Customer Guide and Frequently Asked Questions about Reimbursable Work Authorizations (RWAs)

What is an RWA?

An RWA is an agreement for GSA to perform certain work at a stated cost and a method to pay GSA for that work, whether GSA does it directly or indirectly. The work is above the standard level of service provided by GSA. The agency is not paying for the work through the Occupancy Agreement. Ideally, there is one RWA for each project or type of service.

What gives GSA the authority to perform work for other agencies?

The Economy Act and the Public Buildings Act both say that GSA can provide services to other agencies if GSA recovers its costs. Most RWAs are under the Public Buildings Act.

What types of RWAs are there?

There are two major categories: recurring and nonrecurring. These are divided into several types. For federal agencies, recurring RWAs are all R-type. Nonrecurring RWAs can be A, F, or N.

What is the difference between the types?

Recurring RWAs are for types of service where GSA cannot separate the reimbursable costs from GSA's costs. Nonrecurring are for service where we can easily separate costs. There is some overlap.

What are the different types of nonrecurring RWAs?

The A-type is for large projects, usually associated with projects that .are funded from multiple sources. For example, if GSA is funding a major renovation of a building and the agency occupying the building wants to upgrade the space at the same time, GSA will pay for the renovations and use an A-type RWA for the work that is above standard.

The N-type is for smaller projects that do not require design and are not part of a larger project.

F-type RWAs are blankets. The agency sets up an account with GSA to use for projects under $2,500 each.

What types of work are covered by the different types of RWAs?

Recurring R RWAs are usually for overtime HVAC, extra cleaning, and extra PM. A & N are usually for alteration projects. F is for small alteration projects.

How does GSA decide which type of RWA to use?

GSA payment	If cost cannot be separated, it must be R.
Type of work	If RWA is a blanket for small space changes, it must be F.
	If work is space changes requiring design, A is appropriate.
	If work is space changes with no design, N is appropriate.
	If work is separately billed OT HVAC, it must be N or F.
Customer payment	If by credit card, it must be F.

How do RWA's differ?

GSA charges	All have overhead but A, F, & N use sliding scale, R charges flat $100.
	A, F, and N use 4% management fee.
Process	Some require estimates, F's do not.
Term	F & R cannot cross fiscal years.
Collection	Finance collects for R's automatically.
	Finance collects for others only after payment is made.
Termination	F & R terminate automatically.

The attached table displays this information in another format.

RWA Differences

Type	Type of work	Customer Pays	GSA Pays	GSA Charges	Term	Collection	Termination
A	Alterations with design	OPAC or IGOT	Separately	4% plus OH table	Until done (FY+5 years)	After payment	GSA completes
F	Small space changes < $2,000 / job	OPAC or IGOT	Separately	4% + OH table	FY	After payment	Automatic
F		Credit Card	Separately	4% + OH table	FY	After payment	Automatic
N	Space changes (without design), above standard maintenance, and overtime utilities that are separately billed by lessors	OPAC or IGOT	Separately	4% + OH table	Until done (FY+5 years)	Automatically (Monthly)	Automatic
R	Services that are not separately billed (OT HVAC, daytime cleaning, special PM)	OPAC or IGOT	Not a separate bill	$100 OH	FY		

What restrictions are there on using RWA money?

The restrictions are the same as those originally imposed on the money by Congress. The agency should be careful not to obligate the money until both the agency and GSA have signed the RWA.

What are restrictions on the time when the RWA can be used?

If the RWA uses money that Congress appropriated for a specific fiscal year, the RWA must be signed that fiscal year. After that, the money remains available to GSA for the remainder of that fiscal year and the following five fiscal years. If Congress appropriates the money for a specific project or activity "to remain available until expended," that money will remain available until the project is complete. Congress may also establish other time limits.

What are restrictions on the amount of money on an RWA?

There is no limit on the size of RWAs per se. GSA's RWAs on hand range from $70 to $500,000,000. There are, however, special requirements on large RWAs. Congress, though the Public Buildings Act, the Anti-Deficiency Act, and GSA's annual appropriation, has limited the amount GSA can spend in a building or on a project without a prospectus approval.

What is a prospectus and how does it affect RWAs?

