

Client Enrichment Series – Q & A



Topic: Evolving RWA Policies

Date of Presentation: August 17, 2017

Link to Series Information: www.gsa.gov/ces

1. If GSA asks for an FY17 RWA for a lease award, does bona fide need allow the move and furniture expense to be included in the RWA even though the move is not scheduled until later in FY18?

Answer: Yes, the Bona Fide Needs Rule would allow it as long as the need for the move is in FY17. It is often the case that agencies have a need for goods/services in a fiscal year, but it is not possible to actually deliver those goods/services until a subsequent fiscal year. As long as there is a need for those goods in FY17 (the year in which the RWA is accepted in this case), the Bona Fide Needs Rule would allow goods/services to be delivered in a subsequent fiscal year.

2. Can an RWA be amended when the price quote of an awarding contractor exceeds the GSA Independent Government Estimate (IGE)?

Answer: Yes, but there must be a detailed breakdown of the costs to support the scope of work. The GSA Cost Estimator or GSA Project Manager would verify in writing that the costs quoted from the contractor are acceptable, and the RWA Authorized Amount would be revised (amended) to reflect the increased costs including GSA fees (reflected in the Summary Cost Estimate).

3. How does period of availability rule work with the different types of appropriations (annual year, multiple year, no year)?

Answer: GSA has five fiscal years to deliver the goods/services after the appropriation's expiration date of obligational authority. This does not mean that GSA has five years to *re-obligate* the customer's funds; GSA must ensure that the RWA work is being properly executed and awarded in a reasonable time.

- Fiscal Year 2017 Annual Funds, for example, have an expiration date of obligational authority of September 30, 2017. Therefore, GSA has until September 30, 2022 to deliver those goods/services.
- Fiscal year 2017-2018 Multiple Year Funds, on the other hand, have an expiration date of obligational authority of September 30, 2018. Therefore, GSA has until September 30, 2023 to deliver those goods/services.

Client Enrichment Series – Q & A

- No-year funds do not have an expiration date of obligational authority, and the funds are available until expended. As such, there is no date by which GSA must deliver the goods/services. GSA still works to ensure goods/services are delivered expeditiously as this is a good practice across government, especially when dealing with taxpayer money.

4. When the scope changes, must the RWA funds be returned?

Answer: RWAs may only be amended for new scope in the fiscal year in which the RWA was accepted by GSA. For example, if an RWA was accepted in Fiscal Year 2017, the scope may only be amended in Fiscal Year 2017. If a customer needs to amend the scope of work in a later fiscal year (FY18 for example), they would have to provide a new RWA with currently available funds (any FY18 Annual funds, any Multiple Year funds with period of obligational authority ending in FY18 or later, or any no-year funds).

5. When does the obligation of the fund occur? Is it when the Agency signs the RWA or when GSA places it on a contract?

Answer: The obligation occurs when the RWA is "Accepted" which only happens after both parties sign the RWA 2957 form. GSA issues customers the "Acceptance Letter" shortly after this occurs, and the customer should only obligate funds once the Acceptance Letter is received. This applies to all RWAs.

6. Where does it state that agencies are to give an RWA prior to lease award? I have worked with several different GSA PMs and no two PMs do things alike.

Answer: GSA recently clarified existing policy stated in the current RWA National Policy Document requiring an RWA for above-standard Tenant Improvements to be received and accepted by PBS no later than the date of Lease Award. This policy complies with the *Bona Fide* Needs Rule and Federal Appropriations Laws for GSA to do reimbursable work for customers. There have been discrepancies across regions on the exact timing of RWAs with regards to Lease Award, which is why GSA worked to clarify that RWAs must be received and accepted by PBS prior to Lease Award. GSA PMs across the nation should now be aware of this requirement, and we encourage folks to reach out to the [RWA Manager](#) in their respective region with any issues.

