

Client Enrichment Series – Q & A



Topic: *Calculating and Billing for Overtime Utilities and Agency Program Equipment*

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

1. *What happens if the building is open from 6am to 6pm?*

Answer: Even though the building may be open longer than 10 hours (core day), PBS is obligated to recoup expenses outside of those 10 hours in order to pay for all utility and services rendered to the government.

2. *Is there a typical cost per square Foot for overtime office operations?*

Answer: Cost per square foot will vary based upon your building, and the equipment used to provide the service. Since it is all equipment and space-dependent, it is done on a case-by-case basis.

3. *If GSA installs a supplemental A/C unit in a conference room that is only used during normal Federal business day hours, is that an overtime utilities charge?*

Answer: It depends on who owns the unit. If it's the customer's unit, it is an additional charge. If GSA owns the unit because we couldn't maintain correct indoor temperature without it, then GSA pays for it.

4. *In FY2020 some federal courthouses will begin paying actual operating expenses (ROI pricing). If an agency pays actual operating expenses, does that eliminate the need for OT utility RWAs?*

Answer: Good question; not necessarily. When we look at actual expenses, it's a backwards look (two years in arrears). But in the current year - depending on needs - it might be more. So there may be some need to recoup more. We hope to identify a reconciliation process to close the gap between estimated and actual.

5. *Does GSA like the OA option more than the RWA option in owned space?*

Answer: The options for overtime payments presented; via traditional RWA, via the OA (from a reimbursable account), or via the Rent bill (from the rental of space account), are only available for Federally leased space. Rolling regular, recurring overtime charges into the base rent (the third option) would dramatically cut down on administrative time and expense for both

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our customers and for GSA personnel, so that would be the recommended option when feasible (at the start of a new lease or lease renewal).

6. When will the inclusion in the rent bill become mandatory?

Answer: At new lease award or lease renewal for all leases.

7. Can an agency now request PBS to amend their OA to include program equipment charges?

Answer: Yes, this is something you can choose to do. Provided we have all the component information necessary, your recurring services will be billed the same amount each month.

8. If rolled into the rent, could it be changed due to increase or decrease of equipment load in future years?

Answer: In the OA, a new estimate is prepared every year, based on current projected requirements and escalations in utilities or labor rates for that particular lease. So, yes, it is adjustable each year.

9. We are housed in a federal courthouse - does this rent option affect District Court?

Answer: No, these options are limited to leased locations.

10. How will the inclusion of OT be figured into buildings that operate on more than one shift?

Answer: The shifts are not necessarily relevant. GSA provides its customers with 10 hours of service Monday through Friday. Any requests for service outside of these hours are above standard.

11. In a delegated building, is the OA a preferred method?

Answer: Any time we can eliminate the need to collect an RWA, it is preferable, since it saves both our customers and GSA time and administrative expense.

12. Will GSA recalculate their bills when the building systems fail and cause the occupants to have to leave the building? How will they reimburse the agency for the time lost?

Answer: A reassessment would depend on the length of time that the building was not performing to support your mission. If it was a longer term, then yes. But if it was a short term, then no. It would probably cost the agency more in administrative time dealing with paperwork than you would recoup in cost from short-term lost service.

13. What is a delegated building?

Answer: A delegated building is operated by the tenant, not by GSA. The need for OT in a delegated building will depend upon the delegation agreement between the agency and GSA.

14. Many of our agencies have asked to see actual costs so they can compare them to the estimates. Is this possible?

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Answer: This could be done via metering, but this is extremely expensive. The best system we can use is to have an accurate measure of the size of the space needing to be serviced and the power requirements of the equipment used to service that space. This methodology was vetted through Princeton University, and found to be quite sound and extremely accurate when applied correctly.

15. Do you prefer a Master Estimate with Children vs. several estimates for the same region?

Answer: Ultimately, yes. It is easier to process one Master RWA. For collections and billing, it is easier with one Master. From an estimating perspective, it still requires extensive work to create each Child estimate.

16. If GSA sees how many ohms and watts each piece of equipment pulls, why can't there be an accurate cost?

Answer: Because load may be different at different times of day, or charges will be different based upon utility rates at different times of the day.

17. So the electric company does not bill GSA? How do you pay?

Answer: We look at the equipment serving the area to make our calculations. The utility company bills GSA for the whole building, and we have to associate those costs with each building customer.

18. Doesn't GSA do a reconciliation at the end of the FY to determine whether an agency overpaid or underpaid for Overtime Utilities, based on the actual usage?

Answer: In leased buildings, it's a pass-through of the actual expenses. In a Federally owned building, based on what you projected you would use over the course of the year, your Property Manager will work with you to adjust your estimate/RWA up or down, depending on your usage throughout the year.

19. What happens when an estimator includes Leap Year when it is not a Leap Year? Would that actually make a difference with the cost?

Answer: While an unfortunate error, Leap Year, one extra day's cost, is probably minute. We are putting a control in the tool to keep this from inadvertently happening in the future.

20. How are costs for IT server rooms assessed and are they different than other OU costs (server rooms vs. tenant office space)?

Answer: Costs may include all equipment connected to a UPS system as well as the AC unit. If there is no UPS system, then the load of all of the server equipment will be calculated based on name-plate data. Most office space requires a main HVAC plant with associated pumps and air handlers to provide conditioned air to a given space. Server rooms usually have just an AC unit physically located in the server room itself.

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21. What will happen to the hours not used during the shutdown, not in terms of the PC room but regarding the overtime hours?

Answer: For any estimates done, the Property Manager should adjust for office use, and they will adjust per your request. Computer rooms aren't shut down.

22. In a multi-story leased or Federal space, it is not practical to run independent AC units from a floor to the roof or ground. Can you explain how an independent room can be cooled?

Answer: Your specific needs would have to be assessed. Your building manager can determine if an independent unit is still possible. There are units that are air cooled and do not require anything but a place to exhaust the hot air. There may be a nearby plenum of mechanical space to allow for this exhaust.

23. GSA recently installed solar panels on our building and entered into a power purchase agreement. We're in a Federally owned building and we are the sole tenant. What effect, if any, should this have on our overtime utility costs? Does GSA pass on the savings from solar? Should our overtime utilities estimate be revised for the year?

Answer: Any savings attained will be seen through the specific utility rates for that building. By participating in the solar program, the utility company will generally provide a lower rate which will ultimately reduce the cost of the overtime services.

24. How does GSA calculate the total KW used for both the heating and cooling seasons?

Answer: Total KW is calculated based on the number of hours requested for heating and cooling seasons and the equipment operating during these seasons. This equipment will vary which is why we record the hours for each season separately.

25. How do you avoid changes after the fact....\$ amount and/or POP to an already approved, signed RWA?

Answer: We cannot avoid changes to a signed RWA. If changes are required, GSA will modify the estimate and associated RWA and submit it to the customer for signature.

26. So, if we use the entire building then we can get a copy of the electric bill?

Answer: You may request this from your Building Manager.

27. If lessor bill includes power, is there another bill from the power company depending upon the lease agreement?

Answer: Some leases are fully serviced where the lessor pays the utility company and is reimbursed by GSA. For other leases, GSA pays the utility company directly.