# Client Enrichment Series

## Welcome to today's presentation:

***Calculating and Billing For Overtime Utilities and Agency Program Equipment***

*March 21, 2019*

***The presentation will start at 2 pm Eastern***

**Note:** Phones are automatically muted during the presentation. You have the ability to send questions to your fellow attendees and our presentation team via your Chat pane. Our team will answer as many of the questions as possible throughout and at the end of the presentation. All questions will be captured, and answers sent to all participants prior to the next presentation.

# *Calculating and Billing For Overtime Utilities and Agency Program Equipment*

March 21, 2019


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# Course Agenda

- ***Program Evolution***
- ***Overtime Utility Estimate (OUE) Pricing and Billing***
  - Federally Owned Space vs Leased Space
  - Leased Space Billing Options
- ***Fundamentals of Building an OUE***
  - What is needed to prepare an estimate?
  - Comp room vs office estimate
  - PM for agency vs building equipment
  - Process Flow
  - Integration with eRETA
- ***Cost Control Ideas - How to Avoid Incurring OUE Charges***
- ***Q&A***

# *Overtime Utility Estimate (OUE) Program Evolution*

# OUE - Continuous Process Improvement

- ***Early 1980's*** - GSA established a process to begin ***recovering its expenses*** related to after hours operations
  - –Cumbersome, handwritten tool with complicated calculations
- ***1998*** - GSA's Northeast and Caribbean Region (R2) develops Excel based estimating tool to ***automate*** their estimating process
- ***2003*** - GSA Central Office taps into Region 2 expertise and adapts tool for ***nationwide adoption*** across PBS
- ***2010*** - Estimating Tool ***integrated with PBS's RWA and Entry Tracking Application (RETA)***, creating further efficiencies

Each year we enhance the tool to make it easier and more automated

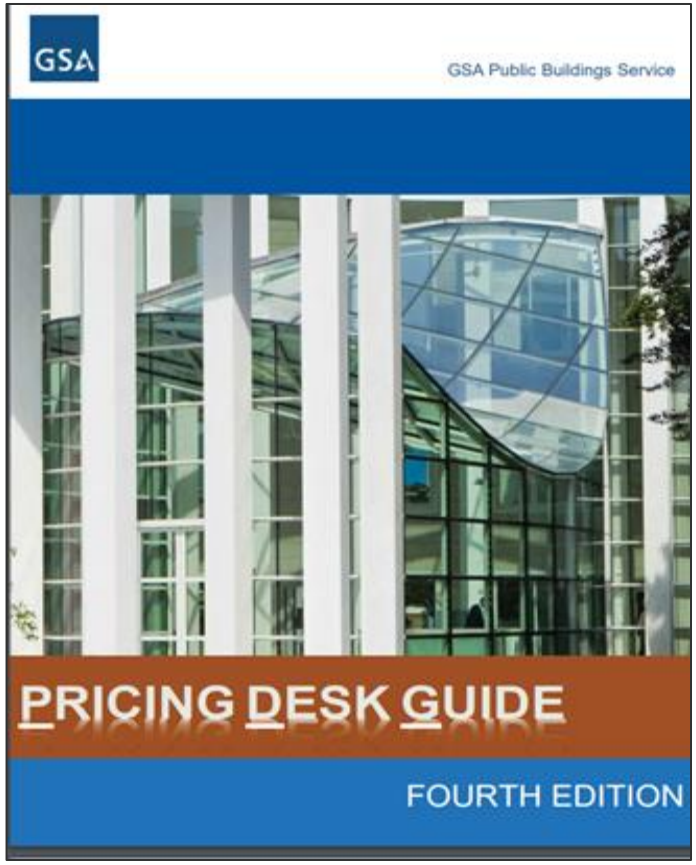
***Now a consistent, transparent, and reliable process for our customers***

# *Overtime Utility Estimate Pricing and Billing*

# GSA PBS Pricing Policy Reference

***PBS Pricing Desk Guide 4TH EDITION***

***www.gsa.gov/rentpricingpolicy***



# Pricing Policy Guidelines

- ***Overtime Utilities Estimation is mandated under RWA National Policy Document and GSA Pricing Policy (Section 3.7.4)***

