

# How to Acquire Furniture through Your Reimbursable Work Authorization (RWA)

*Learn about the Proper Use of Your Agency's Funds Accepted by GSA Public Buildings Service for Furniture*

## **Overview**

The GSA Integrated Workplace Acquisition Center (IWAC) provides assisted acquisition services to federal agencies in support of their furniture procurements. At times IWAC deals directly with the client agency, but other times IWAC partners with GSA's Public Buildings Service (PBS) to provide a turnkey workplace solution. This paper describes the guiding principles that IWAC applies when making the decision to accept funding via PBS when offering a joint, turnkey solution.

IWAC recognizes that the application of these guidelines represent an additional step in the funding process. However, as a contracting activity, IWAC believes that by raising appropriate financial questions we can better serve our customers and protect the interests of GSA as a whole.

This paper establishes criteria to determine whether annual funds may be properly transferred from GSA PBS to GSA FAS and contractually obligated in a subsequent fiscal year. The following criteria must apply prior to funds transfer from PBS to FAS

1. A non-severable, turn-key solution (i.e includes build-out, furniture, and personal property) arising in the same year as the appropriation
2. Continuous and expedient effort towards the completion of the turnkey solution

## **Background**

Agencies provide funding to PBS via RWA for the purpose of acquiring office space. Upon acceptance of the RWA, the funding becomes obligated from the perspective of the client agency. Because lead times for construction and lease build-out projects typically exceed one year, it is often the case GSA must contractually obligate the funding over a two- to five-year period.

Oftentimes, furniture is one of the last things purchased. Due to IWAC's subject matter expertise, PBS frequently delegates that task to IWAC. Given that the funds may have originated from a prior fiscal year at the point of IWAC engagement by PBS, IWAC must apply certain tests to determine if the funding remains available for contractual obligation. IWAC arrived at these principles based on guidance from the OMB Red Book, the FAR, internal PBS RWA guidance, and feedback from legal counsel.

During the course of conversations, GSA and its customers refer to the five-year availability of funds that has been accepted by GSA via an RWA. It should not be inferred that money accepted by GSA has lost its fiscal year identity. When GSA bills against prior fiscal year funds, it constitutes a liquidation of funds and such liquidations can occur up to five years after RWA acceptance by GSA. However, certain conditions must apply.

As for the conditions that must be met, IWAC seeks to validate the following:

## **Availability of Funds**

IWAC recognizes the unique mission of GSA whereby it acts on a fee-for-service basis via interagency agreements. While not enforceable in the way that contracts are, it has been acknowledged that they resemble contracts in ways important to this discussion. Most significantly, GAO report B-302760 states the following:

*An interagency transaction, like that authorized by section 141(c), is, in some ways, not unlike a contractual transaction. Similar to a contractual transaction, at the time the agencies involved in the transaction enter into an interagency agreement, the ordering agency incurs an obligation for the costs of the work to be performed, and the amount obligated remains available to pay these costs once the work is completed.*

In this report, GAO explicitly acknowledges that funding obligated by an interagency agreement remains available until project completion. In addition, the PBS RWA Guide Page 63 acknowledges that the RWA constitutes a contract for the purpose of recording a valid obligation since under the RWA, PBS must perform the service requested and the cost of the performance must be reimbursed by the customer agency. The signed RWA authorizes GSA to execute the scope of the customer request based on the authorized amount. Thus, IWAC maintains that it may access funding from a prior fiscal year.

## **Non-Severable Need**

Most frequently, the concept of non-severable services applies to contracts for services. Generally, it acknowledges that certain services are ongoing in nature and can end at various points with the Government having obtained value. Cleaning services are often cited as an example of a severable service because cleaning is an ongoing need and the Government receives continuous benefit. Whereas, software development would be non-severable because if performance ended prior to project completion, any work products provided to the Government would be virtually worthless because the desired end product is a functioning application.

In the case of joint PBS/IWAC projects, a tenant typically presents to PBS a request for a turnkey solution for fully functional office space, inclusive of furniture. In this instance, the project represents a non-severable requirement, as a client agency cannot occupy a space without furniture. For these reasons, IWAC believes that it is reasonable to conclude that furniture is non-severable from other space related tasks such as construction and tenant improvements. Before accepting prior fiscal year funding document, a contract specialist must validate that furniture is non-severable from build out. In performing this validation, the specialist must determine that:

1. All client funding is provided from one source (i.e. RWA)
2. The funding belongs to the fiscal year in which the need arose
3. The RWA makes reference to furniture and build-out within one project

While the first two items require little explanation, the 3rd item often requires discussion and or supplementary documentation. Condition 3 states that furniture must be included in the original bona fide need. It is critical that this is included at the time this funding document/RWA is created as the bona fide need cannot be changed in a subsequent fiscal year.

### **Continuous and Expedient Effort**

Because the furniture procurement occurs at the later stages of a turnkey project, the money will likely be from a prior fiscal year. To demonstrate that the furniture procurement is occurring within a reasonable window of time past, IWAC must establish that GSA worked continuously and expediently towards fulfilling the tenant agencies need. To establish this, IWAC may request supporting documentation to include:

1. Project schedules (including updated versions)
2. Acquisition planning documents
3. Documentation to explain schedule delays
4. SF 81's
5. Supplementary documents tied to RWAs

### **How to Notify GSA's IWAC of Your RWA that Includes Furniture**

To notify IWAC, contact Kristine Stein, 215-446-4897, [kristine.stein@gsa.gov](mailto:kristine.stein@gsa.gov). Please contact Kristine prior to any GSA Public Building Service (PBS) acceptance of any Reimbursable Work Authorization (RWA) that includes furniture requirements and requires IWAC contracting support.