this
- 31 U.S.C. §1502: Bona Fide Need
 - Funds are available only for expenses properly incurred during period of availability

Federal Agencies Must Follow Appropriations Laws

- 31 U.S.C. §1341: Anti-deficiency Act
 - Officials may not authorize expenditures exceeding amount available in a fund for the obligation
- 31 U.S.C. §1552(a): Period of Availability
 - On Sept. 30 of 5th fiscal year after period of availability, account shall be closed and any remaining balance (whether obligated or unobligated) shall be canceled

Annual, Multi-year, and No-year Appropriations

- **Annual**—Funds are available for obligation during one specific fiscal year
 - Customer may obligate funds to an RWA, and may amend an RWA, but must do so before the expiration date of obligational authority
- **Multi-year**—Funds are available for a definite period in excess of one fiscal year
 - Congress generally gives agencies multi-year appropriations for a specific purpose

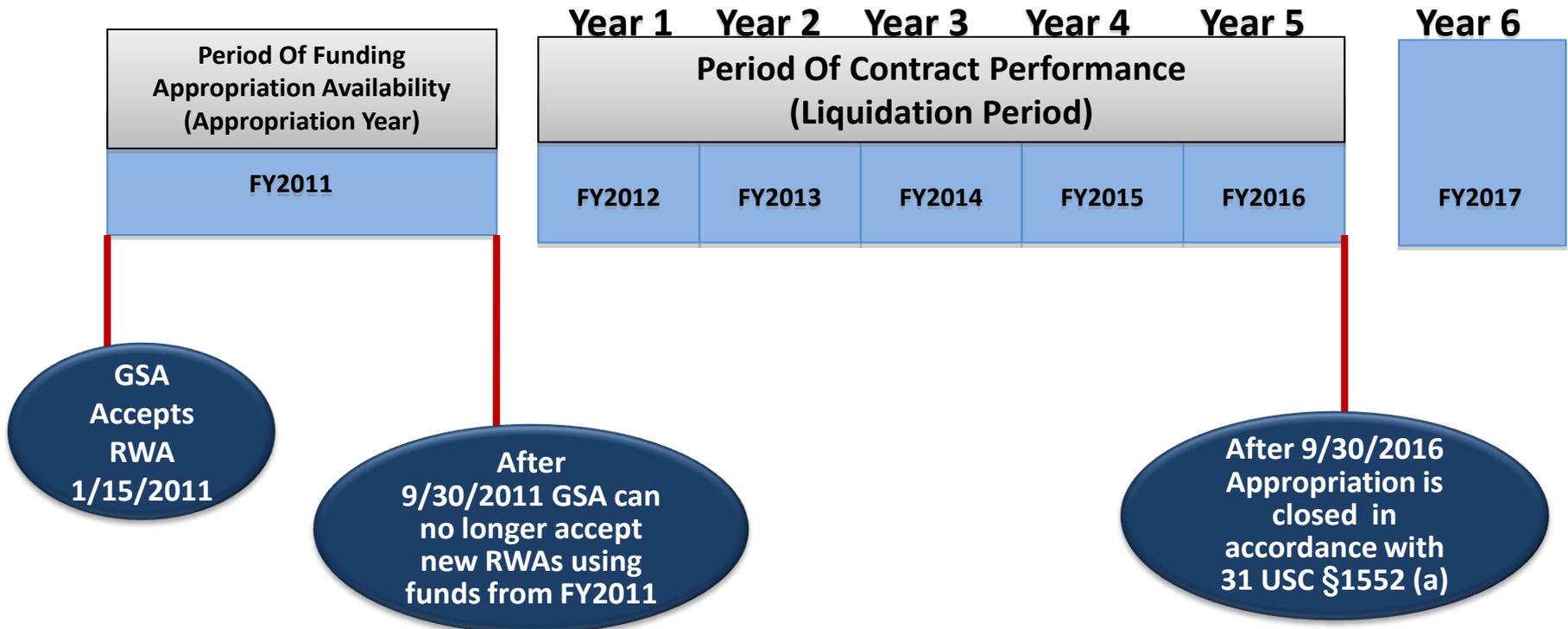
Annual, Multi-year, and No-year Appropriations (cont.)

- **No-year**—Funds are not bound by fiscal year limitations, and the Client Agency may obligate and make scope changes at any time
 - Congress gives agencies no-year appropriations for a specific purpose
 - GSA should obtain verification of purpose when given an RWA with no-year funds