- ***Specific application of the rules for estimating overtime utility costs are covered in GSA's Pricing Policy:***
  - Standard Number of Operating Hours
  - Operation, Maintenance, and Additional Utility Costs related to Agency Program Equipment

# Pricing Policy Guidelines

*Federally Owned Buildings - Standard Operating Hours*

- ***Pricing Policy Clarification #15, Section 3.2.3 – Operating Costs, Federally Owned Space, Utilities***

  "Standard utilities are based on a one-shift office operation, Monday through Friday, excluding Federal Holidays. PBS provides a consistent heating or cooling temperature for 10 operating hours. For buildings with 24 hours per day operation, PBS provides one 10-hour shift, Monday through Friday, excluding Federal holidays. **Service beyond these hours is reimbursable**."

- ***Guidance: PBS Policy provides for 10 hours of consistent heating or cooling 5 days a week.***

  Property managers, in consult with tenants, will determine the 10 hours of standard operation to accommodate a majority of tenants. Tenant operation outside of the established 10 hours of operation will require reimbursement to GSA and will be included in the Overtime Utilities Estimate.

# Pricing Policy Guidelines

*Federally Owned Buildings - Above Standard Services*

- ***Pricing Policy Clarification #15, Section 3.2.3 – Operating Costs, Federally Owned Space, Above Standard Services***

  "Many of the tenant spaces in a general use building may have operating and maintenance requirements that are different than conventional office space. This may be due either to the particular space use or to the presence of special tenant equipment or fixtures. The following services are provided on a reimbursable basis. Non-payment will result in discontinuation of the above standard service:"

***Agency Program Equipment***

*Uninterruptible Power Supply (UPS) units*

***Utility costs for 24-hour HVAC***

***Special cleaning***

***Equipment maintenance for supplemental AC equipment***

***Frequent plumbing service calls***

*Pantries or Private Bathrooms*

*Laboratories*

# Pricing Policy Guidelines

*Federally Owned Buildings - Above Standard Services con't*

- ***Guidance:***
  - While PBS Policy provides for 10 hours of consistent heating or cooling 5 days a week in typical office space, the policy addresses space which contains ***special tenant equipment or fixtures, such as computer rooms***.
    - *These type spaces are no longer considered typical office space and* ***operation, maintenance, and additional utility costs are reimbursable for all hours of operation and must be included in an overtime utility estimate.***
  - In a special tenant operation where 24 hour HVAC operation is required in a space, but existing HVAC equipment is used to support the requirements, all service hours of operation in excess of the standard 10 hours are reimbursable and must be included in an overtime utility estimate.

# Pricing Policy Guidelines

*Federally Leased Buildings - Standard Operating Hours*

- ***Pricing Policy Clarification #15, Section 3.2.3 – Operating Costs, Leased Space***

  "Standard utilities are based on a one-shift office operation, Monday through Friday, excluding Federal Holidays. PBS provides a consistent heating or cooling temperature for 10 operating hours. For buildings with 24 hours per day operation, PBS provides one 10-hour shift, Monday through Friday, excluding Federal holidays. Service beyond these hours is reimbursable."

- ***Guidance: PBS Policy provides for 10 hours of consistent heating or cooling 5 days a week***

  However, in leased space, local market practices may provide standard HVAC hours that exceed 10 hours (and/or include Saturday hours) and reimbursement should not be requested. The lease should reflect the building's normal operating hours and only hours in excess of the lease defined normal hours are reimbursable and should be included in the OUE.

