



GSA Public Buildings Service

February 23, 2021

MEMORANDUM FOR: REGIONAL COMMISSIONERS, PBS
REGIONAL LEASING DIRECTORS
REGIONAL LEASE ACQUISITION OFFICERS

FROM: JOHN D. THOMAS 
ACTING ASSISTANT COMMISSIONER FOR OFFICE OF
LEASING – PR

SUBJECT: LEASING ALERT (LA-21-01) – Considerations and Options
for Non-traditional Lease Physical On-Site Tours &
Inspections

1. **Purpose.** This Leasing Alert outlines considerations and options for conducting non-traditional lease physical on-site tours and inspections (Attachment 1). In person lease tours and inspections, with attendance on-site by at least one person representing GSA, are preferred whenever possible. It is prudent to provide guidance for alternatives during COVID-19, in order to maintain procurement progress while minimizing the disruption caused by this pandemic.
2. **Background.**
 - a. Current lease policy requires physical on-site inspections of buildings at two stages of GSA lease procurement: 1) pre-award building tours and 2) acceptance (lease acceptance and for post-occupancy alterations projects). However, under the current COVID-19 pandemic conditions, there are practical considerations that impact GSA PBS's ability to perform these physical inspections.
 - b. The Office of Management and Budget Memo [M-20-27](#) provides guidance and examples of agencies maintaining Government activities and contracting to minimize the disruption caused by COVID-19 through leveraging innovative business practices. These include remote acquisition strategies, such as virtual inspections as an alternative to an on-site inspection.
 - c. It is still preferred, whenever possible, that physical building tours and acceptance inspections occur in person, with attendance on-site by at least one person representing the GSA.

U.S. General Services Administration
1800 F Street, NW
Washington, DC 20405-0002

www.gsa.gov

- d. These considerations and options for non-traditional lease physical on-site tours & inspections (Attachment 1) with associated guidance as follows:
 - i. RLP and Lease template language (Attachment 2)
 - ii. Building Tour Video/Picture Guidelines (Attachment 3)
 - iii. Provisional Space Acceptance Language (Attachment 4)
 - iv. Provisional Alterations Acceptance Language (Attachment 5)
3. **Effective Date.** This Leasing Alert and its attachments are effective on the date of issuance for use during the COVID-19 pandemic.
4. **Applicability.** This Leasing Alert and its attachments are mandatory and apply to all General Services Administration (GSA) real property leasing activities and to activities delegated by GSA to other Federal agencies.
5. **Cancellation.** None.
6. **Instructions and Procedures.** These considerations and options for non-traditional lease physical on-site tours & inspections with associated attachments are provided as guidance for the regions when considering alternatives at the project level due to the current COVID-19 pandemic. When considering these non-traditional options, the LCO shall weigh project variables and risk, in consultation with his/her supervisor and regional counsel, as appropriate. Awarding a lease and/or accepting space without an on-site inspection presents a high degree of business risk to the Government that should be carefully weighed.
 - a. Attachment 2 contains RLP and lease language, for use as determined by the LCO, so that offerors are aware of the potential for picture/video submissions for a building tour as well as the possibility of the Government's provisional space acceptance. For AAAP procurements, the Office of Leasing (OL) will issue an RLP amendment to regional RLPs with similar, conforming language as appropriate.
 - b. Attachment 3 provides a framework for the offeror-provided picture/video submissions discussed above, which should be tailored to the project and agency requirements.
 - c. Attachments 4 and 5 contain language to be included in Lease Amendments involving provisional acceptance of Space or post-occupancy alterations. Prior to issuing a provisional acceptance, the LCO must obtain written confirmation from the lessor that all work has been completed in accordance with the Lease (or Lease Amendment) requirements.

Attachments:

- **Attachment 1**, Considerations and Options for Non-traditional Lease Physical On-Site Tours & Inspections

- **Attachment 2**, Revised RLP and Lease Language
- **Attachment 3**, Building Tour Video/Picture Guidelines
- **Attachment 4**, Provisional Space Acceptance Language
- **Attachment 5**, Provisional Alterations Acceptance Language

COVER PAGE FOR ATTACHMENTS 1, 2, 3, 4, 5

LA-21-01: Attachment 1 - Considerations and Options for Non-traditional Lease Physical On-Site Tours & Inspections

Background: The Office of Management and Budget Memo [M-20-27](#) provides guidance and examples of agencies maintaining Government activities and contracting to minimize the disruption caused by COVID-19 through leveraging innovative business practices. These include remote acquisition strategies, such as a virtual inspection as an alternative to an on-site inspection.

