

2007 West Coast Customer Workshop
Breakout Sessions - Questions & Answers

Pricing and Rent Session 1 - 4/17/2007

- Q:** Does an agency have an option to release space during the first 4 months of occupancy?
A: Yes, as long as said space is marketable and if the final signed OA is cancellable. Any unamortized TI's for the space and unearned rental concessions will be paid in full via RWA.
- Q:** If you don't like the tier that you have been assigned, can you ask for a higher tier?
A: Yes, you would ask for a tier increase which can be awarded in certain situations.
- Q:** How do cutoff dates affect when rent payments begin?
A: The 15th of the month is the cutoff date. If you accept space prior to the 15th you are then charged for the entire month.
- Q:** What is building specific amortized capital?
A: This is a charge for capital improvements that have been approved by the Building Security Committee.
- Q:** In what situations would the OA number change?
A: The OA number will remain the same unless a specific reason requires changing it.
- Q:** Is the notification of an OA always by letter?
A: The OA is sent to the client agency via an email or letter transmittal.
- Q:** Who performs Fair Annual Rent appraisals?
A: Independent private-sector state-licensed appraisers (generally with MAI designations) perform this service.
- Q:** Is joint use considered tenant area?
A: Yes, in a way: it is considered usable space the same as tenant areas. Joint use space is occupied by such things as cafeterias, fitness centers or daycares, provided for the use of federal employees. The cost is shared by the tenant agencies.
- Q:** Are there any changes or reduction in services in the pricing policy as a result of the 8% to 7% fee reduction?
A: There is no change in service resulting from the fee reduction.
- Q:** Who determines whether the OA will be cancellable?
A: GSA makes this determination. A non-cancelable lease (& OA) would be for space so unique or remote that no other agency could backfill the space.
- Q:** Why do agencies pay a PBS fee?
A: It is aggregate charge like an insurance policy to cover GSA's risks and administrative costs.
- Q:** What was the old TI square foot base rate?
A: \$31.92 based on Washington, D.C.
- Q:** What is the percent increase between each tier?
A: 10%

Pricing and Rent Session 2 – 4/17/07

- Q:** Does the TI allowance include RWA costs when the agency decides to prepay?
A: There are 2 types of RWA payments: (1) paying down of the customization allowance, and (2) when agency exceeds customization and general allowance, paid by RWA.
- Q:** Is “substantial completion” defined?
A: Yes, by the lease contract.
- Q:** If the agency has a contract with PBS to provide furniture and it is delayed, will rent start?
A: No, or the agency will receive a rent credit (see OA).
- Q:** Will rates in federal space adjust to the market yearly or every five years?
A: Every five years for each individual occupancy agreement. The building may be appraised more frequently than every 5 years.
- Q:** Whenever GSA is dealing with a new situation, does GSA generate a new OA and CBR?
A: Anytime an agency makes a change to their space a new version of their existing OA will be generated. New OAs and CBRs are typically generated for a new tenant or in response to a specific request from an existing tenant to have multiple OAs for a single location.
- Q:** How is the common use space distribution effected by a tenant deciding to make an entire floor their own?
A: If a tenant decides to incorporate building common space into their own space, i.e., make it part of their assigned usable square feet, then the building common space distributed to all tenants would drop.
- Q:** Does the RU factor change if the agency blocks off the hallway?
A: Yes, this changes the building RU.
- Q:** Can the agency get copies of Occupancy Agreements that do not require a signature (e.g., annual escalations)?
A: Agency would have to request it, as Occupancy Agreements are only sent out when a change that is not routine has occurred and notification and/or signature is required.
- Q:** If there are five agencies in a facility and one of them is GSA, does GSA pay for part of the common space? What about outside common space, such as canopy space?
A: Yes, GSA gets a proportionate share of the charges for common area space. If you are speaking of canopy space at the border, then that space is assigned based on the border agencies’ MOU.
- Q:** Is 3% on an OA uniformly set for increases?
A: This question is specifically about estimated operating cost escalations for leased OAs. The OA default is 3% per year. It can be adjusted if appropriate to help with budget forecasting, based on the locale and the current CPI (Consumer Price Index) trend.