GSA Five Year Liquidation Period

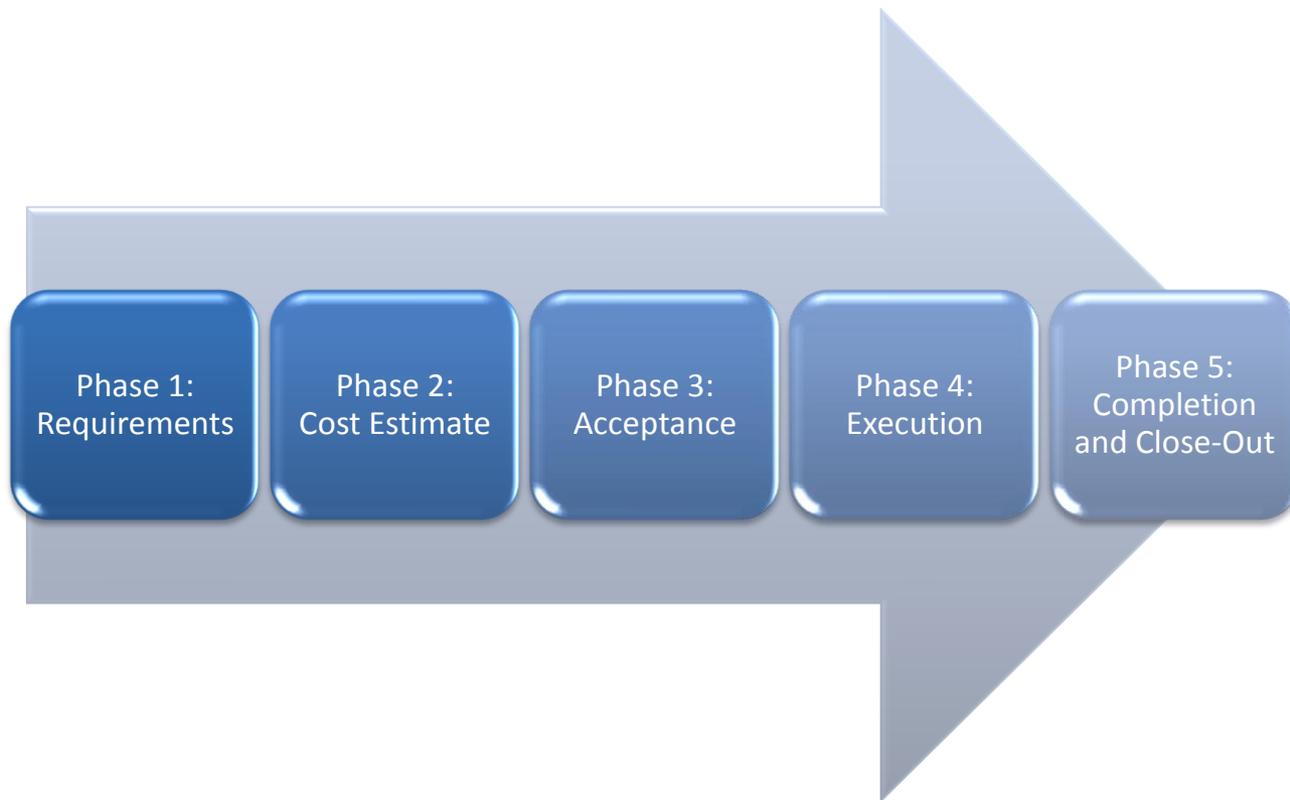
- From the point at which a Customer's authority to obligate funds to an RWA expires, GSA then has a five year period to make obligations to contractors and liquidate those obligations.
 - GSA's delivery of RWA project work can begin anytime after an RWA is accepted, however, GSA financial transactions must be completed by the end of the liquidation period.

