



## Client Enrichment Series – Q & A



**Topic:** *Cost Estimating and Cost Management Principles*

**Presenters:** *Richard Robert-Santiago and Ashlee Carlson*

**Date of Presentation:** *October 18, 2022*

**Additional Cost Estimating / RWA / eRETA Related Resources:**

*Cost Estimating and Cost Management Principles* - [CES Session Recording](#)

*Public Buildings Service Cost and Schedule Management Policy* - [P-120](#)

*eRETA RWA Customer Portal* - [www.gsa.gov/ereta](http://www.gsa.gov/ereta)

*Reimbursable Services Programs* - [Estimate FAQs](#)

---

**Q1: Question?** *From what sources does GSA draw information about market conditions?*

**A.** Answer: GSA uses several sources when looking up market conditions. Some of these include: AGC, Architecture Billings Index (ABI), Civil Quarterly, Commercial Construction Index, Construction Industry Snapshots, Data Digest Weekly Updates, Gilbane Materials Reports, Producer Price Index, Marshall and Swift, and RS Means.

**Q2: Question?** *What is considered a "large" project?*

**A.** Answer: In GSA, large projects are any project that exceeds the Prospectus Threshold for GSA, currently 3.375 Million Dollars.

**Q3: Question?** *Does this also follow procurement/cost allowability in 2 CFR 200?*

**A.** Answer: Yes. GSA follows CFR.

**Q4: Question?** *In a project lifecycle, how long does it typically take to plan and estimate a project?*

**A.** Answer: The process to plan and estimate a project is dependent on the complexity of the project, and how much information is available when the WR is submitted. GSA works to assign a GSA PM/POC within 5 days of a eRETA Work Request (WR) being submitted to GSA; and once the project has been planned and estimated and the customer has submitted their funded RWA in eRETA, we typically process in 3 weeks or less.

**Q5: Question?** *At what point is an RWA given to GSA in the estimating phase?*

**A.** Answer: While a Work Request (WR) can be submitted to initially request a GSA PM/POC, and kick off planning discussions, an RWA complete with customer funding cannot be sent to GSA



## Client Enrichment Series – Q & A

until after a GSA Summary Cost Estimate (SCE) is completed, which is based on a detailed independent cost estimate (IGE). Estimates should be AT LEAST a budgetary level estimate. More details = higher level of accuracy of the estimate. The estimate will likely change over time as additional details become clear.

**Q6: Question? What is an IGE?**

A. Answer: IGE is the abbreviation for Independent Government Estimate. This is the government's estimate which is compared against proposals.

**Q7: Question? I think the construction estimate is when you have a design done - is that correct?**

A. Answer: A construction estimate is done at all stages of the project. What changes is the level of accuracy and the methodology. For earlier planning of projects, more parametric/historic costs are done. In construction documents, a more definitive bottoms up estimate is done.

**Q8: Question? What software is used for the SCE worksheet? Is it available outside of GSA?**

A. Answer: The Summary Cost Estimate (SCE) is housed within the RETA/eRETA software, which is a custom GSA software. While the SCE is not available outside of RETA, we do have a GSA RWA Management Fee calculator at [www.gsa.gov/rwa](http://www.gsa.gov/rwa) > Policy and Guidance.

**Q9: Question? How did GSA arrive at these margins of error for each category?**

A. Answer: These margins of error were based on historical costs.

**Q10: Question? Wouldn't a construction estimate include a TICs table estimate?**

A. Answer: If the construction estimate was completed in Master Format (CSI) then it could easily be reported in the TICs table.

**Q11: Question? But sometimes, when the GSA POC uploaded the cost estimate, he/she does not see what I see as a customer. Eg: This morning, I only saw the GSA management fee for the project, not the whole cost estimate. When I asked the GSA, the POC does not see what I see.**

A. Answer: This could be because the estimate is not yet approved by GSA. While we won't be able to assist here without specifics, our GSA team can help you if you (or your GSA PM) email the WR/RWA number and description of the issue to [eRETA@gsa.gov](mailto:eRETA@gsa.gov).