- Q:** Regarding space measurements, why would rent charge bases be different between GSA and DHS bills?
- A:** GSA holds the billed area constant during the term of the OA, so there is less fluctuation in the bills. DHS is basing their bills on the most current measurements for the building.
- Q:** What does ANSI BOMA stand for? Is this a consistent standard?
- A:** It stands for American National Standards Institute, Building Owners and Managers Association. It is the “Gold Standard” for building measurement.
- Q:** How can the agency get copies of an appraisal that GSA uses to establish rates?
- A:** An official from the agency who has OA-signing authority should request a meeting with Regional Appraiser to discuss the appraisal. A copy of the requested appraisal will be furnished at the meeting.
- Q:** How are priorities established for improvements to a building?
- A:** GSA capital investment funds are budgeted years in advance and prioritized. Therefore, if agencies would like specific tenant improvements in their space when they sign continuing occupancy agreements, they should be communicating their needs at least a year or two in advance so that their requests can be added to the overall prioritization process.
- Q:** Does the lease space period of amortization have to fall in line with the firm term of the lease?
- A:** TI’s are typically amortized over the firm term of the lease because it is a typical restraint of Lessor’s financing. TI’s may be amortized over a shorter period if it is a requirement of the lease or if the life cycle of the TI is complete prior to the end of firm term of the lease. All rent payments for leased properties are pass-throughs, so it depends on the terms of GSA’s lease.
- Q:** Is the TI/usf (general: \$35.07/usf) paid over one or five years?
- A:** This amount is the general allowance for build-out of the agency’s space. GSA will pay for this upfront. Then the tenant will reimburse GSA in rent paid over the life of the improvements or the term of the OA, whichever is shorter.
- Q:** What is GSA on the West Coast doing with their Washington DC counterparts regarding the higher costs found on the West Coast? What sort of advocacy is there? How movable is the \$35.07/usf for TI?
- A:** The local area indices are set by GSA’s Office of the Chief Architect. They are objective measures of the actual building costs in the different regions and cities.

Reimbursable Work Authorization’s – 4/17 & 4/18/07

Larry Melton, Senior Advisor to Assistant Commissioner (National Program RWA Manager) is working full-time along with three other staff members on RWA policy and billing due to inconsistent policy nationwide and the inability to provide customers real-time updated balances.

- Q:** Will the new organization consolidate all RWA processing and management centrally (at National Office)?
- A:** No, the new organization will keep the responsibility at the customer interaction level, i.e. Regional offices offering more “hands on” service.
- Q:** Will each Region have a central location?
- A:** Yes, there is a proposal currently being discussed. A template is being set up for consistency throughout all Regions. The term “centralized” refers to a nationally accepted and regionally implemented standardized process, not a centralized point for actual RWA processing.
- Q:** Are F type RWA’s for one location at a time?
- A:** Yes but we’re looking at changing this policy to allow a larger open end amount for small purchases
- Q:** What can I do if I have an F type RWA but can’t spend all of the monies by FY end?
- A:** Initially contact your GSA Representative to discuss your needs. Let the need determine the type of RWA. This process would help you to obtain the correct RWA type for your “specific” needs. Along with selecting the appropriate type, planning and monitoring are extremely important in administering the F Type RWA. Maximizing the ability to properly allocate funding during the period of availability or Agency reprogramming of the funding is directly tied to close monitoring of the RWA.
- Q:** Where do the RWA monies go if the funds are not used?
- A:** All monies go back into the agencies’ funding; however, this is on a case by case basis. I am hoping that by the end of my presentation your question will be answered but if not please ask again and I will try to clarify it.
- Q:** How specific should our scope be and are supporting documents required?
- A:** When preparing your scope consider who, what, when, where and why. On the GSA 2957, Block 7 “Detailed Description of Requested Work” it allows the agency to determine “bona fide need” because GSA’s sole responsibility is to manage the RWA. A more detailed scope offers a better estimate.
- Q:** When can the scope be changed?
- A:** The scope can be changed during the period of appropriation availability only. Also, there is a 60 day cancellation policy if you wish to close recurring RWA's.
- Q:** Should we allow adequate time to appropriate and/or amend the funds?
- A:** Yes, normally on a case by case basis. We want to avoid receiving the funds close to FY end.
- Q:** What are Project Management duties that are represented by the 4% fee?
- A:** The fees are for inspection, review, oversight and follow up of the project. The 4% project management allocation covers indirect project costs such as salary and benefits of PBS Associates and contract associates hired by PBS to work as project managers when they are overseeing (supporting) tenant improvement work. In addition, it is intended to cover business line overhead such as the cost of information technology, telephones, office equipment, furniture and supplies for PBS Associates.

- Q:** Are the Project Management and overhead fees the same?
A: The Project Management fee is for costs incurred for project management oversight while overhead fees are for non-business line overhead costs including support of Central Office and Finance Center functions. The sliding scale overhead fee is applied to the total value of RWA, including the 4% allocation for project management.
- Q:** When does the clock begin to tick on RWA acceptance?
A: Acceptance occurs when the RWA (2957 Form) is signed by both parties and logged into RETA (assigning an RWA number.) This must take place during the period of availability for the appropriated funds.
- Q:** Is there a pass code to access RWA Search for customers?
A: Yes, if you are authorized to use it. Contact your GSA Representative.
- Q:** What is V-06-05 and why is it shown on the slide?
A: V-06-05 refers to an internal acquisition policy letter mandating internal review requirements. This is not applicable to customers.
- Q:** How do you get the RWA number?
A: GSA Public Building Services issues the numbers.
- Q:** What is being done to get the RWA number to the customer?
A: We are working on obtaining a better system, and are mandating an internal process to facilitate better communication in providing the number.
- Q:** Are the Project Managers and Realty Specialists talking so that the customer will not be double billed for build-outs? In case we choose to buy down.
A: We are addressing it.
- Q:** Why are Project Managers and Realty Specialists not including fees for RWA's?
 Once the customer receives the estimate they ask if the fees are included and are usually told yes but later find that not to be the case and the RWA must be amended.
A: We are working on changing this behavior. Hopefully this can happen in our National Training which will be rolled out within the next 6-12 months. Cost estimates require recognition of PBS fees.
- Q:** Can I pay half upfront for a project when I sign an OA during a fiscal year?
A: Yes, on a case by case basis. You can fund the portion you know to be expensed. Different distinct legs of a project can be funded separately such as design costs.
- Q:** Are the Customized Reports available with updated RWA data and balances? Is real time billing and balances available with RWA data for the customer to review?
A: Yes, this information is available but not currently available via a customer interface. Contact Regional PM's or Realty Specialists for agency data at this point. Larry Melton can serve as a National contact if the information cannot be obtained regionally. We are actively working on a customer interface that will allow broad access to this type of data.
- Q:** Are there any consultation services available for Region data?
A: Yes, consultation for region data is available to help a customer make good business decisions.
- Q:** Will more real time information be available on RWA balances?
A: Yes within the next 6-12 months.