7. Can I put in Overtime Utilities (OUs) for next year with multiple year funds?

Answer: From a legal perspective, you could fund next year's OU with multiple year funds if the multiple year funds are also available next year (e.g. FY17/18 funds are available this year and next). However on GSA's side, if the start date of those services is not until 10/1, GSA cannot accept that RWA until 10/1 at the earliest. Otherwise the RWA would incorrectly post income and budgetary transactions to GSA books in 2017 already, even though none of it should hit 2017.

8. The slides keep talking about September 30, yet GSA tells us they won't accept RWAs after the end of August. What authorizes GSA to advance the September 30 date?

Client Enrichment Series – Q & A

Answer: Receipt of an RWA and Acceptance of an RWA are two very different things. GSA sets the cutoff date for receiving fully executable RWAs (meaning clearly defined scope of work supported by detailed cost estimate) on August 31st. This is a GSA policy put in place to ensure we allow enough time for these fully executable RWAs to be accepted by September 30th.

9. Can an RWA for paying Above Standard Tenant Improvements (TI) have two sources of funds - multiple year and no year funds if all payments are made to the lessor by GSA within the availability of funds period for the multiple year funds?

Answer: Yes, an RWA can be funded by a combination of annual, multiple, and/or no year funds so long as it is accepted within the period of obligational authority of those funds, and so long as there is a bona fide need for the project/service during the period of availability for obligation of the funds. This would need to be received and accepted by PBS no later than the date of lease award.

10. Doesn't the signature on an OA already commit the agency to fund via RWA?

Answer: The signature on the OA is only for the items included in the rent, meaning funds already agreed upon and within the customer's tier allowance. If additional funds are necessary for work being requested, then an RWA is required, hence the reference to them as "above standard" costs.

11. If GSA accepts an RWA with a clear scope of work in FY17, and the customer needs to increase or decrease scope sometime later in FY17, could GSA accept an amendment to that RWA to change scope in FY17?

Answer: Yes, if in the same fiscal year as when the RWA was accepted, GSA can accept an amendment to that RWA to increase or decrease scope. However, if in a subsequent fiscal year and the scope needs changed, a new RWA would be required.

12. For the F, R, and N types, how many years does GSA have to use those funds?

Answer:

- R-type RWAs are for recurring (actual costs cannot be identified) services, i.e. overtime utilities in GSA-owned space where the overtime service is not separately metered or billed. Annual, multiple year, and/or no year funds may be used for R-types, but R-types are automatically closed at the end of each fiscal year.
- F-type RWAs are for routine nonrecurring (actual costs can be identified) services, where several transactions (not to exceed \$25,000 each) can be placed on one RWA (not to exceed \$250,000). Annual, multiple year, and/or no year funds may be used for F-types, but all work must be completed in the fiscal year in which the F-type RWA was accepted.
- N-type RWAs are used to provide nonrecurring RWA work for a one time need like a standalone renovation project, repair, or alteration. N-types can also be used for severable services like overtime utilities and janitorial services. Annual, multiple year, and no year funds may be used for N-type RWAs, and GSA has five fiscal years after the fund's expiration date of obligational

Client Enrichment Series – Q & A

authority to deliver the work. The only exception would be for severable services where the period of performance of the service cannot exceed 12 months.

13. Shouldn't items like Asbestos be found during the estimate phase by a competent building inspector?

Answer: Ideally, yes.. However, it is sometimes the case that there was no way to know there would be asbestos found within the walls. In those cases, asbestos abatement would classify as an antecedent liability, and the customer could provide 1) funds from the fiscal year in which the RWA was accepted, or 2) any no year funds, or 3) any currently available funds with a signed statement acknowledging that they do not have funds available from the original fiscal year.

14. With regards to accepting an RWA before lease award, how does GSA prevent full funding issues if an estimate from GSA and/or the trades has not been produced? i.e. no design work has been done, etc.

Answer: All known Above Tenant Improvement (TI) costs must be included in the estimate and reflected in the RWA which must be received and accepted prior to lease award. While it may be tough to accurately estimate what exact costs will be prior to awarding the lease, the requirements that are included in the lease award must all be fully funded prior to awarding the lease. This includes costs that go beyond what is included in the Tenant Improvement Allowance (TIA) in their Occupancy Agreement (OA). While the estimates will not be exact, the known requirements should be estimated and reflected on the RWA.