Before it can spend money above certain amounts, GSA must obtain approval by Congressional subcommittee of a prospectus that specifies how the money will be spent and also limits the amount that GSA can spend. There are four "prospectus limits," or limits on the amount GSA can spend without Congressional approval. They are (1) the amount GSA can spend in a federally owned building in a year, (2) the amount GSA can spend in a leased building in a year, (3) the amount GSA can spend on a lease, and (4) the amount GSA can spend on a repair or alterations project over the lifetime of the project. These limits can also apply to agency (reimbursable) money.

How does GSA know whether the limits apply to agency money?

GSA requires that agencies sign a statement that reimbursable money is exempt from the limits of the Public Buildings Act. Because the prospectus limits change every year and because projects frequently increase in size, GSA asks agencies to sign the funding letter whenever an RWA reaches one million dollars.

What if the agency doesn't sign the funding letter?

GSA doesn't do the work.

If there is money left on an RWA, can I use it for another project?

Only in rare cases, and then you have to follow very specific procedures. RWAs are limited to their original scope with few exceptions. "Blanket" RWAs are intended for multiple, small projects. And, in some cases, the new project may be so closely related to the original project that it is covered by the original scope.

If I can't change the scope, how do I use leftover money?

The proper way is to reduce the amount of the RWA to cover actual costs plus GSA overhead and fees. The money thus freed may be used in a new RWA if the agency's funding authority allows it. Usually, that is only if the change is in the fiscal year during which the RWA was issued.

What are the components of an RWA's cost?

Estimated cost of construction (brick & mortar)
Construction Contingency
A/E contract fee
CM contract fee
PBS Associate time (if applicable)
PBS Associate travel (if applicable)
4% PM fee
RWA overhead fee (sliding scale)
= Total Amount of RWA required

Notice the sliding scale is applied to all costs including the 4% fee.

What is directly charged?

GSA charges directly for contract costs (construction, A/E, and CM) and for PBS associates' time actually performing the work.

How does GSA recover its administrative costs?

PBS recovers administrative overhead costs via the 4% project management fee and the RWA sliding scale overhead fee.

What does 4% cover?

The 4% fee covers indirect project costs such as salary and benefits of PBS Associates involved in oversight of the project and business line overhead.

The project manager's role is considered one of oversight when we have hired an A/E or CM contractor to perform the work.

When Do We Charge the 4% Fee?

Effective August 1st, 2009, the 4% fee has been automated and applies to all eligible RWAs (see below) regardless of value – formerly the 4% fee applied only to RWAs greater than $2,500. The fee automation allows PBS to more consistently bill the 4% fee than it has in the past. It will not automatically be added on top of any “eligible” delivered orders provided to the tenant in the most recent billing period. “Eligible” simply means that the 4% fee only applies on top of delivered orders that require project management oversight. For example, construction services or design service require a GSA Project Manager to be involved and thus those costs will incur the 4% fee to be added on top of them. Alternatively, personal property expenses (such as furniture) do not incur Project Management oversight and the 4% fee would not apply on top.

Initial Occupancy

For initial occupancies, if an agency chooses to pay for improvements by RWA that are normally funded by the TIA, the 4% fee applies. This is necessary because we are required by the Economy Act to recover all direct and indirect costs associated with reimbursable work performed for another agency.

Continuing Occupancy

For continuing occupancies in leased space, the 8% fee covers project oversight of TI amortized in rent. For continuing occupancies in owned space, the 4% fee is applied to cover project oversight of TI amortized in rent. PBS accepts shell rent as compensation for project oversight in owned space only at initial occupancy.

The 4% fee **is** applied to the following direct TI costs: Contract A/E and CM services for space alteration work, PBS Associate’s time actually performing the work, construction costs and travel to remote sites.

The 4% fee does NOT apply to move costs, furniture, phone equipment, other personal property.

How does the sliding scale overhead work?

GSA adds the value of all the components listed above and then divides that amount into increments. GSA then applies a different percentage of overhead to each increment. The total value of all the overhead increments is the total overhead.

When does GSA collect fees and overhead?

