



## PBS Client Enrichment Series – Q & A



**Topic:** *PBS Leasing's GLS Plus - Private Sector Experience, Public Sector Value*

**Presenters:** *Bridget Rhodes and Rebekah Cowles*

**Dates of Presentation:** *September 16, 2021*

**Link to Client Enrichment Series Information:** [www.gsa.gov/ces](http://www.gsa.gov/ces)

### **Additional GLS Plus Information**

- [www.gsa.gov/gls](http://www.gsa.gov/gls) - GSA Leasing Support Services news, fact sheets, etc

**1) Our agency has a large number of small leases (most 2,000-4,000 SF). These do not yield very large commissions for the brokers. Are we still able to use the GLS Plus contract?**

**A.** Our contract is designed that commissions should yield \$5000 or more to a broker on a single action. We have to be careful about the cost of travel, the cost of resources invested and attempt [for the commission] to at least cover a minimal aspect of expenses for our broker firms. However, we recognize that there are a lot of agencies out there that have multiple small projects, and we have a way to achieve them under this broker program. Portfolios of Work can be awarded. Meaning grouping a number of projects, small and large, even projects that don't yield the \$5000 in estimated commission, can be grouped together with larger projects or with multiple projects so that the broker can do that body of work for your agency. So yes, there is a way to send small projects to brokers so long as we work together on the coordination using a Portfolio of Work.

**2) Is this program available in rural and remote areas or geared more towards more urbanized areas?**

**A.** It is available wherever the federal government has leased space. We recognize that leased projects need to be done in Welch, West Virginia, as much as they need to be done in New York, New York. The brokers go to all different places to handle leased projects. Now, this assumes there is a commission to be earned and the commission compensation is appropriate for the project's costs (individually or as a part of a grouping/Portfolio of Work).

**3) So the 7% administrative fee is tacked on to our OA's, and there are no front office security guards, no outside bollards, etc..what does this fee cover? Seems no GSA LCO work is being done day to day, maybe we get the annual inspection, but not on all GSA leases.**



## PBS Client Enrichment Series – Q & A



A. The PBS fee for leased space is a flat 7 percent and applies to all lease actions. The PBS fee is designed to cover: • Contract risk; • Lease acquisition services; and • Lease administration. The full explanation of PBS Fees can be found [in the GSA Public Buildings Service Pricing Desk Guide](#).

**4) Is CCIM certification a requirement for broker contractors?**

A. Brokers need to be certified in pretty much the same things that Realty Specialists are required to be certified in. CCIM is not a requirement at this time. It is definitely a plus. It is one of the specialized training sessions and certifications that if a broker possessed it, it would be an addition or plus to their proposal when they applied for it to the contract.

**5) Can agencies who receive general or special purpose delegation through GREX access this no cost broker contract?**

A. No, contract usage is relegated to GSA managed procurements only, so we are unable to share the contract with delegated agencies. However, if you came to us and wanted us to work on that project directly, we would be happy to facilitate.

**6) Are we able to utilize this contract for delegated leases or is it reserved for GSA procured leases?**

A. No, as it is relegated to GSA managed procurements.

**7) How are taxpayer savings estimated? How do rent credits, passed directly to Client Agencies, save the taxpayers money?**

A. At a very high level, taxpayers' savings are estimated through the lease cost avoidance program by awarding lease contracts below market and secondly, through rentable square foot reductions - smaller spaces awarded under market. Rent credits pass directly to client agencies and are calculated as taxpayer savings because they reduce the cost to the government. These are ways that cost savings can be accumulated. Again, that is awarded leases below market rents, reductions in square footage, and also a commission credit to the agencies, which is pure shell rent that does not have to be paid by an agency.



