U.S. Customs and Border Protection Office of Field Operations

Reimbursable Services Program

American Association of Port Authorities

May 2018



Agenda





Why Partnerships?







Next Steps

Sample Overtime Costs

Why Partnerships?

- U.S. Customs and Border Protection (CBP) is frequently asked to provide new or additional services at ports of entry across the country; however, we are not always able to accommodate these requests.
- Solution: CBP's three pronged Resource Optimization Strategy for Ports of Entry
 - Business Transformation
 - Workload Staffing Model
 - Alternative Funding Sources through Public-Private Partnerships.
- Through Public-Private Partnerships, CBP is better able to accomplish its increasingly complex mission of ensuring border security in the face of rising volumes in travel and trade.
- The Reimbursable Services Program (RSP) is an example of public-private partnerships between CBP and any private sector and government entities.



Reimbursable Services Program Authorities

Section	Year	Description	Expiration
560 Consolidated and Further Continuing Appropriations Act, 2013	2013	 Allowed CBP to enter into five total agreements (any mode) by December of 2013 	Authority expired in 2013 Agreements expire in 2018
559 Consolidated Appropriations Act, 2014	2014	 Gave CBP five years to sign agreements of unlimited duration Limited CBP to ten* air agreements each calendar year for overtime services only Unlimited in sea and land Allows for reimbursement of support staff in the air environment** 	Authority expires in 2019 Agreements do not expire Supplanted by Sec. 481
481 Homeland Security Act, 2002	2016	 Removes limitation on number of air agreements Allows for reimbursement of salaries and benefits of up to five CBPOs in airports that receive less than 100,000 international travelers per year Permits agreements at any facility where CBP provides or will provide services 	No expiration

^{*}Amended by Section 550 of the Consolidated Appropriations Act, 2016 to increase airport limit to 10

^{**}Amended by Section 552 of the DHS Appropriations Act, 2015 to allow for reimbursement of support staff



RSP - New Legislation Overview

The *Cross-Border Trade Enhancement Act, 2016*, signed into law on December 16, 2016, amends Title IV of the *Homeland Security Act, 2002* by adding Section 481 – Fee Agreements for Certain Services at Ports of Entry.

The legislation expands the authority provided in Section 559 of the *Consolidated Appropriations Act, 2014* by:

- Making the RSP permanent;
- Removing the annual statutory limit on the number of air agreements;
- Permitting agreements at any facility in which CBP provides services or will provide services;
- Allowing small airports (<100k international passengers per year) to compensate
 CBP for the salaries and expenses of up to five officers; and
- Authorizing the Commissioner to determine if advanced payment is warranted to enter into an agreement in place of cost reimbursement.



Program Overview

- The RSP provides an alternative source of funding for overtime services beyond CBP's appropriated budget and allows our partners to target where they desire CBP to provide additional services.
- Signing a Reimbursable Services Agreement does not obligate the CBP Port of Entry to provide services beyond its staffing resource capacity and CBP Port Directors maintain control over their staff.
- Signing an agreement does not obligate stakeholders to request certain levels of reimbursable services.



Program Impact

- The Reimbursable Services Program enables
 partnerships between CBP and private sector or
 government entities, allowing CBP to provide
 additional inspection services upon the request of
 stakeholders.
- In 2017, the RSP expanded its open season from once a year to accepting applications year-round with three evaluation periods beginning in March, July and November.
- Through the third evaluation window of 2017, CBP has expanded the RSP to 129 stakeholders covering 105 U.S. Ports of Entry.
- Since program inception, CBP has provided over 162,000 officer overtime assignments and an additional 450,000 hours of services. These services accounted for the processing of over 9.7 million travelers and over 1.35 million personal and commercial vehicles at ports of entry.