GSA collects the sliding scale overhead when goods or services are received. GSA bills our customers after we receive all or part of the goods or services. That bill includes a prorated portion of the total overhead charge. Thus, if we make a progress payment of 40% on a reimbursable alterations project, GSA will bill for 40% of the total overhead.

GSA collects the 4% fee separately. Again, GSA normally collects the fee only after the goods or services are received.

Who can waive overhead?

Only the Administrator of General Services can waive overhead.

Who can waive the 4% fee?

No one.

How does GSA bill for reimbursable services?

It depends on the type of service and other factors. GSA bills differently for recurring (R-type) RWAs than for nonrecurring (A, F, and N-type) RWAs.

How does GSA bill for recurring reimbursable services?

GSA Finance divides the total amount into monthly amounts and bills monthly. Thus, an R-type RWA for overtime HVAC over an entire year will be billed one-twelfth each month. The first month's bill will contain the $100 overhead charge.

How does GSA bill for nonrecurring reimbursable services?

The customer and GSA's project manager decide on a billing schedule. This can be in advance, at completion, at termination, monthly, quarterly, or annually. The default schedules are at completion for RWAs under $25,000 and monthly for those over $25,000.

GSA bills based upon the work done. Each month, GSA Finance runs a report to identify work accepted during the previous month. Finance adds overhead to this amount and sends the bill to the agency. The bill does not itemize the charges.

What can I do to get more detail about the bill?

Contact the GSA project manager.

What other resources are available?

GSA's Fees and Overhead Charges for Reimbursable Services (4 page handout)

Where can I find information on the Web?

Customer Reimbursable Work Authorization Home Page: **www.gsa.gov/rwachange**
RWA Search**:** see instruction on the above webpage for access instructions
Billview: see instruction on the above webpage for access instructions

How do I get GSA to award the contract to the right contractor?

You, as the customer, must prepare a sole source justification which meets the requirements of FAR Part 6. The following are valid justifications:

a) only one responsible source and no other supplies or services will satisfy agency requirements.

b) unusual and compelling urgency.
c) industrial mobilization; engineering, developmental, or research capability; or expert services.
d) international agreement
e) authorized by statute
f) national security
g) public interest

Note: Inadequate planning does not constitute an "unusual and compelling urgency." Neither does having money available at the end of the fiscal year. You cannot select a contractor simply because you like that contractor's work.

What format is required for a justification for other than free and open procurement?

Justifications for requirements that exceed $100,000 must be prepared in the following format:

a) Identification of the agency and the contracting activity
b) Nature and/or description of the action being approved
c) Description of the supplies or services required and the estimated value
d) Statutory authority permitting other than full and open competition
e) Demonstration that the proposed contractor's unique qualifications or the nature of the buy requires the use of the authority cited.
f) Description of efforts made to solicit as many sources as possible
g) Contracting Officer's determination of price reasonableness
h) Description of market research conducted or the reason market research was not conducted
i) Any other facts supporting the use of other than full and open competition
j) Listing of the sources solicited
k) Statement of actions that will be taken to remove or overcome the barriers to competition for future requirements
l) Contracting Officer's statement that the justification is accurate and complete.

How can I change the scope of an RWA?

Since the intent of an RWA is for a specific project, GSA discourages changing the scope of an RWA. Scope changes can lead to questions about whether a bona fide need exists.

Still, GSA's RWA national Policy Document does allow scope changes under special conditions.

If an amendment involves a change in scope of work (including the open end amount for "F" type RWAs) to use excess funds, you need to send the amendment, citing a change in scope of work in the Description of Requested Work Block to PBS for review prior to signing in the Certifying Official Signature Block. This is the same process followed for a new RWA. Once PBS has prepared a new price quote, they will return the RWA to the customer for the appropriate signature.

In order for an agency to spend or redirect excess RWA funds, the action must meet the three tests provided in Section 4.11.1 of the National Policy Document. Those tests are:

(1) The appropriated funds must be legally available for the purpose for which they are being redirected;

(2) There must be a bona fide obligation or need for which the funds are applied; and

(3) The appropriation (or more precisely the agency's authority to obligate the appropriated funds) has not lapsed. If all of the above tests are met, an agency may amend an existing RWA to expend unused funds (or to redirect the funds it submitted to the GSA under an existing RWA to another RWA).