Annual Appropriation Example

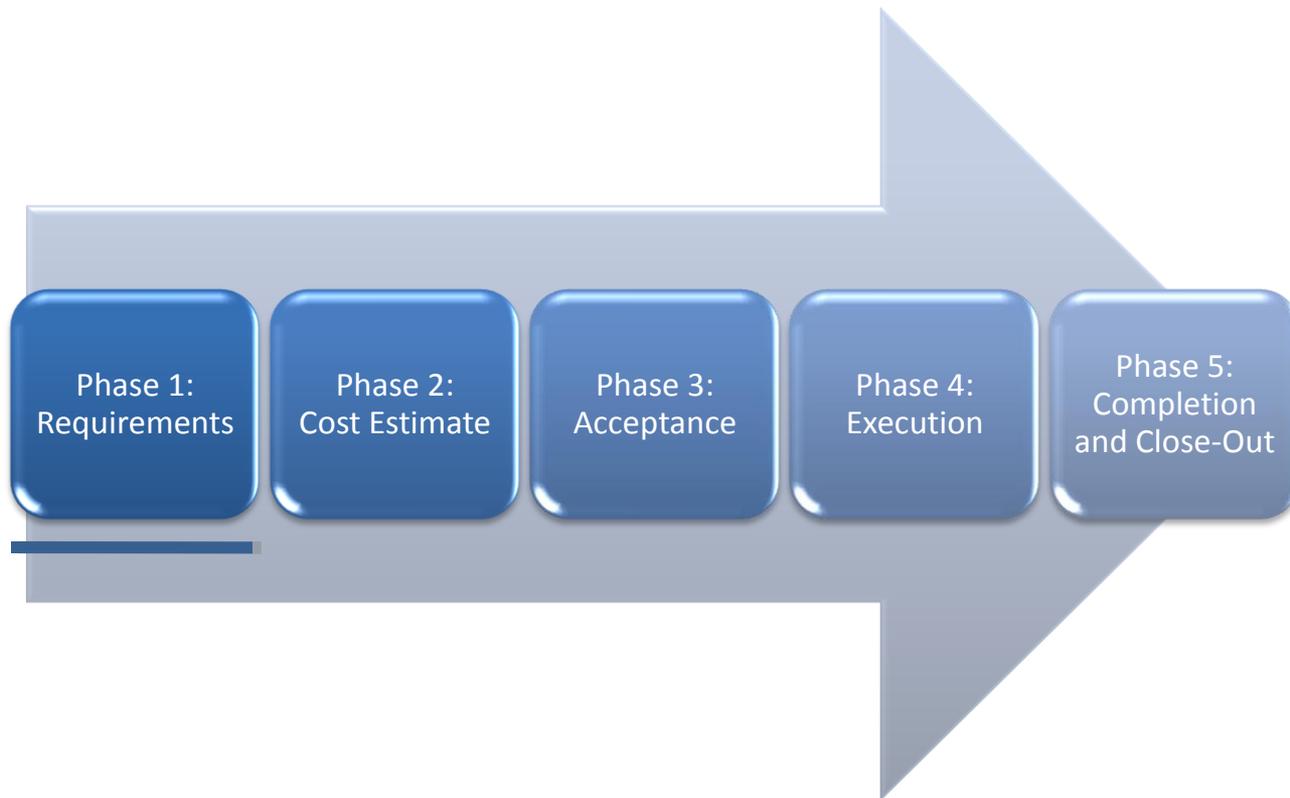


RWA Lifecycle

Standardized RWA process that is consistent, scalable, and repeatable.



Phase 1: Requirements



Identify Customer Need

- Customers submit their initial RWA requests via email attachment (preferred), mail, fax, or by physically delivering the request to a GSA associate
- GSA verifies bona fide need of the request
- GSA conducts requirement development meetings with the Customer (if necessary) to create the preliminary scope of work
- If GSA receives an unsolicited RWA Form 2957 at any time during this process, GSA official must send receipt letter to Customer

Bona Fide Need Verification

- Refers to timing of availability of Customer appropriation authority
- Every RWA must be assessed for bona fide need when received
- Funds can only be obligated for a need arising in the current fiscal year

Bona Fide Need Verification (cont.)

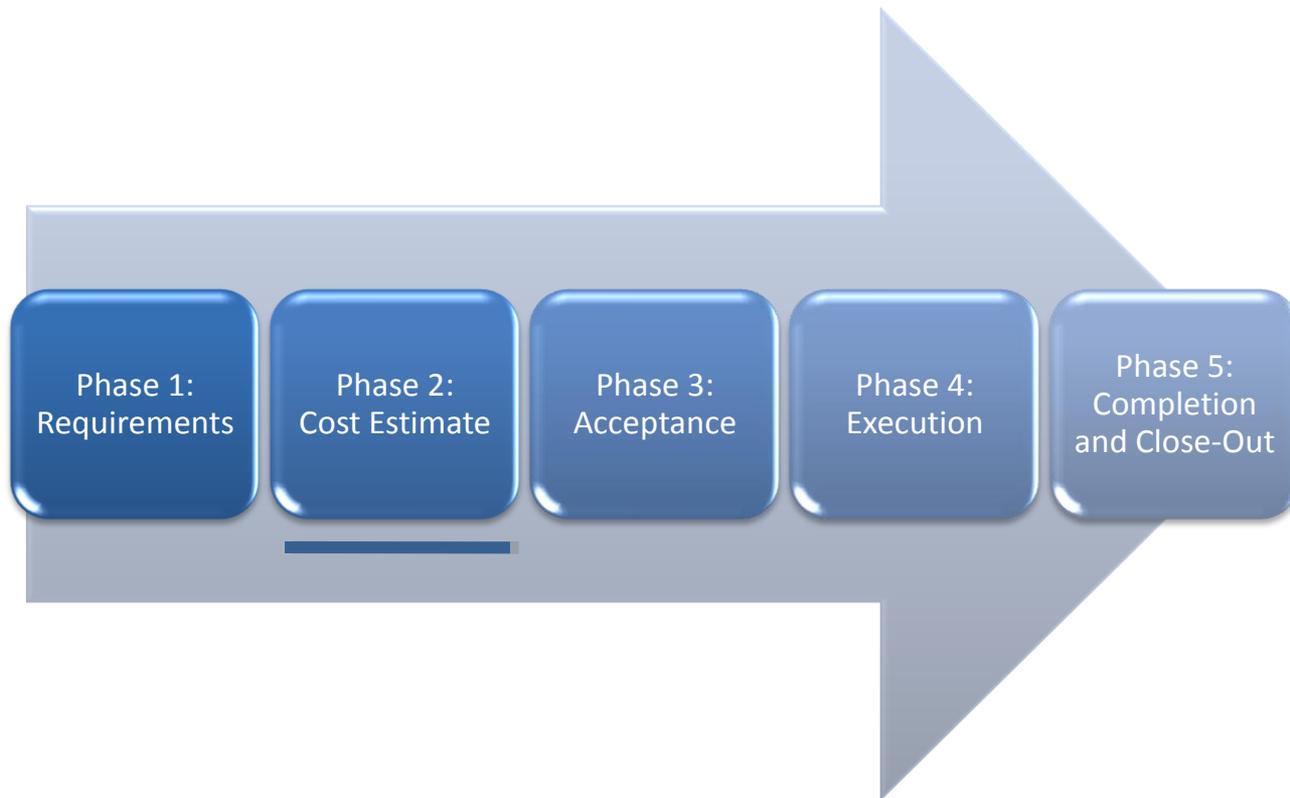
- Discourages acceptance of RWA if information is lacking to such a degree that it is not feasible to award or modify a contract within a reasonable timeframe
- Duration is established when GSA and Customer agree to and document procurement schedules

