**GSA PBS January 2018 Customer Forum: Q&A**

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**Agenda Topic: Revisiting the PBS Requirements Development and Planning**

**Processes**

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**Q: What if agency requirements change after the prospectus package has been approved by Congress?**

A: The prospectus has several binding factors. If requirements change - a reduction in square footage (or shrinking) would be permissible. However, the delineated area must be the same as stated in the approved prospectus.

**Q: How can customers reduce lease acquisition timelines, especially for non-prospectus projects?**

A: Depending on the agency’s space requirements, GSA may consider alternative leasing tools such as the Automated Advanced Acquisition Program (AAAP), or GSA Leasing Support (GLS) broker services which are available for use across all GSA Regions and any market in the US.

**Q: Why does GSA begin requirements development efforts 18 months in advance of prospectus submission to OMB?**

A: We typically approach prospectus level lease expirations as if the action will result in an agency move. More specifically, for extremely large and/or complex projects we’ll want to get in front of OMB two to three years out from lease expiration to fully prepare for the prospectus package submittal. All interaction takes place with Congress, OMB and GSA, and it takes time for the process to work through the chain of review.. Regarding transparency...working with OMB examiner for your agency, to make sure the information is aligned. OMB works to make sure we have the funding, also looking to coordinate funding with the agencies, budget process is 2 years in advance, working 2019 budget now.

**Q: How will info as provided in the Client Project Agreement (CPA) by local customer agency POCs, be made available to the agency’s HQ level to review local office requests?**

A: The CPA is a method to determine high level parameters for your project. The GSA Region works with National team to put together the projects, and the idea is that your Regional Planning Managers will work with you all to further refine the specific of your continuing housing needs. Once complete, this information is transferred into our prospectus submission docs. Regarding transparency, GSA works with the OMB examiner for your agency to make sure the information is aligned. In turn, OMB works to make sure we have the funding, and to also coordinate funding with the agencies at least two years in advance

**Q: On the subject of cost estimating - which costs are being estimated and reviewed?**

A: We are implementing cost reviews at the GSA headquarters level for local estimates, contributing from a quality assurance standpoint. Our goal is to provide another round of review and obtain customer buy-in during a construction projects planning and execution stages, and help to better define cost-estimating practices and standards for professional services throughout PBS.

**Q: I’ve experienced GSA’s project cost estimates being either 100% over or underestimated. What’s being done to fix this?**

A: PBS recently updated our P120 document, which is the Cost & Schedule Management National Policy Guide, and rolled out updated cost estimating tools to GSA’s regions within last 18 months to improve cost estimating processes for all PBS projects. Through the updating of the Guide, PBS has standardized our range of accuracy. We are also taking a closer look at how we perform against these ranges, and utilize a cost management umbrella to better manage how to remain within the estimated range.

**Q: What’s the rationale for the project timeline with new lease requirements?**

A: GSA uses this timeline to project what the potential new occupancy date could be. Looking at previous leasing deals, we come to realize that we often missed opportunity to renegotiate lease costs, improve utilization rates and right size space by ‘leaving folks in their space’.

**Q: Follow up question to OMB prospectus submission - is it correct that GSA obtains authority, not the agency?**

A: GSA obtains authority to enter into lease, and the customer agency may need to obtain authority for project funding.

**Q: Can you further explain how you plan to achieve consensus building between GSA and Agency for part two of the CPA process?**

A: Client Planning Managers across all GSA regions engage you to begin discussions at least 3 years in advance of expiration, to collaborate and determine delineated area, uncover any special space needs, review the amount of requested SF, agency parking needs, and so on. We want to ensure that we are documenting needed footprint as dictated by the customer agency, so your level of input is equally engaged and a committed demonstration of partnership.

**Q: When competing the lease requirement, the customer agency ultimately faces a potential move from one location to another. Does GSA have any data to show how often the incumbent landlord wins the awarded lease contract? Unless the agency is trying to change full spectrum of requirements, it seems that negotiating with the current landlord would be the best strategy.**

A: With any expiring lease, GSA conducts a cost benefit analysis (CBA) to determine whether stay in place or to compete the lease requirement. The results of the CBA heavily influences the recommended strategy the Lease Contracting Officer would follow – whether to execute a sole source justification to remain in place; or compete the lease requirement to achieve a better rental rate.

**Q: Does the CPA replace the SF81? Some GSA Regions are asking for one or the other, and some Regions are asking for both.**

A: You can give provide the requirements info in any way you prefer -- via email, SF81, CPA, etc. We gather the information and input it into the CPA on our end and ensure agreement before moving forward.

**Q: Prospectus level projects and cost estimating processes -- when do you reach definitive budget to determine project costs?**

A: Once we’ve submitted the prospectus package to OMB for review and it’s subsequently approved, we’ll further refine estimated costs to prepare agencies with a better range of accuracy to fund project execution.