15: Is an antecedent liability a hidden condition?

Answer: In a way, yes. It can be something such as unexpectedly finding asbestos in the walls during buildout. The scope of the work has not changed, but asbestos abatement has increased the cost of the project, classifying as an antecedent liability. Another example would be a drastic increase in resource prices like steel or concrete, which could not have been expected when estimating project costs.

16: The presenter mentioned a “contractual agreement”.....does GSA consider an RWA a contractual agreement?

Answer: Yes an RWA is a contractual agreement between GSA and a customer agency. It is approved by OMB as GSA's official Inter-Agency Agreement (IAA) with other agencies.

17: If an RWA were cancelled due to inactivity, what would happen to those funds? Could they be re-obligated to reactivate the RWA?

Answer: Yes, those funds could be re-obligated so long as the funding on that RWA is still valid in the current year.

Client Enrichment Series – Q & A

18. How is GSA providing the actual cost estimate? We find that GSA's estimating is not very accurate and inconsistent and you are now asking us to obligate funds that we could lose later.

Answer: RWA Policy requires all estimates to have a detailed breakdown of costs. It is not an exact science, and it is an estimate. When estimates are too high or too low, it does not mean customers will lose the funding. Instead those funds will be returned to the customer once all invoices are received and GSA sends the closeout letter to the customer, indicating the exact amount the customer can deobligate. Those funds can then be repurposed for another need arising in the period of obligation of the funds as permitted in each customer's appropriation.

19. How do you provide RWAs for above TI before lease award if GSA does not provide the cost estimate in a timely manner?

Answer: GSA understands that before lease award, customers may not know exactly what they will need that goes beyond what is included in their Tenant Improvement Allowance (TIA). However, they should have a general understanding of their requirements, and these would be reflected in an estimate on an RWA for above standard TI. By coordinating this communication early on in this process, we mitigate the risk of cost estimates not coming in timely. Cost estimating is a major step in the requirements development process, which obviously begins prior to lease award too.

20. Will GSA accept RWAs prior to October 1st?

Answer: Congress does not permit agencies to obligate future year funding before the fiscal year starts, so GSA will not accept RWAs prior to October 1st that are "subject to the availability of funds". Customers may provide FY 2018 RWAs in FY 2017, but they must sign the RWA (or re-sign it) on or after October 1st to confirm that FY 2018 funding is available. After that point, GSA can accept the RWA.

21. If there is a lease award very close to the fiscal year ending, PBS accepted an RWA for above standard TI, and for some reason the lease falls through at the last hour, the agency will have "X" amount of dollars un-obligated. How has GSA handled this in the past?

Answer: In the scenario where GSA accepted an RWA prior to lease award, and the lease falls through, perhaps federal space became available. If it is close to the end of the fiscal year, the RWA could be cancelled and the funds returned to the customer. The funds would then be available according to the customer's specific appropriation. As a reminder, once PBS accepts an RWA, that is when the obligation is officially established by the customer. Those funds must then be used for the scope of work provided on that RWA.

22. Where do the code or procurement regs define who can prepare an IGE upon which a RWA can be authorized?

Answer: It is a matter of RWA National Policy, that the GSA Cost Estimator or GSA Project Manager should prepare the GSA Cost Estimate or IGE. Customers are also able to provide the estimate so long as a GSA Cost Estimator or PM acknowledges in writing that it is fair and reasonable.

Client Enrichment Series – Q & A

23. Range of accuracy and confidence... in 20 years of working with GSA, I have never seen that provided by any GSA region. Is that new?

Answer: The ranges of accuracy are included on the “Cost Estimate & Matrix tab” of the [Summary Cost Estimate \(SCE\)](#), which is the summary of the GSA Cost Estimate or IGE along with GSA fees. The total SCE amount reflects the total authorized amount on the RWA.

24. Is there a way for GSA to expedite the financial closeout process? Otherwise, it is nearly impossible to capitalize on funds returned on an overfunded RWA.