- Q:** There is a different interpretation between Contracting, Real Estate and the Customer when applying the FAR and IGE on estimates under \$1000. Why is that? Can we have a clarification on how to apply these two policies?
- A:** More training is needed to ensure how and when to apply the two policies.
- Q:** When will the revised GSA 2957 RWA be completed?
- A:** Hopefully within the next 90 days. This is not only intended to comply with GSA specifics but also additional mandated fields required by Treasury for IPAC processing.
- Q:** Can we combine the GSA 2957 into a Word document and make it one page?
- A:** Yes we are working on it. Contact Larry or go to GSA's website.
- Q:** Can we include the project timeline as part of the RWA?
- A:** Yes, but we need all adequate and pertinent information to do so.
- Q:** What if the monies submitted do not accurately support the costs associated with the submitted scope of work?
- A:** It is important that all project stakeholders meet to effectively plan and jointly develop a clear and definitive scope. This will allow the appropriate funds to be allotted to support the scope.
- Q:** Does the RWA balance show the correct billing on the RWA Search?
- A:** We currently do not have a tool which offers real time information for reviewing RWA's on RWA Search. We are hoping that ESNAP (new tool) will resolve timing and detail concerns from the Agency perspective. Feedback to this point has been positive. This new tool is designed to provide updates and real time costs. Contact Larry if updated information is needed immediately
- Q:** Will the system include commitments (outstanding balances)?
- A:** If it is already loaded in Pegasys, yes, but if not, no. The customers then need to contact GSA for updates that may not be in the system and outstanding.
- Q:** What is Budget Tracking System (BTS)?
- A:** The Budget Tracking System is being used solely by Region 10 to track obligations and commitments. The new tool ESNAP is a revamp of the BTS.
- Q:** What source does BTS use and does it only work with pre-validating costs?
- A:** ESNAP information is being pulled from Financial Management Info. System.
- Q:** What information for updated billing is "now" available to customers?
- A:** Currently every tool is internal. A letter will be issued to customers detailing recent billing improvements within 4-6 weeks. Our goal is to combine PTW/RETA* (our internal tool) into ESNAP within the next six (6) months. The only other tool available to customers is the RWA Search but it is not real time it is only as good as the information input into the system.
- *PTW/RETA (Project Tracker Website)
- Q:** Do we need to be careful on how we define our scope of work?
- A:** Yes, we will discuss more about "bona fide need," scope of work and funding in upcoming slides.
- Q:** What is the rule in receiving an estimate?
- A:** We obtain the RWA request then obtain the estimate; it all depends upon the type of estimate required.

- Q:** Do we send in an RWA with our scope of work then obtain an estimate? We need a quick turnaround time. Or can we send in prior requirements and do a market research for costs? Or do we need an IGE?
- A:** Market research (obtain bids) can't be used to determine costs for RWA acceptance, but an IGE will accomplish this.
- Q:** FAR indicates that we should use the market research approach "or" IGE; so why are we told that we "must" choose the IGE approach?
- A:** It all depends upon your procurement needs; you can choose 2-3 bids or market research.
- Q:** We get monies dumped in July which doesn't allow GSA time to obtain an estimate. Do you have any suggestions?
- A:** Contact your Account Manager to prepare a customized action plan. This will assist you in managing funding trends within your agency. Be proactive and prepare a "wish list" of your needs in case some year end funding comes your way.
- Q:** What is the difference between a budget cost estimate vs. a true independent cost estimate?
- A:** Budget cost estimates will help with your yearly historical last minute dumping vs. true independent cost estimates which require more detailed information for larger scopes.
- Q:** If we use a credit card for under \$2,000 we are told that we need a RWA and sometimes we are told we do not need one? Which is true?
- A:** We are working on this issue because we are charged a 7% fee on each transaction. We are working to eliminate the use of credit cards due to this fee and direction from Treasury. There is also very expensive internal processing associated with the credit card purchases via RWA.
- Q:** How do we minimize risk between receipt and acceptance especially toward the end of the FY?
- A:** Be proactive, forecast, and plan for historical behavior. Manage the risk
- Q:** GSA's RWA deadline submittal is September 24. What level of management approval is required if it is submitted after Sept. 24?
- A:** The Acquisition Officer is the approving official. It is best to obtain a cost estimate but without a "bona fide" need it may not get approved in a timely fashion.
- Q:** Are the BOAC Numbers still required? Who do we contact to obtain one?
- A:** Yes, Contact Larry.
- Q:** At what point are the funds obligated?
- A:** At the acceptance level.
- Q:** Who can certify funds?
- A:** Varies Region to Region
- Q:** Why will the training for PTW/RETA happen around FY end?
- A:** We recognize that we do not want a scheduling conflict with year-end processing. We will schedule training in October.