Current lease policy requires physical on-site inspections of buildings at two stages of GSA lease procurement: 1) pre-award building tours and 2) acceptance (lease acceptance and for post-occupancy alterations projects). However, under the current COVID-19 pandemic conditions, there are practical considerations that impact GSA PBS's ability to perform these physical inspections, such as:

- Most GSA employees are in mandatory telework status and are restricted from traveling to locations.
- Certain locations are remote and can only be accessed via air travel; air travel poses more risk than POV or GOV travel.
- Tenant agencies who also attend these inspections and who provide input into the decision-making process may also be restricted from traveling or physically attending inspections.
- There may be state or locally imposed restrictions that could affect the building owners' ability to conduct a tour.

It is still preferred, whenever possible, that physical market surveys/building tours and acceptance inspections occur in person, with attendance on-site by person(s) representing the GSA and the tenant agency. A GSA Representative can be any of the following, including but not limited to:

- GSA Lease Contracting Officer (LCO)
- GSA Project Manager
- GSA Leasing Specialist
- GSA Lease Administration Manager (LAM)
- GSA Broker Representative (for broker projects only)

These considerations and options for non-traditional lease physical on-site tours & inspections with associated attachments are provided as guidance for the regions when considering alternatives at the project level due to the current COVID-19 pandemic. When considering these non-traditional options, the LCO shall weigh project variables and risk, in consultation with his/her supervisor and regional counsel, as appropriate. Awarding a lease and/or accepting space without an on-site inspection presents a high degree of business risk to the Government that should be carefully weighed. In addition, the LCO shall include the language as outlined in Attachment 2 in RLP packages, as appropriate, so that offerors are aware of the potential for picture/video submissions for a building tour as well as the possibility of the Government's provisional space acceptance.

Considerations and Options:

Below are considerations and options for pre-award building tours and post-award inspections. Regardless of the option pursued, documentation of standard project processes should still be completed, e.g., market survey report and agency concurrence, AAAP due diligence documentation, space acceptance.

Considerations for these options include use of GSA IT approved platforms for conducting [virtual and online meetings](#), which can also be used to record the 'virtual' tour. G-REX accepts MP3, MP4, .MOV and other files, up to 1GB.

1) Physical On-Site Presence by at Least One GSA Representative

In instances where a physical on-site tour or inspection can occur, all attendees are expected to follow current CDC guidelines, e.g., social/physical distancing, use of masks, along with an attendance limitation to the absolute fewest number of participants possible. The tour should leverage available technologies and tools to document site conditions to the greatest extent possible. At least one of the above-listed GSA Representatives should attend in person, documenting conditions as appropriate to include pictures, for the below options:

- For pre-award market survey/AAAP building tour:
 - AAAP or SLAT Lease Models: Utilizing these models wherever possible as they only require a building tour of the apparent low offeror instead of conducting a full market survey tour of multiple buildings. This inherently minimizes the number of buildings toured, minimizing physical inspection time and locations.
 - GLS *Plus* Broker Services: The GLS *Plus* contract contains two options. The COR in concurrence with the Contractor, may allow the Contractor to provide a video recording of the market tour when there are practical considerations that impact the government's ability to perform these activities (e.g. emergency, urgent/compelling, pandemic). However, under no circumstance shall contractor personnel be asked to perform a market survey if there may be a risk to his/her personnel safety. In addition, the contract includes the option to request market surveys that use 360-degree camera technology, which can provide a fuller picture of existing site conditions compared to traditional still images. The minimum contract standard is for the contractor to provide 360-degree digital still images, however contractors are encouraged (but not required) to provide more creativity and greater degree of detail (specific examples are shown in this [presentation](#) adapted from the GLS *Plus* training). See [GLS Plus Contract](#) for additional details.
 - Live Guided 'Virtual' Tour with GSA Representative: A GSA Representative along with a building owner's representative conduct a 'virtual' tour live using a GSA-approved platform for virtual and online meetings to walk through the outside and inside of a building, space offered, common areas, etc.. The building owner's representative must be prepared to show all relevant building features as well as demonstrate measurements and functional elements. This allows "real time" interaction with market survey attendees while minimizing the on-site

presence. The building owner's representative can respond to questions from all attendees, including those connected via online meeting technology. If meeting recording capability is utilized, the recorded tour can be later referenced and used for file documentation.

