

CHAPTER 8. SPACE ALTERATIONS

- 8-1. General. The Department is not authorized to deal directly or indirectly with lessors with respect to alterations and repairs unless authorized by the General Services Administration (GSA). Alterations, improvements, and repairs to space assigned to HUD will be made only as necessary to (1) provide for efficient and economical performance of Government activities with regard to convenience of the public; and (2) maintain and improve a safe, healthful and well-designed working environment for employees. Cost effective space alterations which will improve utilization shall be given first priority, while other alterations solely for decorating or nonessential purposes shall be prohibited. It is the responsibility of the Director, Administrative Services Division (ASD), to budget for the disconnect and reconnect of telephone instruments handled through the local telephone companies.
- 8-2. Economy Act Limitation (EAL). Expenditures for alterations, improvements and repairs to leased property occupied by the Government are limited to not more than 25 percent of the base rent for the first year of the rental term or for the rental term if less than one year. To exceed this limitation, a Certificate of Determination (CD) must be prepared by GSA Regional Real Estate Division. The CD is a document which qualifies additional expenditures above the EAL as being essential and advantageous to the Government's needs and must be approved by the GSA Regional Administrator.
- 8-3. Procedures.
- a. Headquarters. Space alterations, installation and removal of telephone and electrical outlets required by a Headquarters organizational component are accomplished by the Communications and Space Management Division (ASM). The ASM shall prepare and submit a GSA Form 2957, Reimbursable Work Authorization, to GSA for an itemized cost estimate. Upon receipt of the estimate from GSA, the ASM shall review it to determine its reasonableness. Once this determination is made the ASM shall execute Section III of the Reimbursable Work Authorization and process through GSA for implementation. The ASM may use an alternate method by

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- (8-3.) requesting the Office of Procurement and Contracts to issue a SF-147, Purchase Order, to a contractor under contract from GSA and for which HUD has obtained a delegation of purchasing authority from GSA.
- b. Regional and Field Offices.
1. Space alterations and the installation and removal of telephone and electrical outlets

required by a Field Office may be accomplished by the responsible Regional Office provided the total cost for the project does not exceed \$20,000 and has been coordinated and approved by the GSA Buildings Manager. GSA Form 2957, Reimbursable Work Authorization, shall be prepared and submitted by the ASD to GSA for an itemized cost estimate to accomplish the work. Upon receipt of the cost estimates from GSA, they shall be reviewed by the occupant office and/or parent office (Cost Analyst) and the Regional Office to determine whether the cost estimates are comparable with local labor and material costs. Once this determination has been made, the ASD shall execute Section III of the Reimbursable Work Authorization and process through GSA. Expenses incurred for these projects are chargeable to Regional Office allotments and therefore, shall be budgeted for by each office.

2. Space alteration projects exceeding \$20,000, shall be submitted to the ASM for approval. Requests for alterations shall include an approved layout of the proposed change(s) showing telephone, electrical and structural changes required. Approved floor plans, along with appropriate certification from the Manager of the office stating the work is essential for the efficient operation of the office shall be provided ASM. If approved, ASM will prepare and transmit the GSA Form 2957 to the ASD and the project will be funded by Headquarters. The ASD shall process the GSA Form 2957 along with appropriate floor plans to GSA for cost estimates. Upon receipt of the cost estimate from GSA, they shall be reviewed by the occupant office and/or parent office (Cost Analyst) and the Regional Office to determine whether the cost estimates are comparable with local labor and material costs. Once this determination is

11/83

8-2

(8-3.) made, the ASD shall submit the completed GSA Form 2957 and itemized cost estimates to ASM for funding. Upon completion of Section III of the GSA Form 2957 by ASM the document will be returned to ASD for processing to GSA. The ASD shall be responsible for initiating appropriate action(s) with GSA to ensure timely completion of the project.

- 8-4. Post Alterations Inspection. A post alterations inspection shall be conducted upon completion of the alterations to ensure that the space has been prepared in accordance with the construction drawings and terms of the contract. This

inspection shall be performed by ASM in Headquarters and by the ASD, occupant office, and GSA, as appropriate in the Field.

- 8-5. Post Audits. Reimbursable Work Authorizations (RWA) will be subject to post audits. The ASD shall provide ASM copies of all RWA's processed for space alterations within his/her Region at the time the documents are issued. For those space alteration projects that are accomplished by contract, it is the responsibility of the ASD to determine contract price. If the actual contract cost is less than the amount obligated, the ASD shall initiate action for appropriate funding reconciliation.