Secure Workplace - 4/17/07

- Q:** Why do we pay over and above the basic security charge for extra security?
A: It is above and beyond the basic level and those enhanced security features are specific to each facility.
- Q:** Does this information apply to leased and owned space?
A: Yes, it applies to all GSA Space.
- Q:** To what level does FPS get involved in Occupant Emergency Plans?
A: FPS does not write the OEP but will advise during their development.
- Q:** Is an FPS agent involved in all Building Security Committee's?
A: There should be an inspector assigned to every building who acts as an advisor to the BSC & GSA is always a member but only votes in buildings they have occupancy in.
- Q:** Are inspectors assigned to remote locations?
A: Yes, even though an inspector may not be stationed in every remote area, they remain assigned to remote facilities and are the FPS contact for those facilities.
- Q:** Why is the FPS rate increasing to \$.57/RSF?
A: Rates are increasing due to expenses such as rent, IT services and HR costs that were paid by GSA when FPS was a component of GSA. There is also a change in the fee structure; the basic security rate is increasing while the overhead fee for SWAs is decreasing from 15% to 8%.
- Q:** Why did GSA bills not decrease when FPS broke off?
A: FPS was heavily subsidized by GSA and now realizes costs they didn't under GSA. FPS now pays rent and has increased salaries to bring on more specialized officers. GSA continued to collect the security charge in the rent bill for FPS, until FY06 when FPS's security charge was separated.
- Q:** What is GSA doing with the extra money?
A: There really is no extra money as the security charge was always a separate component on the rent bill. GSA continues to plan for capital security upgrades to federal buildings.
- Q:** Is FPS anticipating an agreement with tenants similar to GSA's Occupancy Agreement?
A: FPS has a Memorandum of Understanding (MOU) with GSA, not the tenants. That agreement covers services that FPS provides to all tenants so there is no need for FPS to enter into individual agreements with all tenant agencies.
- Q:** Is there a website that outlines security services?
A: No, but the MOU is an available document which outlines FPS services.
- Q:** How are costs divided on multi-tenant facilities?
A: Cost division is decided by the square footage occupied by each tenant agency. Agencies pay in proportion to the space they occupy.
- Q:** When rent activates, why doesn't FPS back bill like GSA does?
A: They do, but it is still a manual process that is slow and difficult.

Realty Services (2 Sessions) – 4/17/07

Q: What is the difference between sole-source and one bid?

A: A sole source means that the government has decided in advance of the procurement to deal with only one bidder for a variety of compelling reasons---and to not compete the procurement on the open market. If GSA advertises for bidders and only one entity offers, this is still a competitive bid and would not be considered a "sole source".

Q: Does GSA sign construction drawings?

A: GSA does not approve construction drawings, but does review them with the agency and/or technical experts. GSA would then transmit reviewed drawings to the lessor stating that the government concurs or that certain items do not conform to the approved DID's.

Q: Is there a rule on lease duration?

A: GSA has authority to lease space for a maximum of twenty years. Individual lease duration is governed by the length of time customers are willing to commit to in the occupancy agreement, but never in excess of 20 years.

Q: Is an acquisition plan completed for every lease procurement?

A: Yes, if the dollar threshold warrants it (\$100,000), a written plan in a standard format is required; however every lease acquisition requires evidence in the file that some type of informal or formal planning occurred prior to the procurement.

Q: Does every Region not use the term “Class A space” to define space an agency is seeking?

A: This is not a comprehensive definition of space and may not mean the same thing in different markets. As a result, GSA tends to define requests in greater detail to better capture what the customer is requesting.

Q: On build to suit leases, can an agency get the setback waived by national office?

A: In unusual circumstances, GSA may ask the PBS Commissioner for a waiver; however this is not automatic and would depend on the situation.

Tenant Occupancy – 4/7/07

Q: Who do agencies contact for the overtime utilities form?

A: The property manager should send the form to the agency point of contact.

Q: Does GSA have a “drop dead” date for when they send the overtime utilities estimating form to customers?

A: The agency should receive the form with cover letter in the spring for the next fiscal year no later than May 31st. Note: This is policy in Regions 9 and 10. There is, as yet, no national policy regarding the schedule for getting the form to the agencies. Schedules vary by Region.

Q: Who ensures that a Building Security Committee (BSC) is formed?

A: GSA, working with the Federal Protective Service and the highest ranking official of the lead agency in the building (a.k.a. the “Designated Official) ensure that a BSC is formed.

Q: Is the BSC optional?

A: It is mandatory for federal buildings.

Q: Who oversees and has responsibility to make sure the BSC meetings are happening?