Scope of Work

- The location, type of work, and description of work are understood, and identified on the 2957
- A preliminary scope of work must be written so that:
 - The objectives and requirements of Customer request are clearly defined
 - A supporting cost estimate can be developed
 - Any remaining balance cannot be used for unrelated projects outside of the original scope of work
- Outcome of Requirements Phase: Agreement on the preliminary Scope of Work



Phase 2: Cost Estimate

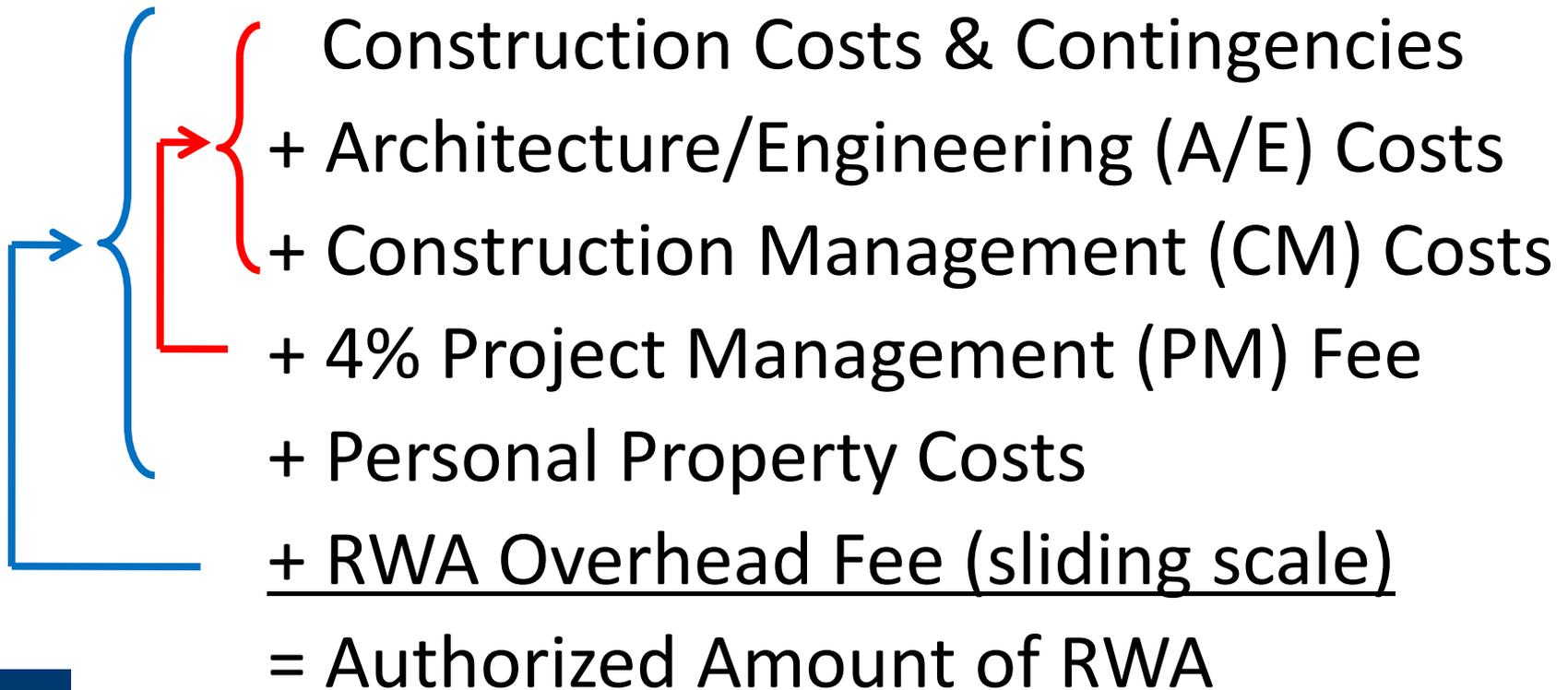


Estimating Cost

- Scope of work and estimate are basis for binding agreement, resulting in obligation of funds by Customer
- Estimate may come from Customer, lessor, or GSA

Common Estimate Components

These are the typical cost components included in a non-recurring RWA project estimate