**Q12. Question? USVI: How many qualified bidders were there? USVI is a very small market, correct.**

A. Answer: Not sure on the exact number of qualified bidders but yes USVI is a smaller market when compared to other major metropolitan areas.

**Q13. Question? Procurement Technicians/CO's are informing estimators that the IGE, proposal, and SCE should have the same dollar value. Is this accurate? I would think that the IGE should stand alone.**

A. Answer: The IGE absolutely should stand alone as an estimate of the work - the IGE(s) direct costs need to support the direct costs within SCE. The total on the IGE and the total on the SCE



## Client Enrichment Series – Q & A

will never match - because the IGE does NOT include the GSA RWA Management Fee, while the SCE DOES include the GSA RWA Management Fee. The direct costs (ECCA, design, M&I, etc) should be supported by the IGE. Please reference the RWA National Pricing Manual, available at [www.gsa.gov/rwa](http://www.gsa.gov/rwa) for more information.

**Q14: Question? Do you still require agencies to fund the project fully vice obligating incremental funding, such as adding funds on a yearly basis?**

A. Answer: Yes. GSA requires full funding when accepting RWAs. Adding funds on a yearly basis that is not stemmed from an antecedent liability is considered incrementally funding a project which is a violation of appropriations law.

**Q15: Question? Based on Richard's comments, one would expect the lack of competition to be well factored into all of the phases of estimates.**

A. Answer: If it is expected for a solicitation to lack competition or be awarded as a Set Aside, we include premiums within the estimate for those purposes. This is something we should consult with our Contracting Officers beforehand.

**Q16: Question? I was an active applicant in eRETA, however I was deactivated for lack of use during COVID, I've been trying to get reinstated but not getting any response from gsa.gov/ereta. I've been trying for the last 6 months.**

A. Answer: Please send your inquiry to [eRETA@gsa.gov](mailto:eRETA@gsa.gov) and we will be able to help you better there. Thanks.

**Q17: Question? When will this session be posted to your website?**

A. Answer: You can view a recording of this session on our [YouTube playlist](#). A copy of these slides, the session recording, this Q&A document addressing all questions will be posted on [www.gsa.gov/ces](http://www.gsa.gov/ces), under "Recent Presentations"

**Q18: Question? How does GSA get Market Research numbers?**

A. Answer: GSA uses several sources when looking up market conditions. Some of these include: AGC, Architecture Billings Index (ABI), Civil Quarterly, Commercial Construction Index, Construction Industry Snapshots, Data Digest Weekly Updates, Gilbane Materials Reports, Producer Price Index, Marshall and Swift, and RS Means.

**Q19: Question? I am interested in learning more about tips for estimating for the different types of projects one might encounter in the GSA portfolio: work in federal owned building, prospectus, lease type projects - do you have any resources to help GSA customers on your external website?**

A. Answer: Our P120 Policy refers to the adequate format of an estimate based on Project Phases. We are also working on creating a Center of Expertise that will develop tools in the future to assist in this process, both internally in GSA and other Federal Agencies.



## Client Enrichment Series – Q & A

**Q20: Question? Does GSA consider the time/inflation factor when cost estimating? The projects do not actually get constructed for several years and the budgets are significantly below the bids.**

A. Answer: Yes our estimates should contain an escalation factor based on the Estimate Data Date all the way up to the midpoint of construction.

**Q21: Question? From Slide 8 of the presentation - entitled "Writing the Scope of Work" - what is meant by including in my scope "subject matter support"?**

A. Answer: Subject Matter Experts are those individuals who will assist in correcting/sharpening scopes to get the adequate products in the project. This is recommended when unique/special requirements are called out in scope, or if the project will be impacting specialized items such as Hazardous Materials, MEP and Fire Protection Mods.

**Q22: Question? Is there a process to do a give and take. If I choose a different requirement how will that affect my estimate?**

A. Answer: I would recommend discussing each event with your project team. Every time you adjust scope, an analysis should take place to determine cost implications. In addition, in a larger project, a risk analysis should be done to establish the cost and schedule impacts if a risk materializes or is mitigated in a project.