A: GSA and FPS partnering with the Designated Official.

Q: To what level is the largest agency supposed to provide oversight to the other agencies?

A: The lead agency is responsible for developing, implementing and maintaining an Occupant Emergency Plan. This responsibility includes establishing, staffing and training an Occupant Emergency Organization with agency employees. Federal agencies must assist in the establishment and maintenance of such plans and organizations. All occupant agencies of a facility must fully cooperate with the Designated Official in the implementation of the emergency plans and the staffing of the emergency organization.

Q: Who is responsible to make sure there is funding available for the BSC?

A: Countermeasures and initiatives voted on by the BSC are funded by the agencies. The costs are pro-rated based on the agency's percentage of the total sq. ft. area of the building.

Q: What if a Lessor opts not to do alteration work in a leased building?

A: We have rights under the lease to contract for the work ourselves. This would be an uncommon occurrence because building owners usually want to control who works on their buildings.

Q: How are overtime utilities paid for?

A: Typically by Reimbursable Work Authorization (RWA). It is also possible to have them added to the Rent Bill.

Q: Have there been policy changes for overtime utilities? How can GSA charge for over the 10 hour limit? This should be uniform and it causes confusion for the customers.

A: The current policy on overtime utilities has been in effect since August 16, 2004. This is GSA's national policy, applicable to all regions:

GSA provides all utilities required to operate standard office space for 10 hours per day, 5 days a week, excluding Federal holidays. Utility consumption, for standard office lighting and equipment, or building equipment beyond the 10 hours is reimbursable. Utility consumption for above office standard equipment, such as computer room air conditioners, UPS systems, or any other program-specific above standard equipment is reimbursable 24 hours per day. This mirrors practice in the commercial real estate market.

GSA uses an Overtime Utilities Estimating Form for calculating the costs of overtime utilities. Use of this form has been national GSA policy since August 16, 2005.

HSPD-12 - 4/18/07

- Q:** Does this apply only to the executive branch agencies?
A: Yes, judiciary/courts are not included.
- Q:** If HSPD-12 requires one card for the government, will all cards look the same?
A: No, the card is standard but graphics are adaptable to the customer agency.
- Q:** Will agencies need to buy new ID cards to be compliant?
A: Yes, most likely. The structure of the card is all new.
- Q:** Will everyone have a card By October 2008?
A: Yes
- Q:** With agencies going in their own direction, how will all the systems be interconnected?
A: It's being worked out.
- Q:** How will the card system affect a COOP system in the event of a disaster?
A: May require a separate system.
- Q:** How will HSPD-12 support tele-work?
A: Not sure
- Q:** Who initiates the cooperation between first responders and agencies?
A: Not sure
- Q:** Are background investigations on time and in compliance?
A: Not really at this point.
- Q:** Who does background investigations?
A: OPM
- Q:** Is the structure of the issuing team you've illustrated the most streamlined and effective process?
A: That depends, it can be tailored as long as no single person is responsible for issuing cards.
- Q:** Are buildings under construction or unoccupied required to follow HSPD-12?
A: Not really

FAS Furniture Center - 4/17/07

- Q-** Will the National Furniture Center (NFC) entertain purchases under \$100K?
A- Yes, so long as the Furniture Center is able to recover all direct costs associated with procuring the product and/or service on behalf of that particular customer. In some cases the fee percentage for performing that work could amount to 30 or 40% on small dollar requisitions. However, it is our desire that our customers would procure these less than \$100,000 orders on their own using the various E-tools available through GSA.
- C-** This is going to have an impact as we have many buys under \$100K.
A- I would recommend that your agency look into establishing a Blanket Purchase Agreement (BPA) for the items that you purchase more frequently.

Q- If we have a BPA does my agency have to worry about these new fees?

A- Your agency would only be impacted by the new fee structure if the products you are going to purchase are not on the BPA that has been established for your agency.

Q- Is the 25% for under \$100K being reconsidered?

A- The fee structures that went into effect on January 31, 2007 are as follows:

Below \$100K – Agencies should look to consolidate procurements, make use of E-tools such as GSA Advantage, and create more BPAs via the schedules. However, should the agency still desire the services of the NFC the fee structure would vary on a case by case basis. It would not be less than a 15% fee and it could go much higher depending on the total dollar value of the requisition. It is not inconceivable to have a requirement that is valued at \$10,000 and our fee being \$2,500 which would equate to a fee percentage of 25%.

\$100k up to \$500k - 15%

\$500k up to \$1M - 8%

\$1M and higher - 5%

In the future, we may consider other pricing options.

Q- Most of our projects are under 10K square feet. We need support and help from the furniture center to assist agencies that are moving into these small spaces.

A- I will be meeting with the Public Building Service (PBS) Assistant Regional Administrators tomorrow morning to see if there are ways in which the Furniture Center and PBS can work together to establish some BPAs to minimize the impact of our new pricing policy to agencies in these situations.

Q- For PBS real estate 90% of the furniture-related acquisitions are under \$100K. You will lose customers. We have a customer come to us – the One GSA issue – and real estate can't deliver as they are not furniture procurement people. Agencies will have to learn and they won't come back.

