

# Client Enrichment Series

Welcome to today's presentation on:

***New RWA Policies***

***the presentation will start at 2:00 PM Eastern***

**Note:** Phones are automatically muted during the presentation. You have the ability to send questions to the host and presenters through your questions pane. They 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.

# Client Enrichment Series

## New RWA Policies

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# Reimbursable Work Authorizations (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 a financial agreement.

The RWA (GSA Form 2957) is accepted by OMB as GSA's formal Inter-Agency Agreement (IAA) with Agencies.

# Appropriations Law

## 40 U.S.C. § 301: **Property Act**

Provides GSA the authority to acquire and maintain property and provide services for use by the Government.

## 40 U.S.C. § 592(b): **Federal Buildings Fund**

PBS's authority to provide reimbursable services in facilities in GSA's portfolio.

## 31 U.S.C. § 1535 (as amended): **Economy Act**

Requires both the requesting and the performing agency to obligate the provided funds within the period of funding availability. GSA uses this for properties in portfolios of other agencies.

## 31 U.S.C. § 1341: **Anti-deficiency Act**

Officials may not authorize expenditures exceeding amount available for the obligation.

# Appropriations Law (contd.)

## 31 U.S.C. § 1552(a): Period of Availability

On September 30 of 5th fiscal year after period of availability, account shall be closed and any remaining balance (whether obligated or unobligated) shall be canceled.

## 31 U.S.C. § 1501: Purpose of Appropriation, and Recording Statute

Agencies have authority to spend funding for certain purposes and must have documentary evidence to support a valid obligation during the period of availability; and a clear description of work at a certain level of specificity.

## 31 U.S.C. § 1502: Bona Fide Need

Funds are available only for expenses properly incurred during period of availability. Agencies may only obligate funds for a need arising in the current fiscal year.

# Appropriation Types

**Annual:** Funds are available for obligation by the Client Agency during one specific fiscal year.

Client Agency may obligate funds to an RWA, and may amend the scope of an RWA, but must do so before the expiration date of obligational authority.

**Multiple Year:** Funds are available for obligation by the Client Agency for a definite period in excess of one fiscal year.

Congress generally gives agencies multi-year appropriations for a specific purpose.

**No Year:** Funds are not bound by fiscal year limitations, and the Client Agency may obligate them at any time.

Congress approves agencies no-year appropriations for a specific purpose.

GSA confirms verification of funds purpose when given an RWA with no-year funds.

# RWA Funding Challenges – Process Changes

## **April 2014 - RWA Program Bulletin (ALL nonseverable RWAs)**

1. Regional Review Board (RWA Manager, regional OCFO, regional OGC) required
2. Regional Commissioner signature required

## **June 2014 - Supplemental RWA Program Bulletin (All nonseverable A, B and Ns)**

1. Regional Review Board (RWA Manager, regional OCFO, regional OGC) required
2. Regional Commissioner signature required on RWAs with authorized amounts greater than the Simplified Acquisition Threshold (\$150K currently)
3. Further Written Assurance Statement officially implemented

## **July 2014 - 2<sup>nd</sup> Supplemental RWA Program Bulletin (All nonseverable A, B and Ns)**

1. Incremental Funding further defined and examples provided

## **May 2015 - 3<sup>rd</sup> Supplemental RWA Program Bulletin (All nonseverable A, B and Ns)**

1. RWA Manager Reviews required on RWAs with authorized amounts greater than \$150K
2. Regional Review Boards required on RWAs with authorized amounts greater than the GSA Prospectus Level (\$2.85 million currently)
3. Regional Commissioner signature required on RWAs with authorized amounts greater than the GSA Prospectus Level (\$2.85 million currently)
4. Use of RWA Receipt and Acceptance Scorecard (“RWA Scorecard”) required on RWAs with authorized amounts greater than or equal to \$150K

# RWA National Policy Document Updates

- ***Full Funding Requirement:*** Clarification on the need for “full funding” to cover the entirety of a scope of work at RWA acceptance for nonseverable RWAs.
- ***Incremental Funding:*** Definition and confirmation that incremental funding is not permitted.
- ***Antecedent Liabilities:*** Identification and appropriate funding for antecedent liabilities that arise during project execution.

# RWA Funding Challenges Definitions

**Incremental Funding:** Funding of the same scope of work for a nonseverable service over several fiscal years.

More specifically, incremental funding is defined as using time-limited funds (annual or multiple year funding) or mixed fund types such as annual or multiple year funding and funding that is available until expended (no-year funds) from multiple fiscal years to fund a nonseverable service, such as construction.

Fiscal law and GSA and DoD policy prohibit incremental funding.

Nonseverable services may not be partially or incrementally funded regardless of fund type, including no-year funding.

If a service is nonseverable, the client agency must fund the entire effort with dollars available for obligation at the time the client agency submits an RWA.

For proper acceptance of a nonseverable service RWA, the complete funding equal to the scope of work must provide for a discrete and fully functional project deliverable (that is, a complete phase or stage of the project or essentially a severable component of the scope of work for the nonseverable service.)

# Incremental Funding Example

## Incremental Funding

**RWA Scope of Work:** Design and construction of 2nd & 3rd floors of building XYZ in Washington, DC per the attached scope of work.