- For post-award inspections, acceptances (including alterations)
 - Live Guided 'Virtual' Tour with GSA Representative: Have at least one GSA Representative to physically tour the Space with the Lessor, documenting conditions as appropriate to include pictures. Assess other agency attendees to minimize the Government representatives also on this physical tour. Utilize a GSA-approved platform for virtual and online meetings to minimize the number of people that attend this physical acceptance tour. If meeting recording capability is utilized, the recorded tour can be later referenced and used for file documentation.

2) No Physical On-Site Presence (by at least one GSA Representative)

In instances where travel by at least one of the above-listed GSA Representatives is not possible under COVID-19 restrictions, then the following measures are authorized, in order of preference. For these instances, follow-up with the building owner may be needed and the GSA Representative should pursue follow-up accordingly.

- For pre-award market survey/AAAP building tour:
 - Live Guided 'Virtual' Tour by Building Representative*: A building owner's representative conducts a 'virtual' tour live with at least one person on-site to walk through the outside and inside of a building, space offered, common areas, etc. A GSA Representative shall set up a virtual/online meeting for purposes of the tour. If meeting recording capability is utilized, the recorded tour can be later referenced and used for file documentation. The building owner's representative must be prepared to show all relevant building features as well as demonstrate measurements and functional elements. Focus on key dimensions, e.g., ABBAS, column spacing, ceiling height, and agency go/no-go criteria. This allows "real time" interaction with inspection attendees while minimizing the on-site presence. The building owner's representative can respond to questions from Government attendees, including the GSA Representative. It is recommended that the GSA Representative serve as the single POC to ask questions during the tour, with other Government representatives forwarding questions to this GSA Representative.
 - Lessor Provided Documentation via Pictures and/or Recorded Video: This option should only be used in situations where there are technical limitations to participating in a live guided 'virtual' video tour as described above. The building owner can provide a video(s) and/or pictures submission in lieu of the live guided 'virtual' tour. Check with the owner and/or the owner's representative showing the property to see if they already offer this service.

Attachment 3 [Building Tour Video/Picture Guidelines](#) provides a framework for these tour video(s) and/or pictures and questions. The GSA Representative shall

tailor this to the project and agency requirements. Note that the video(s) and/or pictures should not just show the offered space but also the building exterior, parking, entrance, and those common areas to be accessed by Government tenants and visitors. The video(s) and/or pictures should especially focus on permanent building and site features, accessibility, fire/life safety, building amenities, go/no-go criteria, etc. that define a building's acceptability in meeting the project requirements and not focus solely on interior space finishes that will be replaced during the buildout.

- For post-award inspections, acceptances (including alterations)
 - Live Guided 'Virtual' Tour by Building Representative: The lessor's representative conducts a 'virtual' tour live to walk through Space and appurtenant areas to demonstrate substantial completion. A GSA Representative shall set up a virtual/online meeting for purposes of the tour. If meeting recording capability is utilized, the recorded tour can be later referenced and used for file documentation. The lessor's representative must be also prepared to confirm lease compliance through measurements, as applicable. This allows "real time" interaction with inspection attendees while minimizing the on-site presence. The building owner's representative can respond to questions from Government attendees, including the GSA Representative. It is recommended that the GSA Representative serve as the single POC to ask questions during the tour, with other Government representatives forwarding questions to this GSA Representative.
 - Lessor Provided Documentation via Pictures and/or Recorded Video: The lessor shall provide documentation to support substantial completion, e.g., video, pictures and provide written confirmation the alterations have been completed in accordance with the Lease or Lease Amendment. It remains the LCO's discretion to determine whether to accept the documentation and confirmation as evidence of substantial completion. In those instances where the LCO has determined substantial completion without a GSA Representative on-site for physical inspection, the Lease Amendment shall contain provisional acceptance language as outlined in Attachment 4 [Provisional Space Acceptance Language](#). For post-occupancy alterations, use the Provisional Acceptance Language as outlined in Attachment 5 [Provisional Alterations Acceptance Language](#).

LA-21-01: Attachment 2 - Revised RLP and Lease Language

Note: The following reflects use of the Global Request for Lease Proposal (RLP) GSA Template R100 AAAP and Global Lease GSA Template L100. LCOs must adjust for other models as appropriate. New language is highlighted.

Revised February 2021

ACTION REQUIRED: MANDATORY FOR SITUATIONS WHERE THE RLP IS ISSUED PRIOR TO TOURING LOCATIONS. OTHERWISE, DELETE.