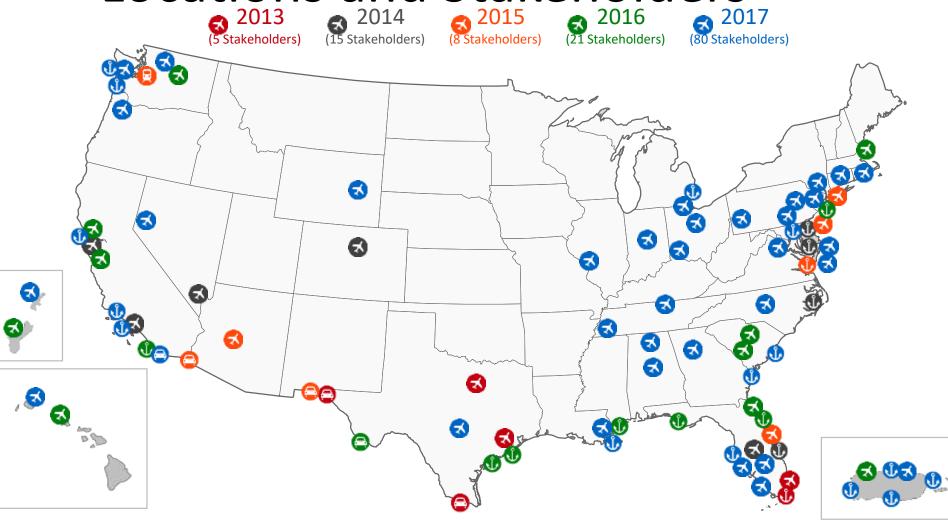








Locations and Stakeholders



Next Steps: Planning/Implementation

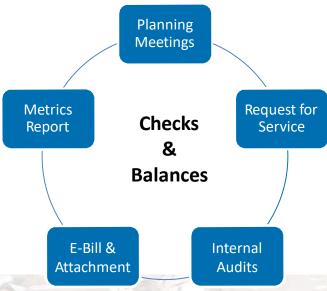
- The Reimbursable Services Agreement will be provided to each selectee for review. The program scope will be determined between the Field Office and selectees, and will be outlined in a separate Memorandum of Understanding (MOU).
- When applicable, selectee representatives who will be eligible to review law enforcement sensitive information will be required to signed a Non-Disclosure Agreement (DHS Form 11000-6).
- After Commissioner review and concurrence, the draft agreements will be presented to Congress (required by statute) for a 15-day review period.
- Afterward, CBP and the selectees will be eligible to sign the agreements. Signing will be conducted by the Commissioner or Executive Assistant Commissioner and the chief executive representing the selectee.
- CBP HQ will deploy a team to each Field Office prior to go-live, providing training in standard operating procedures, management oversight, cost systems, audit tools, and implementation of the agreements.
- Go-live will begin upon mutual concurrence by the Field Office and Partner.



Next Steps: Key Process Overviews

Implementation Process: Notification Initial Site Visit Scope & Planning Agreement/MOU Field Preparation Live

Keys to Program Success:





Reimbursable Services Overtime Costs and Benefit Rates

Rest of United States

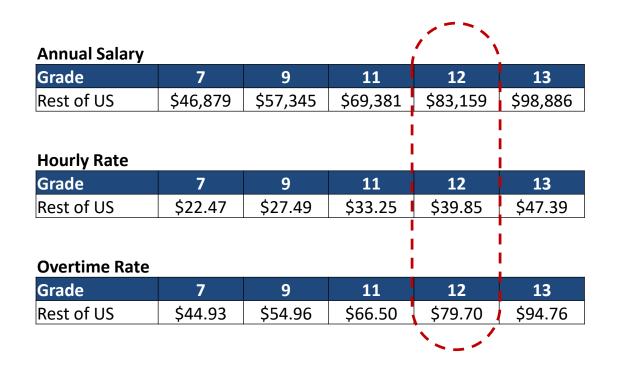
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Agenda

- Annual and Hourly Salary and Overtime Rates
- Overtime Benefits Contribution Rate
 - Applicable Benefits
 - Benefit Rate Range
- Overhead Benefits Rate

Annual Salary and Overtime Ranges



The tables include a variety of possible annual and hourly base salary and overtime rates to represent the range of grade levels that might perform work for the reimbursable services agreements.