A- The NFC recognizes that there are some customers that we will lose; however it is equally important that the NFC be in a position to fully recover our costs to support these projects.

Q- I would like to know more about the BPA. How does it work?

A- The best way to respond to your question would be to provide you with the specific Federal Acquisition Regulation reference regarding the use of BPAs. Please reference the web at: <http://www.arnet.gov/far/>

FAR Part 8, Section 8.405-3 Blanket purchase agreements (BPAs).

Q- When we say PBS has no alternatives to less than \$100K purchases, we don't have to go through the NFC, but we can go through One GSA.

A- Some regions are actually buying furniture for their customers by using the local PBS or Federal Acquisition Service (FAS) offices. This is an ongoing topic of consideration as to whether or not FAS wants 11 different regions doing furniture-related procurements.

- Q-** Region 9 Account Manager with large customers – Can you get involved to work with DID and layouts early – planning phases and not wait until later?
- A-** I am amenable to try, please send me an email. My email address is jack.wise@gsa.gov.
- Q-** You have the same customers doing prospectus projects and small projects but some projects are big and some are small.
- A-** Yes, we do understand and this is why we are attempting to steer our customers into utilizing BPAs to meet their ongoing furniture needs.
- C-** Having bought furniture, there is a difference in schedules. I get better prices if I ask. Also, we get better response with lost and broken items now so customer service is getting better. (This comment from SSA).
- Q-** When did this pricing policy go into effect?
- A-** The policy was effective on January 31, 2007.
- Q-** Have you considered a stepped structure if the agency gives support? If we can provide some services, it might help you and it might help us.
- A-** We would certainly entertain that scenario on a case-by-case basis.
- Q-** Customers complain of long lead times within NFC and having to navigate that. Could you package and price models and standards for IRS?
- A-** Please email me more of the specifics and I can provide a more focused response to the question.
- C-** And automate it on the template?
- C-** And have partial assorted services...
- A-** Good suggestion
- Q-** Does the NFC have the ability to do design/layout?
- A-** We would use a contractor to provide design/layout services via our GSA schedule 71-II-K “Comprehensive Furniture Management Services” contract.
- Q-** Maybe furniture manufacturers could offer the services.
- A-** In some cases the furniture manufacturers do offer design services.
- Q-** Are you saying “don’t come to GSA if my project is small?”
- A-** The NFC is saying that agencies should look to consolidate procurements, make use of E-tools such as GSA Advantage, and create more BPAs via the schedules program in order to limit the impact of our new pricing policy. In some ways it may actually be more cost effective for an agency to process their requirements through their own contracting shop.
- Q-** Can GSA negotiate lower prices than what is being listed?
- A-** Absolutely. The schedule price is the ceiling price and we encourage GSA contracting officers as well as agency contracting officers to seek further discounts off of the GSA schedule price.
- Q-** Can the agencies get involved early on in the process and possibly get a discount?
- A-** The only discounts that the NFC is offering are those associated with us placing a single award BPA, which then establishes a fixed fee percentage, currently 5%, regardless of dollar value.
- Q-** Can we bundle smaller projects and make one “big” purchase?
- A-** Yes, as long as the projects (requirements) are all for the same customer at the same location and we are able to issue one delivery order for all items.

- Q-** Have you considered doing a step structure?
A- We have actually considered introducing language into our BPAs that would provide incentives to contractors to offer further discounts on their product once an agency ordered a certain cumulative sales figure.
- Q-** When you are looking at commercial vendors, isn't the Federal Government market share small to them? Is there truth to the idea that the government is really the small customer when compared to the large commercial customers such as Microsoft?
A- The Federal Government as a whole spends billions of dollars on furniture and furniture-related items every fiscal year. Therefore, I would think that industry would be very interested in our customers.
- Q-** On fee schedule, is fee based on furniture or entire project?
A- The fee percentage is normally based on determining the number of purchase/delivery orders that must be issued in order to satisfy the customer's requirements. Obviously, we hope to be able to issue fewer orders at much greater dollar values in order to reduce administrative costs.
- Q-** Are partial services available?
A- We are currently exploring whether or not the NFC should offer ala carte type services and charge our customers a fixed hourly rate to perform those requested services.

Project Information Portal (PIP) & Capital Projects - 4/17/07

- Q-** Is the communications plan on-line (the PIP)?
A- It is but not publicly
- Q-** Is it in hard copy
A- Yes
- Q-** How do you define capital project?
A- Look up prospectus in the guide. It is currently \$2.8 million or larger. The customer guide is built around major projects. Steps are required for Congress and OMB. Please see below for more information.
- Q-** The Federal Building Fund. If your agency is thinking of construction, how long is the wait? Can you jump ahead of other projects?
A- **The** Federal Building Fund is set up so that rent goes into the fund and then back out for construction. How decisions are made in Region 9 and 10 are separate and ranked regionally. When the list of capital projects gets to Congress, the list looks a lot different because it includes all Regions' projects.
 We work 2 years ahead for design and 2-4 years for construction. So think 6-8 years from inception to construction unless it gets hung up by appropriations. The EGWW renovation project has been on the books for several years but is still waiting for approval.
- Q-** Region 10 talks of public/private partnership. Can you comment on legislation?
A- I don't know. You might ask at the ARA Q&A tomorrow.
- Q-** Are webcams just for courts projects or all capital projects?
A- For the past several years GSA has had webcams up on many of our major construction projects. On some of our remote Border Station sites GSA will require

more creative methods of powering and transmitting the webcams without permanent power. We are giving our customers a chance to tour projects from their desks.