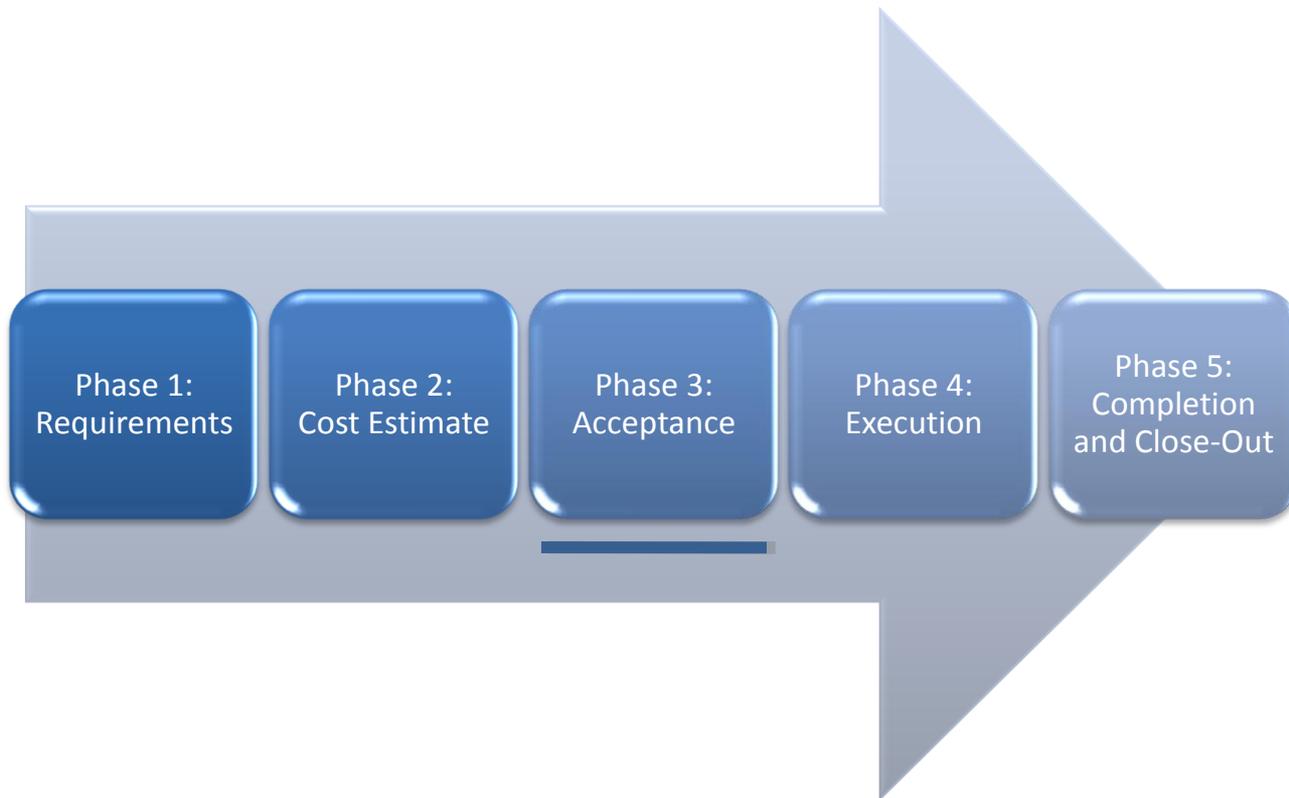
4% Regional Project Management Fee

- The 4% fee covers regional oversight of delivering RWA projects
- Examples include:
 - Budget Analysts' time entering RWAs into GSA System
 - GSA Project Managers coordinating efforts with various contractors
 - Contracting Officers' time for awarding and administering contracts related to construction activities

Central Office Overhead Fees

- Sliding Scale Overhead (OH) Fee
 - Recoup general and administrative overhead costs associated with **non-recurring** RWAs
 - Considered overhead recovery for Central Office
 - Calculated based on estimated cost of the RWA plus 4% Project Management Fee
 - Uses multiple rates for RWA amount ranges and is capped at \$30,000
- Flat Overhead Fee of \$100
 - Recoups limited administrative costs associated with **recurring** RWAs
 - Considered overhead recovery for Central Office

Phase 3: Acceptance



Acknowledgement of Receipt

- If the RWA form was not received earlier in the process, then a Receipt Letter will need to be sent to the Customer.
- Acknowledgement by GSA of physical possession of RWA Form 2957
 - Review for completeness
 - Further clarifying discussions may be necessary
 - Confirm that the Project Manager has been identified