**Q: Stay in place cost benefit analysis (CBA) tool - is it a collaborative effort w/ agency? Are results shared with agency?**

A: It should be a collaborative process with GSA and the agency. We want your input in order to generate the best decision for the government. This tool is still relatively new, we are still rolling it out, so you will hear about it over the next 6 months.

**Q: If it turns out that competing the lease is the best option for the Government, can the incumbent lessor win again and how do you ensure it is a fair competition?**

A: Anyone is welcome to place an offer on the competitive lease requirement. There is a chance that the incumbent may win. We evaluate all factors, and prospective Lessor that does not meet standard RLP requirements will be disqualified (I.e. – if the building is not up to code, the Lessor will have to price in building upgrades that will bring the building up to code in their offer). Once we’ve conducted the CBA, and determine whether costs are close, our default strategy is to do a competitive lease action.

**Q: Do you have any data on the number of succeeding leases GSA has executed? We’ve noticed in the past few years, GSA has competed a lot of lease requirements.**

A: We do not have a firm number at the moment to convey how many requirements end up as succeeding leases. Often times, the incumbent Lessor wins with credit, but all factors are considered.

**Q: When pursuing a new lease acquisition, what analysis does GSA conduct when going into the new building? If there is a facility the local tenant wants to move into, but HQ believes the facility to be untenable, what analysis would the LCO do?**

A: The request for lease proposal (RLP), or the solicitation, drives minimum requirements that must be met by the Lessor. Standards such as energy, fire and life safety, accessibility ABBAS, and agency specific requirements, etc. are all incorporated into the RLP that each Lessor must meet to be considered. Typically, GSA is looking for the Lessor who meets all specified requirements within the RLP and has the ‘lowest price offer that is technically acceptable’. If you believe that your building does not meet agency requirements and needs to be brought to standard, you need to let your Regional GSA contact person know immediately.

**Q: In 2018, it will be 15 yrs since GAO put real estate on the high risk list. What has GSA been doing to recapitalize the owned inventory? What is GSA doing to look into long term leases (or not)?**

A: On recapitalization: GSA has a Capital Program Office that submit requests for project funding on annual basis. In the last 4-5 years, we have gone in with net zero budget authority - i.e. reinvesting all funds into Federal Buildings. We also place large emphasis on Capital Renovation & Alterations Program, and it is our priority to keep our owned Facilities in shape, and acceptable to the market.

A: On long term leases: We always look at our federally owned inventory first to locate agencies based on the agency’s requirements. If there are no available solutions based on the requirements provided, we then consider the option to acquire leased space. If we must lease, we want to obtain the best rate for agency and taxpayer. Generally speaking, the longer the firm term, the better the rate. In recent years, we have been doing 10 year leases with a 5 year firm term. With only 5 yr firm term, it can present difficulty for the lessor to get bank loans, and they are not getting the best prices. In turn, we pay a price for these shorter terms. Our data suggests significant savings can be achieved with securing a longer firm term. This is where we are heading, longer firm terms, with our authority to do 20 yrs firm.

**Agenda Topic: Utilization Rate Discussion**

Presenter: Jonathan McIntyre

Senior Workplace Strategist

GSA Total Workplace Program Management Office

**Q: Is there a target utilization rate for Mission specific space standards and requirements? I.e. courts, law enforcement, etc.**

A: Agencies tend to define their own standards and unique functions. However; programs such as law enforcement has special spaces like evidence rooms and other spaces that are common to all federal law enforcement entities. So it could be a good idea to standardize some things. Ideally, we’d like to be able to get on the same page, jointly developing one set of definitions, and drive that standard across the federal real property community.

**Agenda Topic: Reimbursable Work Authorizations - Process Overview & New**

**Policy Changes**

Presenters: Ashlee Carlson

Reimbursable Services National Program Manager

GSA PBS National Office of Design and Construction

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Reimbursable Services Program Analyst

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**Q: Should the be RWA be fully funded upfront?**

A: Yes, RWAs must be fully funded at RWA acceptance. The entire RWA scope of work must be supported by a GSA Cost Estimate or Independent Government Estimate, and that amount must be fully funded. For example, if the estimate is for $500,000, then the RWA must include the entire $500,000. A customer cannot provide $300,000 this year and then provide the remaining $200,000 in a later fiscal year. That is incremental funding, which is prohibited by fiscal law. GSA will not accept RWAs which are not fully funded up front.

In cases where the customer fully funds an RWA at acceptance, but costs go above what was originally estimated, then the customer must amend the RWA to cover the unexpected increase in costs. These are known as antecedent liabilities and must be funded with funds that were available when the original RWA was accepted. If original funds are not available, then the customer may sign a statement confirming such funds are not available, and may then provide currently available funds.

**Q: What happens if when we get into design and construction, and discover unknowns, and the scope has to be modified? What should happen then?**

A: It depends. If the discoveries are only increasing the cost and not changing the scope, then we would follow the antecedent liability logic and request an amendment. If the discoveries are completely new scope, the options would be to provide a new RWA for the new scope, assuming it is for a discrete deliverable of it’s own, or we would need to work together to descope the RWA to stay within the original budget. Both of these options require a conversation with the Project Manager.