Revised RLP Language:

3.10 ADDITIONAL SUBMITTALS IN LIEU OF BUILDING TOUR (FEB 2021)

Due to COVID-19 pandemic conditions, an on-site physical tour of the offered Property may not be practical. At the LCO's discretion, additional Offer submittals may be requested to include pictures, video(s), and/or a building representative conducting a walkthrough with a virtual or online meeting option provided by GSA. In these instances, additional guidance will be more particularly set forth by the LCO.

Revised Lease Language:

ACTION REQUIRED: MANDATORY FOR SITUATIONS WHERE TRAVEL ON-SITE FOR THE FINAL ACCEPTANCE INSPECTION MAY BE ADVERSELY IMPACTED DUE TO THE COVID-19 PANDEMIC. OTHERWISE, DELETE.

PROVISIONAL ACCEPTANCE (FEB 2021)

A. At a time of exceptional circumstance, i.e., pandemic, the Government may accept the Space on a provisional basis until such time that a re-inspection on-site can occur. In this instance and upon request from the LCO, the Lessor shall provide such documentation (e.g., picture(s), video(s) and/or a representative on-site for a live-stream or 'virtual' walkthrough) to confirm substantial completion. In such an instance the Government may withhold a percentage of lump sum Tenant Improvement payment as a reserve to ensure that all deficiencies and/or punch list item(s) will be addressed by the Lessor within the time frame established or until the Government can determine the space has been delivered in accordance with the Lease requirements, Design Intent Drawings and Construction Drawings.

B. At such time as a physical on-site inspection is deemed possible by the Government, the Government reserves the right to physically inspect the Space with an on-site representative to conduct a space measurement and to document any deficiencies and/or punch-list item(s) for the Lessor's correction.

C. Upon re-inspection and Government acceptance of any deficiencies and/or punch list item(s) documented per above, or in the instance of no such documented items, this provisional acceptance will be rendered non-provisional and fully accepted by the Government via subsequent Lease Amendment.

LA-21-01: Attachment 3 - Building Tour Video/Picture Guidelines

BUILDING TOUR VIDEO(S) AND/OR PICTURES GUIDELINES

For considerations and options during the COVID-19 pandemic, it is preferred for at least one GSA Representative to attend on-site, utilizing a GSA approved platform for virtual and online meetings for other attendees, if applicable. If meeting recording capability is utilized the recorded tour can be later referenced and used for file documentation.

If limitations do not allow for a physical on-site tour with at least one GSA representative, the Prospective Offeror shall provide, via email to the Lease Contracting Officer (LCO) or LCO designee, a Building Tour Video and/or Pictures in lieu of the live guided 'virtual' tour. More than one submission may be needed due to the file size. The video(s) and/or pictures shall include a date/time stamp or other indication of date for video(s) and/or pictures. Submission to the Lease Contracting Officer (LCO) or LCO designee should indicate the Building Address, City, State and any other information requested by GSA, i.e., project number.

Building Tour Video(s) and/or Pictures. Video(s) and/or pictures must accurately depict existing conditions of the Premises, including those pertaining to accessibility, fire/life safety (e.g., sprinklers, means of egress, fire alarms), and building amenities. Note that this includes showing measurements and/or path of travel. At a minimum, video(s) and/or pictures must show the following features and include audio and/or text that indicates area(s) being shown:

1. Building Exterior, as applicable
 - a. Street intersection(s) nearest to the property
 - b. Entire front of building showing entrance to parking lot and entrance to the building
 - c. Sides and rear of building
 - d. Exterior loading area
 - e. Parking lot
 - i. Reserved spaces for Government-Owned Vehicles (GOVs)
 - ii. Spaces available for visitor/employee use
 - iii. Accessible parking
 - f. Entrance(s), including accessibility features such as ramps, entrance buttons and doorways
 - g. Landscaping
 - h. Lighting - parking, building entrance(s), walkways, etc.

2. Building Interior, Public Areas and Service Areas, as applicable
 - a. Building entrance(s) lobby
 - b. Corridors
 - c. Security guards, turnstiles, or other security for building occupants within the building lobby or throughout the shared common space
 - d. Directory board
 - e. Interior ramps, lifts, rails, if any
 - f. Fire control systems panel
 - g. Drinking fountains
 - h. Elevator bank and call buttons, to include:
 - i. Building lobby, main floor, and floor(s) offered/occupied
 - ii. Elevator interiors with call buttons, firefighters operation switch