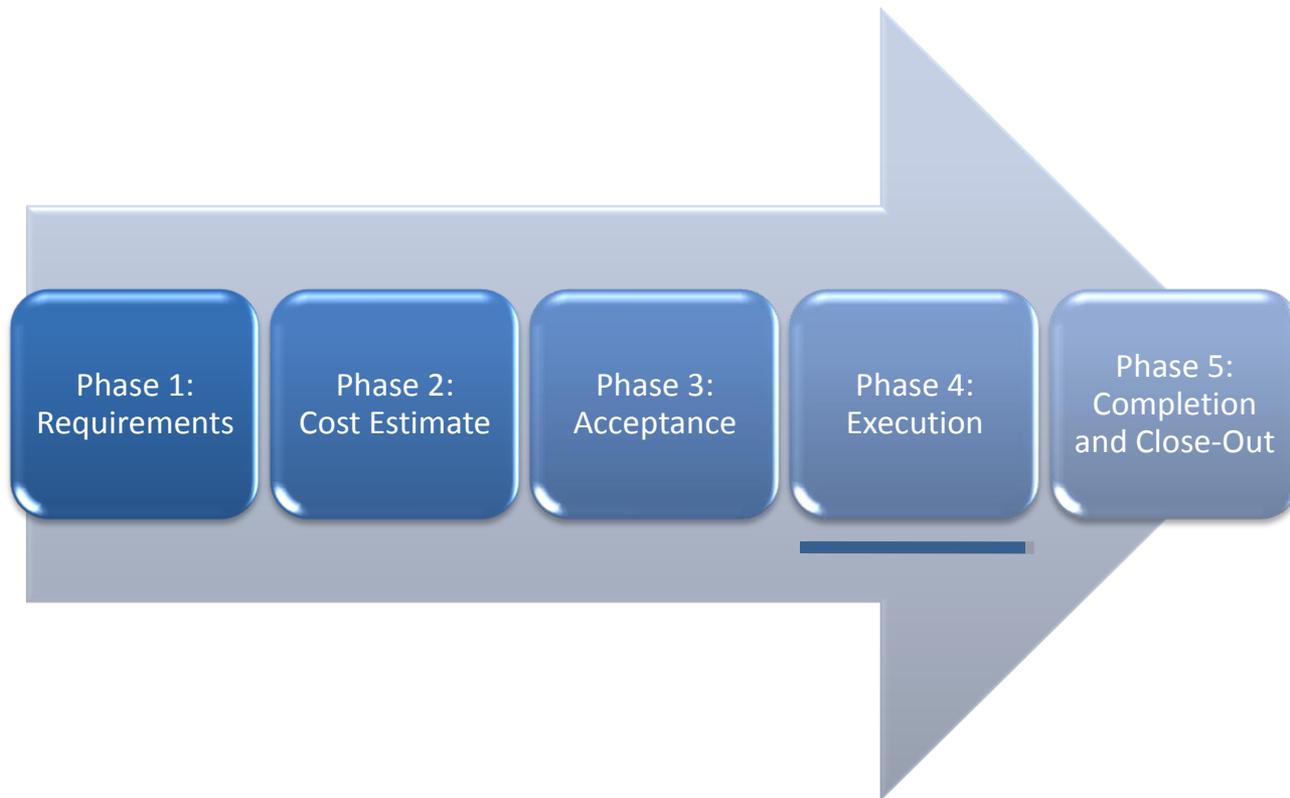
Acceptance Criteria

- Client Agency completes and signs Blocks 1-17 of the 2957
 - Description of services
 - Amount of approved funds and accounting information
- RWAs are not automatically accepted; they must meet important minimum criteria, such as:
 - Bona fide need
 - Preliminary scope of work (clearly defines the objectives and requirements of the Customer request)
 - Cost estimate (supports the preliminary scope of work)
 - Proper funding
 - Required customer signature

Acceptance

- GSA agrees to provide requested services by signing the RWA Form 2957 and entering it into the RWA Entry and Tracking Application (RETA)
- RWA Acceptance Letter sent to Customer
 - Client Agency establishes obligation
- Outcome of Acceptance Phase: Form 2957 signed by the Client Agency and then by GSA

Phase 4: Execution



Monitoring

- Contracts established and work/service commences
 - Amendments to RWA must meet three requirements
 - Bona Fide need exists
 - Funds are legally available for new purpose(s)
 - The Appropriation has not lapsed
 - RWA work must be accomplished in a timely manner
 - If no financial activity after 90 days, GSA may send a Follow-Up Letter to Client Agency if necessary

Clarification of Obligation and Liquidation

- Client Agency obligates funds to GSA in its financial system upon receiving Acceptance Letter.
- GSA obligates funding to vendors as contracts are signed. GSA liquidates obligations as vendors deliver goods and/or services.
- GSA bills the Customer for services rendered. Customer liquidates obligation as payments are made to GSA.



Phase 5: Completion and Close-Out



Substantial Completion

- Actual RWA work is substantially complete
 - Beneficial occupancy (space can be utilized by Customer)
 - Punch list items may exist
- GSA sends Completion Letter to Customer
- Customer should **not** deobligate funds at this point