Answer: Timely financial closeout is a top priority of GSA, as it allows customers to potentially repurpose funding. GSA works diligently to process all invoices as quickly as possible and send closeout letters to customers once that happens. To mitigate the risk of “losing” that funding, we encourage consistent communication between GSA and customers to develop requirements early on for projects which could use those repurposed funds. For example, if GSA is still waiting on final invoices on an RWA project, but we know how much the customer will be able to deobligate, we can communicate this ahead of the official closeout to return the unused portion of the balance more timely to the customer.

25. Doesn't GSA have the leverage to require prompt invoice submission?

Answer: The government has a requirement to make prompt payment, but it cannot require contractors to send invoices more timely.

26. I've always received closeout letters. I was told by GSA that you no longer send out closeout letters for Overtime Utilities. Has this process discontinued?

Answer: R-type (recurring) OU RWAs do not require closeout letters, but N and F-type (nonrecurring) RWAs do require closeout letters.

27. Can customers receive a detailed spreadsheet including RWA expenditures such as contractor invoices.

Answer: GSA does not share contractor invoices with customers, but is happy to address specific questions or concerns you may have.

28. Is eRETA migrating over to VCSS?

Answer: eRETA and VCSS are independent applications. eRETA is owned by our Reimbursable Services (RWA) Program. VCSS is owned by the GSA's OCFO. eRETA is specific to RWAs, whereas VCSS is much broader handling any and all billing statements from 30+ GSA business lines.

29. The majority of lease TI construction requires above TI allowance funds. Would it be possible (and simpler) to increase TI Tier to increase funds available for TI design & construction?

Client Enrichment Series – Q & A

Answer: In rare cases, that is possible. Customers may be able to amortize the above standard TI into the Occupancy Agreement (OA), meaning higher rent costs. This is a discussion the customer would need to have early on when developing space requirements, and both GSA's Leasing and Pricing offices would need to be involved.

30. What if a customer agency has not implemented the electronic signature process? Are scanned copies still accepted with the hard signature?

Answer: Yes, GSA will continue to accept manual or "hard" signatures from customers, although we encourage folks to sign digitally via eRETA!

31. When a no year RWA is received in FY17, why does it have to be obligated before 9/30?

Answer: Regardless of fund type (annual, multiple year, or no year) and regardless of whether the RWA is performed using authority from the Property Act or Economy Act, the customer must record the obligation in the fiscal year in which the RWA is accepted by GSA. GSA then re-obligates those funds within a reasonable time, and pursuant to authority granted by the Property Act or Economy Act, as described below:

If the RWA is for property *within* the jurisdiction, custody, and control of GSA, the RWA is performed using authority granted by the **Property Act**. GSA must re-obligate the customer's funds within a reasonable time, and has five full fiscal years after the appropriation's expiration date of obligational authority to deliver the work.

If the RWA is for property *outside* the jurisdiction, custody, and control of GSA, or if the RWA is for DoD, the RWA is performed using authority granted by the **Economy Act**. GSA must re-obligate the customer's funds within the period of availability pertaining to those funds.

32. It took GSA over 30 days to consider an RWA fair and reasonable. GSA now wants a revised RWA with a new signature and date... I assume to reset their time clock. What are your thoughts on this?

Answer: Requirements Development is a crucial part of the RWA Lifecycle, and GSA and the customer should be working together to develop project scope, estimates, schedules, etc. before officially sending an RWA to GSA for acceptance. If a customer develops requirements on an RWA without consulting GSA, then there is increased risk the RWA is not fully executable when sent to GSA for acceptance, and thus has a far greater chance of being rejected by GSA. We strongly encourage coordination between GSA and the customer on project requirements as RWA Work Requests are developed into fully executable RWAs.

33. I work with several GSA regions and I notice that the RWA intake and submission process varies across regions. Why isn't there more consistency?

Answer: As with most federal agencies, GSA has staffing restrictions and constraints, leading some regions to have more/less resources than others. This discrepancy in resources across GSA regions

Client Enrichment Series – Q & A

leads to some variance in RWA processing time, but we are pleased to report that our standard is 15 business days.

