

This document remains valid but is currently under review. Please address any questions to the Director, Accommodation Management.

OFFICE ACCOMMODATION AND REAL ESTATE SERVICES

Best Practice Funding of Additional Services

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1. Problem

1. The implementation of the policy on the Funding of Additional Services¹ has raised questions from both clients and regions. Although the policy is essentially clear, guidance on such issues as interpretation, exceptions, and the linkage to Master Occupancy Agreements (MOAs) should help further clarify the policy and ensure its consistent application.

2. Background

1. The 1995 policy was developed to define a consistent approach and contain escalating costs. Tenant services were not consistently converted to additional services upon renewal of Occupancy Instruments (OIs). The Real Property Program lacked adequate funds to maintain integrity of assets and fund additional services. Treasury Board, stating that clients were in a better position to justify additional services as part of their unique program requirements, consistently refused to provide funding to cover the costs of additional services. In May 1995, the Assistant Deputy Minister of the Real Property Services (RPS) Branch informed his client counterparts that, beginning April 1, 1996, as each OI expired, clients would be charged for additional services, with exceptions allowed for services directly attributable to routine extended hours of operation.
2. While many clients appreciated the occasion to review their additional services in consultation with PWGSC, OI by OI, several clients interpreted the policy as unilateral off-loading of funding pressures and not in keeping with the new RPS commitment to client orientation. The ADM sent a subsequent letter to clients in August 1995, emphasising that the policy would be phased in to allow departments to review their requirements. The letter stated that exceptions would be allowed for additional services "where the required services are directly attributable to an imperative program requirement such as the need for extended hours of operation in locations with routine shift operations" and asked that his counterparts review their additional services in the context of widespread fiscal restraint, decide which support imperative program requirements, but which they cannot fund, and write back to him with requests for exceptions.

3. Best Practice

1. Interpretation

1. Application

Flexibility: RPS will show flexibility, creativity and common sense in applying the additional services policy;

Consistency: While respecting the broad lines of the policy, RPS will try to accommodate the client's needs by finding creative solutions and managing priorities within the existing funding envelope;

Past Practice: Although past practice is not a sufficient reason for PWGSC to continue paying for additional services not linked to a client's imperative program requirements, PWGSC should demonstrate its commitment to client service in negotiating a reasonable, mutually agreeable transfer of funding responsibility. If necessary, in phasing in the policy, PWGSC should continue to absorb the costs until the client department is able to plan for and include the required funding in its reference levels;

Exception: PWGSC may choose not to charge for additional services in cases where administrative convenience or costs to the Crown show it to be unreasonable (e.g., where a lease is less expensive when these services are included as part of the basic requirements of the lease).

2. Definitions

Additional Services: As stated in the policy, additional services refers to those services which are in addition to the standard services provided to a client, and which are identified and funded by a client for unique program purposes; these services are identified as part of the original client requirements leading to an OI and should be ongoing over the life of an OI.

Standard services refer to the building and cleaning services that RPS undertakes to provide during normal working hours, as specified in Annex A and B of the General Terms and Conditions of Occupancy (TBS Circular 1985-29).

Physical security falls outside the provisions of the additional services policy, as it is subject to TB's Security Policy of the Government of Canada (1990, revised 1994) and RPS's 1991 policy on the funding of physical security. According to the TB policy, custodian departments are responsible for "providing and funding safeguards considered necessary by the custodian to protect facilities, based on a threat and risk assessment conducted by or for the custodian," while the client department is responsible for protecting their assets (personnel, materiel, information, etc.) within those facilities.

2. Exceptions

1. Criteria

The following criteria will be used by the Director, Accommodation Management to advise the ADM on granting an exception to the additional service policy.

- The client has reviewed the extent of its additional services, in the context of affordability and shared fiscal pressures, and has defined requirements and options accordingly.
- The client's service requirements routinely require extended hours of operation.
- The required services are directly attributable to an imperative program requirement (i.e., the services provide essential support to the delivery of the client's program). 24-hour operations, for example would qualify as an exception, whereas daytime cleaning would not.
- The client's reference levels cannot support the incremental costs without putting undue pressure on its program until it receives funding through the Expenditure Management

System (EMS).

2. Process

Potential exceptions may be identified regionally, as OIs expire, and or nationally, as client requirements are identified through the MOA process.

At the regional level, potential exceptions should be identified and negotiated with the client by the regional client representatives. Regionally specific exceptions are at the discretion of the Regional Director General, in consultation with the appropriate National Client Service Unit Director, to ensure consistency.

National exceptions are at the discretion of the Assistant Deputy Minister, RPS, on the recommendation of the Director, Accommodation Management, Office Accommodation Services (OAS), and in consultation with the National Client Service Unit Director. In general, the Director, Accommodation Management will assess the impact of the exception to all clients, in consultation with the other Directors in OAS.

Additional services which arise mid-occupancy will be paid by PWGSC until such time as the client can plan for and build in the funding through their EMS submissions.

In keeping with the August 1995 letter to client departments, a client may request a national exception by writing to the Assistant Deputy Minister, RPS.

3. Accounting

Regional Client Service Units are responsible to ensure that additional services, including any approved exceptions funded by PWGSC, can be identified. Additional services must be accounted for as revenues and expenditures at the asset level. The total estimated costs, amount billed, exceptions granted, and any savings to PWGSC should be easily identifiable for future EMS submissions.

The new Occupancy Information System (OIS) has a window to track additional services by OI. Currently, the new OIS can handle billing of additional services for fully reimbursing clients since the Financial Management System will read the OI information and issue the billing per the OI, including the additional services identified. **However, for partially reimbursing and non-reimbursing clients, it is recommended that Specific Service Agreements (SSAs) be used instead of OIS to recover the cost of additional services²** to ensure that the revenues are collected until further systems modifications can be made. You will be notified when a systems change is made to OIS so that your regional procedures can be modified.

In keeping with PWGSC program delivery, the Client Service Unit (CSU) Director is accountable for the administration and tracking of additional services in their CSU. OAS has the core responsibility to determine parameters and provide policy guidance.

4. Master Occupancy Agreement (MOA)

The client's national or regional requirements for additional services, including funding and exceptions, should be identified as part of the MOA negotiations. While an MOA may proceed before a final agreement has been reached, the additional services agreement can be appended later as an annex. Additional services identified as providing essential support to the delivery of the client's program, and approved exceptions to the policy, will be incorporated into any departmental requirements package for that client.

5. Enquiries

Enquiries should be directed to the Director, Accommodation Management, OAS (613) 736-2162.

¹ Real Property Branch Manual, Vol. 1, Chapter 1.19, February 1995.

2 Except in the case of approved exceptions which will be funded by PWGSC and included on the OI.

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