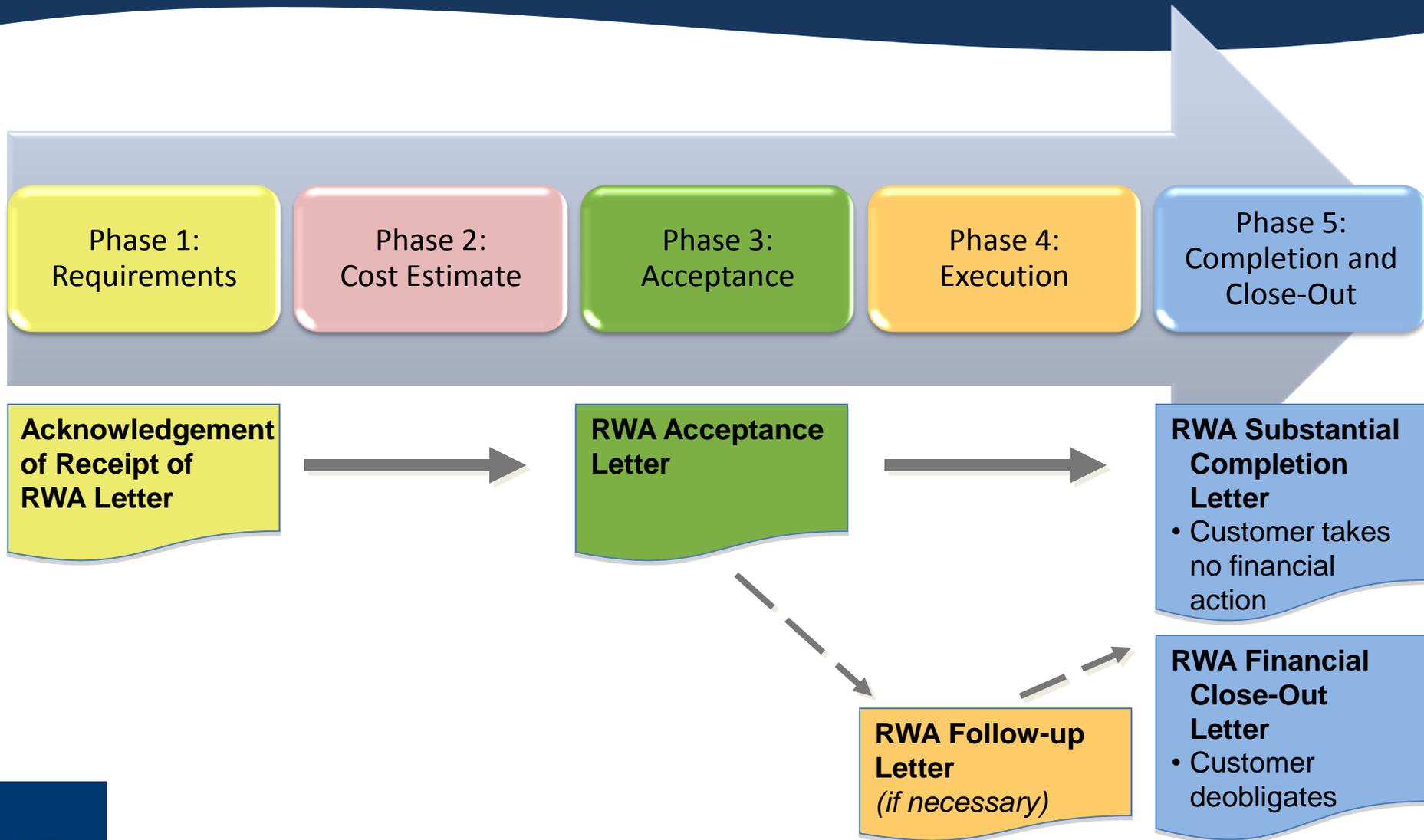
Financial Close-Out

- Most projects are financially closed out within 60 days after substantial completion
- All costs have been billed and all invoices have been paid
- GSA and Customer settle final bills

Financial Close-Out (cont.)

- GSA sends Close-Out Letter to Customer signifying that all punch list items are complete and all costs have been billed
- Upon receiving Close-Out Letter, Customer should deobligate any remaining funds
- Outcome of Completion and Close-Out Phase: RWA closed in a timely manner

RWA Customer Letters Recap





Resources

Review: New Billing Statement

Top portion



GENERAL SERVICES ADMINISTRATION PUBLIC
BUILDINGS SERVICE (PBS)
REIMBURSABLE WORK AUTHORIZATION (RWA)
SAMPLE Detail Billing Statement



<u>Bill Date</u> 06/25/07	<u>Statement Number</u> T0714567662	<u>Bill Sequence Number</u> 2	<u>Office Billed ALC</u> GOVT AGENCY ABC 1234 STREET NW WASHINGTON, DC 20522	<u>GSA Contact</u> FW-BILLING.FINANCE@GSA.GOV	<u>RWA#</u> A1234546				
<u>Treasury Acct. Symbol</u> abcdefgh	<u>Agency Bureau</u> 1234	<u>BOAC</u> 123456A	<u>ALC</u> 123456A	<u>Client Telephone No.</u> (202) 555-5555	<u>Fund Year</u> 01-JAN-07	<u>Fund Type</u> No Year	<u>BPN/DUNS</u> 123456789	<u>Order No.</u> 1069 7Z3219	<u>RWA#</u> 1069 7Z3219

New Fields

Mailing Office Address
GOVT AGENCY NAME (SA-44)
1234 STREET NW
P.O. BOX 123456
WASHINGTON, DC 20405

Description of Work
Increase funds

Agency Accounting Data*
19XD113H 0000 7 Z3200 000000 0000 0000

Fiscal Station Number

*NOTE: Agency accounting data represents data from the last RWA submission to GSA

Revised Field

Will display data from last RWA submission in GSA



Review: New Billing Statement

Middle portion

<u>Billing Summary</u>		<u>GSA Remittance Address</u>		<u>Cumulative Billed Financial Summary</u>	
Previous Billed Amount	\$22,184.01	GSA		<u>Category</u>	<u>Amount</u>
Chargeback/Adjustment Amount	\$0.00	PO Box 894201		DESIGN	\$0.00
Adjusted Previous Bill Amount	\$22,184.01	Los Angeles, CA 90189-4201		LABOR	\$0.00
Previous Collected Amount	\$22,184.01	OR		MATERIALS	\$0.00
Amount Due from Previous Bill	\$0.00	IPAC Remittance		OTHER	\$51,719.45
Current Billing Period Amount	\$30,945.16	ALC 47888817		PROJECT MANAGEMENT	\$0.00
Total Amount Due	\$30,945.16	GSA Treasury Acct Sym		PBS FEE	\$1,409.72
Cumulative Billing Amount	\$53,129.17	47X4542.001		TOTAL AMOUNT	\$53,129.17
<u>RWA Summary</u>		GSA BPN/DUNS			
Authorized Amount	\$660,000.00	130944726			
Cumulative Billed Amount	\$53,129.17				
Balance	\$606,870.83				

New Field

- Snapshot of billing history and current activity
- Balance of RWA

New Field

New field with breakdown of expenses incurred by category

Review: New Billing Statement

Bottom portion

Current Billing Period Financial Activity				For GSA Information Only	
Work Location: DC0046ZZ - 2201 C ST NW WASHINGTON 20520					
<u>Category</u>	<u>Amount</u>	<u>Vendor Name</u>	<u>Function</u>	<u>PDN</u>	<u>TITLE #</u>
OTHER	\$30,254.45	KARN CHARUHAS CHAPMAN & TWOHEY PC	PRIMARY CONTRACTS	RW200705230002	
PBS FEE	\$590.71	GSA-PBS		QL200706220004221	A0050050
SUBTOTAL	\$30,945.16				
TOTAL	\$30,945.16				