34. Is the Summary Cost Estimate (SCE) Worksheet located on the www.gsa.gov/rwa website?

Answer: Yes, customers can find it on www.gsa.gov/rwa under the “Policy and Guidance” tab, where it is located in the second bullet as a link.

35. When or will eRETA become mandatory?

Answer: GSA highly encourages customers to utilize eRETA to create, manage, and track RWAs, but it is not mandatory. It is our hope that all customers will obtain eRETA access AND create all RWAs within eRETA. While GSA has not identified any such mandatory use date yet, GSA leadership has invested a great amount of money into this electronic workflow and believe utilizing that workflow over the paper-based process used for decades will be significantly more efficient and cost-effective. While no such date exists at this time, any requirement to eventually require customer agencies to process all RWA transactions electronically in eRETA will be communicated far in advance of the actual implementation date.

36. Richard Perkins: How does one gain access to RETA / eRETA?

Answer: As a customer agency (non-GSA,) go to www.gsa.gov/ereta to gain access to eRETA. If you are internal GSA, then you would instead need access to RETA (not eRETA) and that access is granted via the PBS portal at portal.pbs.gsa.gov.

37. If a customer does not submit the RWA via eRETA, is the information for the project still available in eRETA?

Answer: Yes, that information is in the system, so as long as you have eRETA access, you have access to the information for your project. You don't actually need to submit the RWA yourself in order to see that information.

38. The eRETA registration is a Google Docs page... which my agency blocks. How do I register?

Answer: Our eRETA team can send a manual form if your agency blocks the Google Form. All information regarding eRETA access is found on our website at www.gsa.gov/ereta.

39. In my agency the RWAs have to go through a couple levels before signature. How would the digital signature work?

Answer: Any pre-approvals would be done offline, outside of eRETA before the RWA is signed. RETA/eRETA's digital signature workflow is only capturing the signature that is applied to the RWA 2957 Form itself. There are only two signature blocks on the RWA Form: the Customer Fund Certifying Official (block 18A) and the GSA-PBS Approving Official (Block 28A).

Client Enrichment Series – Q & A

Before you request that the RWA be routed for the final signature of your Fund Certifying Official (Block 18A), you could gather these “pre-approvals” in a number of ways. For example, you could download the completed RWA 2957 Form out of eRETA as a PDF and send it as an attachment to the “pre-approvers” who could give approval via email, in person, etc. Another option would be if those “pre-approvers” have eRETA access as well. In this case they could simply log into eRETA (thereby skipping the email step), search for the RWA, and then give approval via email, in person, etc. after reviewing the pending RWA.

The final official signatures captured in blocks 18A and 28A are the final two pieces of information captured before the RWA is officially accepted. As such all of your pre-approvals would happen in-house before you finally hit “Submit” in eRETA to send the RWA to GSA. GSA then enters our “GSA only” information (page 2) and then the final step is to route the RWA for digital signatures - both the customer signature and then the GSA signature..

40. If the RWA has been signed but needs to be changed, will it have to go through the signing process again if used in eRETA?

Answer: Changes to certain key fields require new signatures, otherwise the changes are considered administrative and do not require new signatures. Key fields requiring new signatures include: change in authorized amount, scope, or customer fund type/year/expiration.

41. What if an agency does not approve an IPAC? Is GSA authorized to pay the bill?

Answer: GSA is obligated to pay all contractors for work performed, and GSA bills customers accordingly to be reimbursed for those payments plus GSA fees. Customers are bound under the RWA - a contractual agreement - to pay GSA for the work performed.

42. It was stated that RWAs should be into GSA by August 31; will GSA accept Zero dollar RWAs?

Answer: In order for an RWA to be reviewed for acceptance, it must be received by 8/31 and have a clear scope of work and cite the appropriate funding. GSA will not accept zero dollar RWAs; every RWA must be fully funded and supported by a GSA Cost Estimate or IGE at a level of detail appropriate to support the scope of work specified on the RWA.