Note that all grades are depicted at Step 5 in the tables.

https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/2018/general-schedule/

Overtime Benefit Contribution Rates

CBP Officers earn overtime under the Customs Officer Pay Reform Act (COPRA). Government contributions are required for the following items for employees earning COPRA overtime:

Rate	Туре	Calculation Basis
1.45%	Medicare	Applied to all COPRA overtime earnings
6.20%	FICA	Applied to all COPRA overtime earnings
1.00%	FERS One Percent	Applied to the first \$22,500 of COPRA overtime earnings
4.00%	FERS Matching*	Applied to the first \$22,500 of COPRA overtime earnings
28.8%	FERS Annuity	Applied to the first \$22,500 of COPRA overtime earnings

^{*}The FERS Matching contribution is up to 4%, but depends on the level of retirement contribution that the employee has elected.

Note: COPRA overtime is also subject to CSRS retirement contributions, but relatively few CBP Officers receive CSRS (the majority receive FERS retirement benefits).

Sample Hourly Rate for Overtime

The table below reflects the average hourly cost for a GS-12 Step 5 employee at the location, assuming a 41.45% government contribution rate and 15% overhead:

GS-12 Step 5	
Overtime	\$79.70
Medicare (1.45%)	\$1.16
FICA (6.2%)	\$4.94
FERS 1 Pct (1%)	\$0.80
FERS Matching (4%)	\$3.19
FERS Annuity (28.8%)	\$22.95
Contribution Subtotal	\$33.03
Overhead (15%)	\$16.91
Total Hourly Rate	\$129.64

Overtime Regulations

19 USC 267 – Overtime for Customs Officers		
Law	Description	Summary
19USC267(a)(1)	Overtime Pay Rate	A customs officer who is officially assigned to perform work in excess of 40 hours in the administrative workweek of the officer or in excess of 8 hours in a day shall be compensated for that work at an hourly rate of pay that is equal to 2 times the hourly rate of the basic pay of the officer.
19USC267(a)(2)(A)	Callback	Any work for which compensation is authorized and for which the customs officer is required to return to the officer's place of work shall be treated as being not less than 2 hours in duration; but only if such work begins at least 1 hour after the end of any previous regularly scheduled work assignment and ends at least 1 hour before the beginning of the following regularly scheduled work assignment.
19USC267(a)(2)(B)	Commute	 The customs officer is entitled to be paid, as compensation for commuting time, an amount equal to 3 times the hourly rate of basic pay of the officer; but only if such work: Begins at least 1 hour after the end of any previous regularly scheduled work assignment; Commences less than 16 hours after the officer's last regularly-scheduled work assignment; Commences more than 2 hours prior to the start of the officer's next regularly-scheduled work assignment; and, Ends at least 1 hour before the beginning of the following regularly scheduled work assignment.