**Q: What’s an acceptable timeline on making changes to the scope ?**

A: That would depend on where you are in the process. Once in procurement, scope changes become more costly. That doesn’t mean that it cannot be done, but it may not lend to project cost savings. RWAs may only be amended for new scope in the fiscal year in which the original RWA was accepted. Otherwise, a new RWA is required.

**Q: Antecedent Liability -- what is GSA’s responsibility to fund? How are we working through covering cost estimates down the road?**

A: Antecedent liabilities are the responsibility of the customer to fund since they represent costs that should have been reflected on the RWA but could not be because they were impossible to account for when estimating costs.

**Q: We’ve noticed trends where takes a while to execute the RWA -- is it better to do straight design and then fund construction?**

A: Many projects are not completed in one fiscal year. The duration of the project should be factored into the cost estimate. Customers have the option to fund design first and then construction on a new RWA once design is complete. Some customers prefer to fund the project all at once so they do not have to go back to request additional funds later.

**Q: With cost estimating, is it correct to assume that inflation and contingency costs have been factored in?**

A: Yes, GSA accounts for both projections in our estimates.

**Q: Cost estimating and cost savings - I heard you say that funds should be returned timely, but from our experience we only see funding returned during RWA closeout phase.**

A: That is the reality of what often happens. GSA Project Managers may error on the side of caution with the rationale that they do not want to give back funds and then potentially need to ask for more later if other costs increase. GSA is taking a closer look at identifying what “timely” is, which should be at multiple times within the project milestones, and if there is a significant cost savings then those funds should be given back to the customer to utilize.

**Q: How much detail does GSA want in a cost estimate provided by a customer?**

A: The best level of detail customers can provide would be best. There is no standard template for agencies to follow, but justifications behind the cost should be broken out into line items.

**Q: So there is some level of scrutiny with cost estimates provided by the customer?**

A: Yes, in the event a customer provides their own estimate, GSA will review the estimate and work with the customer to understand how they arrived at those numbers. Importantly, costs must be broken down into line items, and the estimate must be approved in writing by the GSA Project Manager or a GSA Cost Estimator.

**Q: If an agency submits an RWA and it is not accepted, it is sometimes sent back to the agency and other times not. Why is this?**

A: We are working on processing the requirements earlier in the process and reducing the frequency of this situation occurring. In other words, the more communication we have in requirements development between GSA and the customer, the less likelihood there is of this situation occurring.

**Q: When DOD submits an RWA by June 15, is that early enough? Sometimes DOD submits and then comes to the end of September and the RWA is still not processed.**

A: If we receive an RWA on June 15, the expectation is that we should be reviewing it for acceptance and communicate that within approximately 15 business days. For DOD RWAs, if we accept the RWA, we are also confirming our ability to award it before the end of the fiscal year. The project schedule should make this clear so you know what to expect. We encourage customers to reach out to the regional RWA Managers who will be happy to assist. Customers can find their contact information on our national website [www.gsa.gov/rwa](http://www.gsa.gov/rwa).

**Q: To ensure we don’t have a rejection of funds, does GSA have an acceptance form to ensure the agency knows it was accepted? This regards DOD RWAs which must be re-obligated by the end of the Fiscal Year.**

A: For every RWA accepted, an Acceptance Letter is sent to the customer agency. If an RWA is not accepted, then there will not be an acceptance letter. If we did accept an RWA from DOD, but we are not able to re-obligate a procurement before 9/30t, we would give the money back to DOD per an agreement established in 2006.

**Q: How does eRETA break down RWA project financials?**

A: eRETA has a Financial Review tab which shows total RWA Authorized Amount, Commitments, Obligations, Expenses, and more. eRETA is linked with GSA’s financial management system (Pegasys), so as actual spending occurs against the RWA, those transactions are entered in Pegasys and reflected in eRETA. Transactions are coded against the most appropriate Function Code (FC) and Object Class (OC), i.e. coded to “Construction” or to “Design”, etc.

**Q: Regarding the data entry capabilities -- can we submit mods in eRETA?**

A: A: Yes, customers can submit RWA Amendments in eRETA as long as they have data entry rights. We encourage customers to visit [www.gsa.gov/rwa](http://www.gsa.gov/rwa) more information on eRETA including user guides and how to gain access. Also they can email eRETA@gsa.gov for any questions regarding eRETA!

**Q: Is there a way that the Project Manager can log change orders?**

A: There is the potential to merge the ePM (project management) system and eRETA at some point in the future. However, it’s important the communication between the PM and the customer about change orders takes place rather than just being in documents and systems. We do not want to diminish the value of communication. Also, customers will be able to see their RWA data in the Customer Dashboard coming later this FY.

**Q: eRETA access issues sometimes take a while to resolve.**

A: Please reach out to us at eRETA@gsa.gov if you are having issues with eRETA access. Sometimes issues are due to security protocols which are out of our control, but other times we may be able to help speed up the process, so please reach out and we will be happy to assist!