# *Options for Federally Leased Space*

- ***Overtime Utilities or Agency Program Equipment charges incurred in Federally leased space can be paid via:***
  - A traditional RWA
  - The Occupancy Agreement (OA)
    - Charge appears on the Rent Bill
    - Payment is still charged to a customer's ***reimbursable account***
  - Your Rent Bill
    - New since October 2018 - Leasing Alert (LA-FY18-07)
    - For new leases and lease renewals
    - For 24/7 operations or other recurring operations
    - Payment charged to a customer's ***rental of space account***

# *Paying for 24/7 or Recurring Utilities in Leased Space via Rent Account*

- In November 2018, GSA issued a new policy concerning 24/7 operations or other recurring operations in lease locations. These spaces are to be reclassified in the lease agreement and the associated costs are to be rolled into the rent. ***This will eliminate the need for an annual RWA.***
- GSA will implement this action for all new leases and for lease renewals.
- This action may be performed as a modification to an existing lease provided GSA, the tenant agency and the lessor can reach an agreement on the cost and any associated terms.
- ***Our intent is to ultimately reduce the RWA workload / administrative burden on GSA and our customers for lease locations by 75%.***
- Ad hoc requests will still be processed via an RWA.

# *Fundamentals of Building an OUE*

# *Overtime Utilities Estimate Basics*

- An Overtime Utilities Estimate (OUE) is an estimate of the cost of utilities and related costs that are over and above the standard utility costs as outlined in the PBS Pricing Policy.
- Regardless of amount, a ***cost estimate*** is required for obtaining the authorized amount from the customer.
- Estimate must include all costs:
  - Direct costs
  - GSA management costs
  - GSA indirect costs
  - all other related costs for services.
- Customers are responsible for verifying and approving GSA estimates within 30 calendar days.
- OUE's not approved within 365 days will be automatically canceled.

# What is Needed to Prepare an OTE?

- ***Basic Information***
  - Agency name and bureau code
  - Building number (GSA)
  - Building name, address and room number

- ***Specific Estimate Information***
  - Hours requested
  - Equipment required to provide service to area
  - Labor requirements
  - Utility costs per kilowatt hour (kwh)

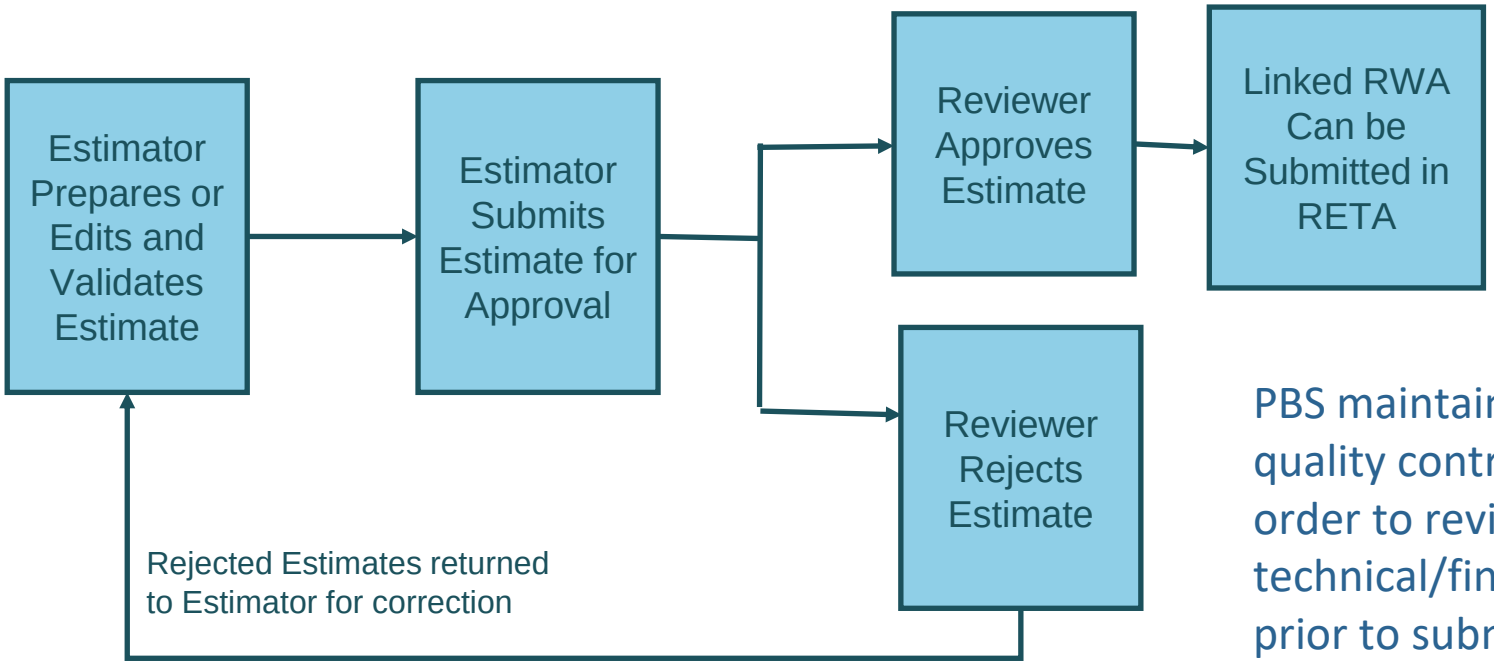
- ***Special Instructions***
  - We put in anything pertinent to the estimate, special calculations, or hours, etc.