Q- Is it just for federally owned space or for leases?

A- If customers want webcams for lease construction projects, please ask your Realty Specialist to incorporate this requirement into the solicitations for offer (SFO) upfront prior to offers.

Q- If an agency is planning to build a building with GSA in the future, how would I know the prospectus threshold amount? Is it mandatory?

A- The threshold for prospectus level projects is now \$2.8 million. When planning our typical prospectus level projects for Capital Lease Investment Program (CILP) we schedule 2 years for Congressional approval, another 2 years for design and 2 to 3 years for construction. For example, if you anticipate your estimated total project to cost \$2 million now, with typical escalation for construction it would be safer to submit as a prospectus level project because we have no control over soft costs (i.e. Architect-Engineers and Construction Management fees.)

Prospectus Threshold

The FY 2009 preliminary threshold for acquisition, new construction, alteration, and lease prospectus projects is \$2,800,000. The estimated threshold for lease alteration projects is \$1,400,000. These thresholds are for planning purposes only. The official threshold will be established in the spring of 2008 when the FY 2009 program is submitted to Congress. We will provide you the updated official prospectus threshold at that time.

For alteration and new construction projects, the FY 2009 escalation factor is 2.1% and the discount rate is 5.1%. This is derived from Appendix C of OMB Circular A- 94 at http://www.whitehouse.gov/omb/circulars/a094/a94_appx-c.html. OMB has updated these rates as of January 2007.

Q- Are all agencies held to that threshold?

A- Yes

Q- Don't some have a higher threshold?

A- I don't know.

Q- Are all prospectus level projects on PIP?

A- Once a prospectus level project has received funding approval from Congress, our Customers will have access to view their active project in PIP.

Q- Who notifies customers that this is going on? Who would notify me? I know nothing about it (PIP) and I am the Project Manager for Jackson for IRS.

Comment - GSA project managers need to tell us about this.

Q- When does it get posted? What triggers it?

A- Once a project has been approved and receives funding by Congress, our Customers can register and get access to their project's data via <http://vipprojectinfo.gsa.gov>

It shows limited data concerning the agencies project. PIP is GSA's central database on capital improvement projects. Our Customers will not have access to view any BA-54 R&A projects.

- Q-** It looks great. What is required of PM's to plug into it? How often is it updated?
A- PM's in Region 9 must update monthly and we hold them to that. Region 10 has the same policy. PIP shows when it was last updated.
- Q-** It sounds like you give customer access for construction but strategic planning info. would be of use too.
A- That's for you to talk to the PM and Regional Account Manager about.
- Q-** **Due** to the volume it would be good to see it when the project is being developed and before it goes to Congress.
A- We can't have numbers on PIP that aren't approved. Budget numbers can be different before they are approved. During the course of planning for a prospectus level project, there would be many planning meetings where scope and budget information are reviewed by all parties associated with the project. The PM will keep Customers abreast of our prospectus submissions to GSA's Central Office.
- Q-** Is Customer access to PIP new?
A- No, GSA started giving our Customers limited access to PIP starting in March 2003. We have continued to add refinements to the program at the request of users. You must register on line to access PIP.
- Comment** – PIP info is available but agencies should also interface. This is just a tool. You still must communicate.
- Suggestion-** Obviously a lot of people don't know about it. Is there a way for GSA administrators to see which projects are and are not accessed and then notify customers of the non-accessed projects on PIP? I think this is very exciting but I didn't know about it.

Introduction to GSA – 4/17/07

- Q:** What percent does GSA get on a lease?
A: 7% starting in FY08, reduced from the current 8%.
- Q:** Have you had a Lessor not accept the 120-day notice clause in the OA?
A: The 120-day notice is a unique component of the OA between GSA and the agency, not between GSA and Lessor (in the lease). There can be termination rights in a lease but that is separate.
- Q:** If an agency terminates does GSA keep the leased space?
A: Sometimes we can negotiate with the Lessor to reduce space in the lease; sometimes we can backfill it with another tenant if that is an option; and sometimes we have to eat the cost of vacant space.
- Q:** Is an agency locked in during the entire 5-year firm term or can they cancel with 120-days notice?
A: If the OA has the cancellation clause, the agency can exercise the 120-day option, but if the OA is non-cancellable then the agency is responsible for the cost.
- Q:** How long does it take to get a final OA to the agency?
A: That depends on how long it takes to get the space and final CAD drawings measured and tenant improvement reconciliation to make adjustments in the lease.

Kudos: GSA's quality service has improved in the last few years (per SSA associate).

ARA Round Table Discussion

Carla McEachern, GSA's Canadian counterpart

Q: If you could do anything to improve customer service regionally, what would you do?