Overtime Cost Regulations

Overtime Costs Breakdown for Customs Officers		
Law	Description	Summary
26USC3101(b)(6)	Rate of Tax Medicare (1.45%)	There is hereby imposed on the income of every individual a tax equal to 1.45 percent of the wages received by him/her with respect to employment. https://www.gpo.gov/fdsys/pkg/USCODE-2011-title26/html/USCODE-2011-title26-subtitleC-chap21-subchapA-sec3101.htm
26USC3101(a)	Rate of Tax FICA (6.2%)	There is hereby imposed on the income of every individual a tax equal to 6.2 percent of the wages received by the individual with respect to employment. https://www.gpo.gov/fdsys/pkg/USCODE-2011-title26/html/USCODE-2011-title26-subtitleC-chap21-subchapA-sec3101.htm
5USC8432(c)(1)(A)	FERS (Federal Employees Retirement System) 1 Pct (1%)	At the time prescribed by the Executive Director, the employing agency shall contribute to the Thrift Savings Fund for the benefit of such employee or Member the amount equal to 1 percent of the basic pay of such employee or Member for such pay period. https://www.gpo.gov/fdsys/pkg/USCODE-2011-title5/html/USCODE-2011-title5-partIII-subpartG-chap84-subchapIII-sec8432.htm
5USC8432(c)(2)(C)(ii)	FERS Matching (4%)	The Government adds up to 4% of basic pay to every FERS employee's TSP (Thrift Savings Plan) account in addition to the 1% mentioned above, depending on the amount the employee chooses to contribute. Please note this is a variable rate. https://www.gpo.gov/fdsys/pkg/USCODE-2011-title5/html/USCODE-2011-title5-partIII-subpartG-chap84-subchapIII-sec8432.htm
5USC8334(d)(2)(A)(ii)	FERS Annuity (28.8%)	The Office of Personnel Management distributes the contribution rates under FERS. https://www.opm.gov/retirement-services/publications-forms/benefits-administration-letters/2015/15-303.pdf https://www.gpo.gov/fdsys/pkg/USCODE-2011-title5/html/USCODE-2011-title5-partIII-subpartG-chap83-subchapIII-sec8334.htm
19CFR24.21(a)	Overhead (15%)	An additional charge for administrative overhead costs shall be collected to reimburse Customs for compensation and/or expenses of Customs officers performing reimbursable and overtime services. The cost of the charge for administrative overhead shall be 15 percent of the compensation and/or expenses of the Customs officers. https://www.gpo.gov/fdsys/pkg/CFR-2012-title19-vol1/xml/CFR-2012-title19-vol1-sec24-21.xml

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Overhead Rate

The reimbursable services agreement includes an overhead rate of 15% to cover administrative and indirect costs.





Alternative Funding Programs

Reimbursable Services Program

The Reimbursable Services Program (RSP) enables partnerships between CBP and private sector or government entities, allowing CBP to provide additional inspection services upon the request of stakeholders.

Types of Services Included	Authorizes reimbursement for customs, immigration, agricultural processing, border security, and support services	
Length of Agreements	Agreements have no term limits	
Limitations in the Airport Environment	Airports with >100,000 international passenger arrivals annually may reimburse CBP for only overtime services Airports with <100,000 international passenger arrivals annually may reimburse CBP for up to 5 full-time CBP Officers and for overtime services	
Impact on Existing Operations	Agreements may not unduly and permanently impact existing services	
Location of Services	Permits agreements at any facility where CBP provides or will provide services	

Applications	Evaluation	Selection
Application information and	Multi-layered evaluation of impact	CBP and Selectees:
evaluation timeline can be found	to stakeholders and the CBP	Sign a binding fee agreement
on CBP.gov/RSP.	mission;	Sign a local memorandum of
	Criteria include:	understanding outlining the
At a minimum, letters of	 Impact and benefits on CBP 	services, schedules, and other
application should detail the	operations	conditions for the location(s)
services requested, location,	Funding reliability	covered by the agreement
facilities, funding and other	 Community concerns 	Establish an electronic bill
considerations listed on the	Health and safety	payment account through
Application Guidance page on	Other agency support	Pay.gov for overtime services
CBP.gov/RSP.	 Community/economic benefits 	
	Feasibility of implementation	

Operations

CBP works with stakeholders to fulfill service requests and establish local recurring meetings for the purposes of program planning. Stakeholders requesting overtime services receive a monthly metrics report and electronic bill when services are provided. Costs associated with these services may include salary, overtime, benefits, travel, training, and a 15% administrative fee (19 CFR 24.21). Reimbursement for overtime services must be remitted through Pay.gov within 15 days of the posted e-bill. CBP may require that the costs described above be paid in advance of the performance of services.

For More Information:

Potential applicants and interested parties can find additional information on www.cbp.gov/RSP, and may submit questions regarding the Reimbursable Services Program and the application process to: RSP@cbp.dhs.gov.

Additional Information on CBP Public Private Partnerships

CBP's website, CBP.gov, includes additional information on the following link:

http://www.cbp.gov/RSP

Questions?