**Situation:** Estimate for scope of work is \$5 million. RWA being provided is only for \$3 million, thus not fully funding the RWA.

### Potential Resolutions:

Reduce scope of work to only include design (clear and distinct deliverable). Estimate must also be reduced to support this new scope of work. New RWA may be provided at a later date to fund the construction portion.

Reject the RWA and request the customer provide the full \$5 million at one time; fully funding the RWA.

# RWA Funding Challenges Definitions, con't

**Antecedent Liability:** The liability of the Federal Government that arises and is enforceable under a provision in the original contract.

Examples include:

Costs to remove asbestos found within the walls of a space buildout that was not evident before starting construction but is within the original scope of work.

Unforeseen increases in material or labor costs, or both, that arise under the contract for a project within the original scope of work (that is, for the accepted RWA) that cause the project to exceed the original Independent Government Estimate, including contingencies.

# Antecedent Liability Example

## Antecedent Liability

**RWA Scope of Work:** Renovate leased space on the 2nd & 3rd floors of building XYZ in Washington, DC per the attached scope of work.

**Situation:** Asbestos found during renovation on 3<sup>rd</sup> floor.

**Funding Mechanics:** Original RWA provided with annual funds. Amendment being requested/provided in a different FY.

### Potential Funding Options:

- (1) Customer provides amendment with funds available when the original RWA was provided.
- (2) Customer provides Statement of Further Written Assurance for Amendment confirming funds from the original FY are no longer available and thus currently available funds are being provided to support the increase of cost to deliver same scope of work.

# RWA National Policy Document Updates, con't

***Above-standard services:*** Formalizes policy, specifically on overtime utilities  
Further defines “*reasonable time*” from an appropriations law perspective.

***Delegation of Authority for micro-purchases (FY15 issuance):*** Provides guidance and clarity and incorporates as official policy.

***Memorializes two pilot efforts as official policy, including implementation:***

The *multiple buildings pilot efforts* for both N and F Type RWAs.

The standalone option for furniture acquisition (*SOFA pilot effort*).

Formalizes the ***requirement for an IGE*** for every RWA.

Reinforces the emphasis and encouragement for use of ***electronic (digital) signatures***.

***Timely RWA acceptance/submission:*** Formalizes the requirement for an acceptance letter to be sent to the client agency and the RWA entered in “submitted” status into RETA within 5 business days of RWA signature acceptance by GSA.

# RWA Intake & Submission

- **What is the RWA Intake process?** The RWA intake process is the time from the customer signature date (approval/commitment of funding) to the date GSA signs/accepts the RWA.
- **What can customers expect?** PBS is targeting the RWA intake process being conducted within 21 business days from receipt of a fully executable RWA.
- **What is a fully executable RWA?** A fully executable RWA is one in which all information is accurate and supported by a scope of work and cost estimate.
- **Where do I send RWAs?** Several regions have established a mailbox, while others all funnel through the RWA Manager. Visit the “Policy and Guidance” section at [www.gsa.gov/rwa](http://www.gsa.gov/rwa) for specific details.

# RETA & eRETA

RETA/eRETA stands for “RWA Entry and Tracking Application” – GSA’s electronic repository for all RWA projects.

RETA/eRETA is technically one application, the primary differences are:

- Logging in (internally vs externally)
- RWAs that are accessible (customers by AB Code, GSA by GSA Region)

RETA/eRETA contains all RWA financial information as well as an electronic document file that includes copies of the RWA 2957 form, Receipt, Acceptance, Completion and Closeout letters, and much more.

RWA Financial information in RETA is updated 3x a day from GSA’s Financial Management system.



The RETA Welcome Screen greets user with a refreshed look and feel replicated across all RETA screens. Navigation links to the three new searches (four total) along the top RETA navigation pane provide external users extended access to RWA and estimate information

# eRETA – What’s Coming...

## **eRETA 7.0 (arrived October 2015)**

Refreshed look and feel of all screens

Three new searches added: RWA Search, Financial Review Search, and Estimate Search.

Introduction of navigational hyperlinks to quickly navigate a single RWA.

Introduction of the RWA History report (captures amendment history).

## **eRETA 7.3 (coming Late Spring 2016) *eRETA 7.3 will only be available to 30 pre-identified customer agency SMEs for beta testing***

Ability to submit new RWA Work Request electronically online.

Ability to electronically initiate administrative amendments for existing RWAs and instantly submit them into GSA’s database.

Ability to electronically initiate financial amendments for existing RWAs and direct them to GSA for review and acceptance.

Ability to upload documentation into eRETA to maintain an electronic “RWA file”.

## **eRETA 8.0 (date TBD)**

eRETA 7.3 features (above) made available to all customer agencies.

Incorporation of digital signature functionality to sign RWAs from within eRETA.

Yet to be defined workflow improvements as identified by all GSA customer agencies after using eRETA 7.3 for the first few months.

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# Questions?

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# Client Enrichment Series

Thank you for joining us today for a discussion on

***New RWA Policies***

Check our Website and watch for an email with our  
April 21<sup>st</sup> topic...

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