Jeff Neely, Assistant Regional Administrator - R9

A: An issue in my region is attracting more realty specialists, especially in Southern California. We are trying to address the staffing issue by hiring more interns and support staff.

Rob Graf, Assistant Regional Administrator - R10

A: Our region would like to create a division with specialized customer service roles. We are also looking for more staff but we would want them in specialized customer service roles. I want to refresh the vision of working with the customer as a partner with everyone working for the same purpose: to deliver the customer's mission.

Jeff

A: The "good customer experience" can also be improved by identifying customer service role models in the region as examples to follow with successful customer service experiences. We just have to continue to think positive and not to focus on the failures.

Q: How can GSA improve informing customer agencies of GSA policy and organizational changes that will affect customers' workload? It would be great if the GSA website was updated with new GSA policy information such as the changes with the National Furniture Center.

Rob

A: We met with Jack Wise this morning and discussed how we inform GSA internally. We have regional account managers to assist with communicating changes to the customer but we know that leadership also has to play a role in communicating organizational changes to the customer.

Jeff

A: We are working on improving our communication with customers. The National Furniture Center is working on using innovative techniques to improve their service. You can check out the Region 9 InSite website that is regularly updated.

Rob

A: We hear that you want us to tell you about changes before you hear them after the change has taken place. We will work on communicating the changes better than we have been.

ARA Round Table Discussion

Bobbie, Health and Human Services

Q: GSA is moving towards a customer service oriented business; however I don't have a positive relationship with my day-to-day contact with GSA. I always get a great response from management but not from the realty specialists. What can you do to fix this service gap?

Rob

A: As a charter member of the Human Capital Strategy team for the past five years, we've looked at business processes and tools to create transaction templates for a consistent customer experience. We're educating the realty specialists on these tools and identifying appropriate realty specialists for the right roles and responsibilities. We're changing our business processes by putting people with the right skills in the right roles.

Jeff

A: The tools are comprehensive and we're constantly having conversations regarding consistency and communication with the realty specialists. We know that the realty specialists are overwhelmed with work and we hope that the tools will help them with their work.

Mike Burns, Census Bureau

Q: I like the National Broker Contract in terms of the market surveys. The brokers are knowledgeable and provide useful information. However, I am concerned with the broker conducting the lease negotiations instead of the government realty specialist. How have the brokers been trained in terms of lease negotiations?

Jeff

A: The Census Bureau will have a separate broker contract from the standard National Broker Contract (NBC). The NBC has 17 oversight points that the realty specialist is required to review so the government is not disengaged from the process. The broker can do lease negotiations because the realty specialist is still involved with reviewing the broker's work.

Rob

A: The nature of the Census leases won't work with the standard National Broker Contract. The Census will need special assistance with acquiring their leases. The realty specialist is not disengaged from the process and the broker is adding value by negotiating as a partner of GSA. I am concerned with the work that is subbed out but we are looking into the structure of the NBC and getting the issues out on the table for discussion.

ARA Round Table Discussion

Mike Burns, Census Bureau

Q: I am concerned that the broker cannot provide adequate knowledge on the smaller markets.

A: The GSA realty specialist will take a role with researching the smaller markets.

Social Security Administration

Q: The relationship with R10 and SSA is good; however there are still some challenges with getting business results. What's being done in the regions to ensure that timelines and project management are producing results? Process issues jeopardize deadlines. What can be done to ensure that timelines are met and project management issues are covered?

Jeff

A: We regularly look at the workload of expiring leases and we have meetings with customers to discuss overall project status. I am hopeful that our performance will improve by monitoring the projects. We realize that we need to look at lease transactions at least 24-30 ahead of time to get projects done on schedule.

Rob

A: In response to our business practices, I know that if we don't deliver, we don't have much of a relationship with the customer. It's important to have a continual dialog with the customer to discuss business and space requirements. GSA must take an active role in the conversation so that the expectations of GSA and the customer are in line with each other.

ARA Round Table Discussion

Written Questions to ARA's

Q: GSA does a great job providing Realty Services to Federal Agencies; to provide services similar to commercial leasing sector, can GSA also provide the following:

- a) Option to receive rent bills with cents included (not rounded).
- b) Pricing policy clarifications so they replace the entire page of the manual so the change can be read in context.
- c) Allow sorting GSA and DHS rent bills [Rent-on-Web (ROW)] by building number and/or CBR number, for downloading and/or printing?

Rob

A: a) Cents were included in the past but customers were burdened with reconciling to the penny so GSA rounded to accommodate this requested change. GSA can look into any specific agency request.

b & c) These appear reasonable. GSA will review.

Q: Where are the Realty Specialists and other staff that we work with on a daily basis? Aren't they the real GSA Customer Service?

A: Realty specialists from R9 and R10 were brought to WCCW for the customer interface. The real estate area managers and realty specialists stood up and were acknowledged.

Q: Please explain how furniture delay can delay our (the agency's) rent?

A: If managed by PBS, the delay may prevent beneficial occupancy which triggers the beginning of rent. If the furniture contract is managed by the agency, rent will not be delayed. Both actions can be accomplished by NFC Schedule.