# *Computer Room vs Office Estimate*

- ***Computer Room Specifics***
  - ➢ Based on 8760 hours (1 year)
    - Usually an agency owned AC unit
  - ➢ There should be ***no charge for lighting, unless*** space is occupied beyond normal 10 hour day

- ***Office Space Specifics***
  - ➢ Square footage of OT space ***and*** square footage of space being served by equipment (these may differ)
  - ➢ Building equipment required to serve area
    - condenser water consumption, chiller, boiler, air handlers, pumps, lighting

# High Level PBS Estimate Process Flow




PBS maintains an internal quality control process in order to review estimates for technical/financial accuracy prior to submission to our customers

# *Overtime Utilities and eRETA*

***For recurring Overtime Utility needs***

PBS will provide you with an OUE ***first***, and ***then*** you can enter your Work Request into ***eRETA*** (***E***lectronic ***R***WA ***E***ntering and ***T***racking ***A***pplication)

***For ad hoc Overtime Utility needs***

You can submit your Work Request into eRETA directly

*Remember - as of October 1, 2019*
*GSA's online eRETA application will become the official way for Federal customers to submit Work Requests and digitally signed Reimbursable Work Authorizations (RWAs).*

*Classes are offered monthly*
*see* ***www.gsa.gov/ces*** *for upcoming sessions*

# *Cost Control Ideas*

# *How to Avoid Incurring Overtime Utilities Charges*

# How Can I Reduce My Overtime Costs in Office Space?

- ***Don't work overtime***
- ***Reduce hours***
- ***Dedicate a small specific area for OT work rather than large space***
  - Have an independent AC unit for OT space rather than running off of the main building system
- ***Modify your space to specifically build dedicated OT space with independent HVAC***

# How Do I Reduce My Overtime Costs in a Computer Room?

- ***Don't request OT*** – If you have one or two small servers, it is likely that you may not need any OT. Check with your IT folks and/or manufacturers recommendations.

- ***Raise your set temperature*** – ***You don't need to hang meat in your computer room.*** Current ASHRAE (American Society of Heating, Refrigerating and Air-Conditioning Engineers) standards allows temperatures up to about 82 degrees. Most servers have normal operating temperatures that may be higher than your space will ever get without HVAC.

- ***Stop running off of the building system*** – Ask your building manager if it is possible to install an independent AC unit for your server room – ***This is almost always much less expensive*** than using the building equipment.

Thank you for joining us today for a discussion on

***Calculating and Billing for Overtime Utilities and Agency Program Equipment***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# ***Questions?***

# *Join us for our upcoming April CES sessions!*

## *eRETA Review*

***Tuesday, April 9th 2019  1pm-3pm Eastern***

***Register Now***

## *A Deep Dive Into GSA's Consolidation Fund Program*

***Thursday, April 11th 1pm-3pm Eastern*** ***Register Now***

***OR***

***Thursday, April 18th 1pm-3pm Eastern*** ***Register Now***

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*Watch us on* YouTube

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