- Details costs incurred during billing period
- Allows customer to see what they are paying for
 - Broken down by work site
 - Provides reference data for GSA use in addressing customer questions

Web Resources: Internal

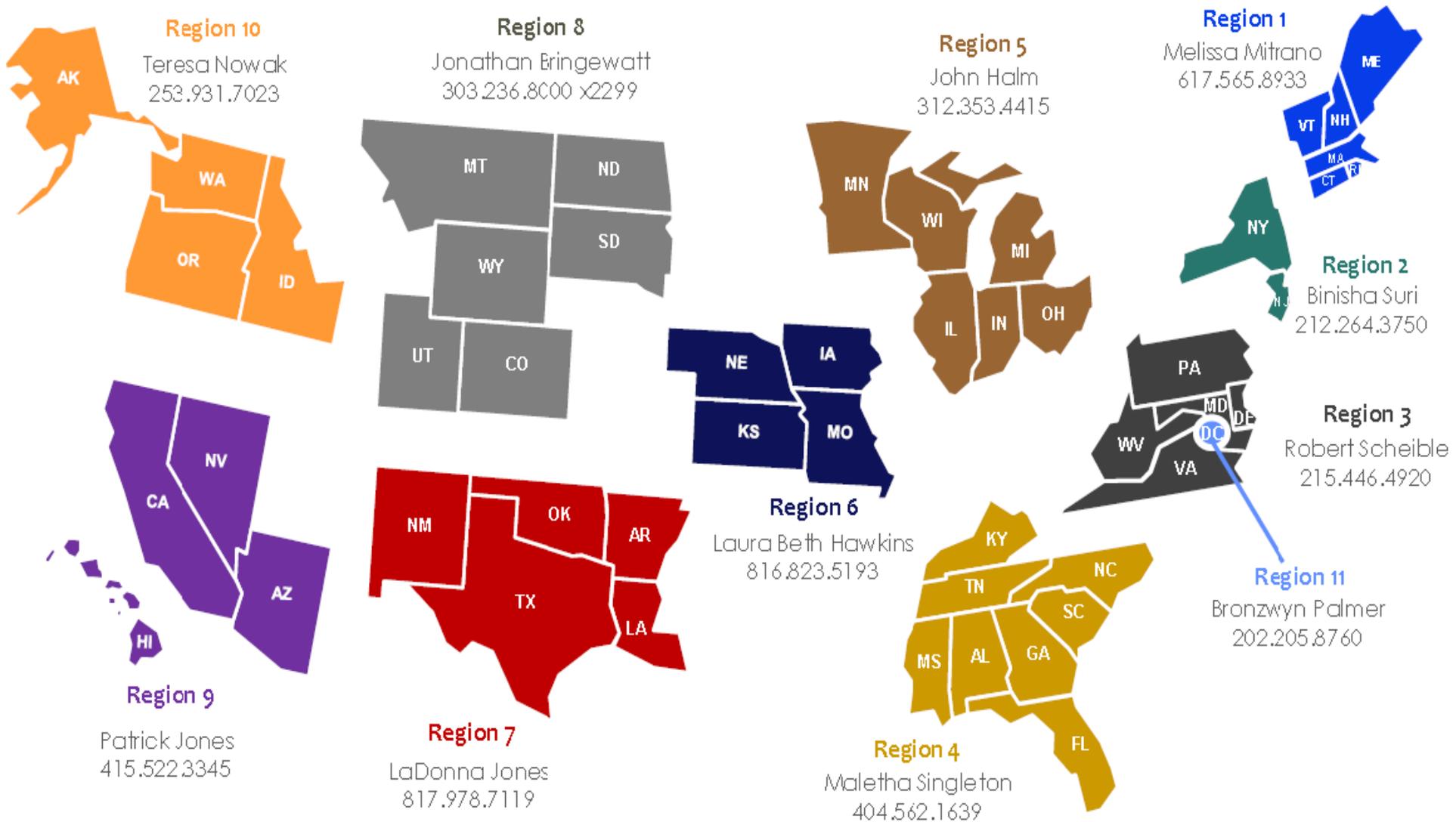
- Reimbursable Services homepage can be found at: PBS Insite > Office of Facilities Management and Services Programs > Office of Tenant Services > Reimbursable Services Division
- Access to RWA-related applications can be found in the PBS Portal at: <http://pbsportal.pbs.gsa.gov>
 - RWA Entry and Tracking Application (RETA): Serves as the national PBS repository for all RWA data, electronic documentation tool, and portal for RWA Customer communications
 - Information Logistics Reporting (ILR): Provides RWA detailed and summary reports

Web Resources: Customer Facing

- **SPRS Division:** Find a multitude of information regarding reimbursable work authorizations including policies and guidance at <http://www.gsa.gov/rwa>
- **RWA Search:** External RWA Entry and Tracking Application (eRETA): Search for real-time reimbursable work authorization information and documentation at <http://www.gsa.gov/ereta>
- **Bill View:** View statements and invoices generated by GSA billings at <http://www.finance.gsa.gov/billview/>

Reimbursable Services Regional Core Team Map

February 2011



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