## PBS Client Enrichment Series – Q & A



- 8) ***It has to be a GSA administered lease, not delegated leases, for agencies to use the GLS Plus contract, correct?***
- A. Correct. A delegated agency is not able to use the contract.
- 9) ***Can this broker contract be used to negotiate specialized leased space? E.g., BSL-2 biomedical research space, vivariums, etc.***
- A. Yes, this lease is perfect for the specialized spaces because brokers often have the expertise that we may lack within the government.
- 10) ***How does GSA Leasing determine what's market value? GSA Cost Estimators use NCMT, which is based on RSMeans - a cost database that updates quarterly with local and national unit prices for construction.***
- A. We use a couple of different things. We develop negotiation objectives at the start of every project. We do that through market research and analysis. Our brokers assist us with that. GSA lease contracting officers use market data, market analysis, and commercially available tools to check market rates. And we also use the Bullseye program, which is sponsored by the GSA's national office, which consolidates three very reputable commercial real estate companies with their market researching data to develop negotiation objectives. When you bring pieces of information together, you have a much clearer picture of what the market is, and can establish quality negotiation objectives at that point.
- 11) ***Does GSA Leasing use a similar tool?***
- A. Yes. As mentioned we use some commercially available industry tools such as Costar. We also rely on the market to dictate what that true market value is (via comparables). With Brokers, we are additionally able to leverage their proprietary tools in addition to our tools to compare what is available in the market. With those, we are able to develop our targets.
- 12) ***How do these enhanced requirements differ from a Formal Program of Requirements (POR)?***
- A. The GLS Plus contract offers a macro POR. We want to encourage you to take a look at the specifics in the contract to really hone in on what is offered through our contract. There are enormously in depth formal program requirements out there. Depending on the building, the



## PBS Client Enrichment Series – Q & A



size, or specialized requirements, PORs can be 20 pages, 30 pages, or 250 pages. Our macro POR is less detailed and provides a high level picture of the most critical requirements.. That is why we use the term macro. Required deliverables would include things like the gap analysis, the executive summary, information on adjacencies, et cetera. If that suffices for your agency, we want to encourage you to use that. Some of the issues with formal programs of requirements are the very long time frame for developing them as well as the funding commitment.

**13) Does the contract cover US territories like Guam & America Samoa?**

A. Yes, it does.

**14) Are there legal reasons why Client Agencies are not involved in lessor agreements? What are the benefits to that arrangement?**

A. I can't speak to the exact legal agreement, but basically, it is because the agreement is between the lessor and the broker. We don't want clients or GSA personnel involved in establishing the Broker's compensation because it should be influenced by the market and not by any thoughts or feelings we have regarding the broker's performance or the value that we think they add. There is value for broker services in the commercial market and we'd like those that are engaged in that market to make that determination.

**15) Is Bulls Eye program something we can subscribe to?**

A. No. The Bullseye program is internal to GSA. It is one of the aspects that we use within our leasing community to assist our lease contracting officers. I don't believe that -- if this is coming from an outside source, I don't believe we share that with other agencies. I do not think we share that externally. However, if you have a specific request, there may be some information that we can provide you later that may assist you in developing your own.

**16) Why are we experiencing long delays with getting brokers assigned to lease acquisition projects? Our GSA POCs say it isn't them, it's the GSA Broker Contracting Office. What's going on?**

A. There are a number of reasons that a task order award might be delayed once it reaches the Center for Broker Services. The most likely reason could be that the project(s) met the threshold requiring a Fair Opportunity Determination (FOD) or competition among the Brokers available to compete for this task order. This process can take a few weeks. This time spent upfront pays off by getting you the project team that best meets your definition for project success.

## PBS Client Enrichment Series – Q & A



**17) So is the virtual market survey like Matterport?**

A. Matterport is one commercially available tool for virtual market surveys. Your actual virtual survey will vary based on the awarded Broker's chosen tool.

**18) Has GSA considered offering Market Survey 360 as an option for all acquisitions, even those outside of the GLS program?**

A. Yes. The success of Market Survey 360 as well as adjustments to our processes due to the pandemic have made virtual market surveys an attractive offering regardless of our acquisition strategy. At this time, we are investigating interest, funding and technology considerations. There is currently no timeline for final determination.