- i. Men's or Unisex restroom; entry door, lavatories, urinals, stalls, dispensers and other accessories, wall finishes, ceiling, accessible stall and turning radius
 - j. Women's or Unisex restroom; entry door, lavatories, stalls, dispensers and other accessories, wall finishes, ceiling, accessible stall and turning radius
 - k. All fire exit stairwells accessible from Space, showing point of discharge (e.g., lobby, outside, etc.)
 - l. Building telecommunications demarcation and telecommunications closets on all floors with offered space
 - m. Building amenities such as conference center, fitness center, dining and other aspects unique to the property
 - n. Loading dock/service area and means of access to proposed space
3. Proposed Space
- a. Entry door(s)
 - b. Pan around space to overview of space
 - c. Column spacing, to include measurement between columns
 - d. Perimeter wall showing convectors, window height, width, and spacing
 - e. Views out windows
 - f. Clear view of the existing ceiling showing the following:
 - i. Ceiling height
 - ii. Presence of obstructions or soffits
 - iii. Tile conditions and configuration
 - iv. Lighting
 - v. Sprinkler heads
4. Additional Tenant Agency Criteria (other go/no-go or agency specific requirements to be filled out by GSA Representative)
- a. **Criteria 1**
 - b. **Criteria 2**
 - c. **Criteria 3**

LA-21-01: Attachment 4 - Provisional Space Acceptance Language

**SAMPLE LEASE AMENDMENT LANGUAGE FOR ACCEPTANCE WITHOUT
A GSA REPRESENTATIVE ON-SITE FOR PHYSICAL INSPECTION
RESULTING IN PROVISIONAL ACCEPTANCE OF SPACE DURING COVID-19**

- 1) The Government hereby issues a provisional acceptance of the Space as substantially complete with confirmation by the Lessor that the alterations associated with the Lease, including shell, tenant improvements and BSAC, have been completed in accordance with the Lease requirements, Design Intent Drawings and Construction Drawings. The Government has not physically inspected the Space at substantial completion due to restrictions related to the COVID-19 pandemic. At such time as a physical on-site inspection is deemed possible by the Government, the Government reserves the right to physically inspect the Space with an on-site representative to conduct a space measurement and to document any deficiencies and/or punch list items for the Lessor's correction. The Government will determine a reasonable timeframe for completion of these items. The Lessor must coordinate a follow-up inspection with the Lease Contracting Officer (LCO) to ensure all corrective action(s) have been completed. Failure by the Lessor to correct any deficiency and/or punch list item(s) may constitute default by the Lessor, and shall give rise to the rights and remedies for the Government in accordance with the GSA Form 3517 - General Clauses, No. 10. DEFAULT BY LESSOR.

Upon re-inspection and Government acceptance of any deficiency and/or punch list item(s) documented per above, or in the instance of no such documented items, this provisional acceptance will be rendered non-provisional and fully accepted by the Government via subsequent Lease Amendment.

- 2) The square footage will be measured at the physical on-site inspection of space; in accordance with the GSA Form 3517 - General Clauses, No. 21 - Payment and Paragraph **XX** of the Lease, the Government will not pay for space in excess of the amount of ABOA square footage that is stated in the Lease which is **XX** ABOA Square Feet.

Delete instructional blue text from final document

The below is an example of a retainage, where a portion of lump sum Tenant Improvements (TI) are reserved for potential deficiency and/or punch list item(s). This does not apply to TI amortized into the rent as a per square foot cost. The 10% example below is for illustrative purposes and the amount agreed to should be the result of negotiations with the lessor.

- 3) The total cost of the tenant improvements associated with the construction of the Government's leased space is \$1,500,000.00 which is \$500,000.00 more than the total tenant improvements allowance set forth in Paragraph 1.06 of the Lease.

The Lessor and the Government hereby agree that the Government will withhold 10% of the lump sum payment due to the Lessor in the amount of \$50,000.00, as reserve to ensure that all deficiencies or punch list items have been addressed by the Lessor within the time frame established within this Lease Amendment. Upon validation that all deficiencies and punch list items have been corrected, the Lessor may submit an invoice for the balance due to the Government following the procedures outlined in Paragraph 4 below.

Include final invoicing instructions below, if applicable.

LA-21-01: Attachment 5 - Provisional Alterations Acceptance Language

**SAMPLE LEASE AMENDMENT LANGUAGE FOR ACCEPTANCE WITHOUT
A GSA REPRESENTATIVE ON-SITE FOR PHYSICAL INSPECTION
RESULTING IN PROVISIONAL ACCEPTANCE
OF POST-OCCUPANCY ALTERATIONS DURING COVID-19**

The Government hereby issues a provisional acceptance of the alterations procured under Lease Amendment Number **XX**, dated **XX/XX/XXXX** as substantially complete with confirmation by the Lessor that the alterations associated with this Lease Amendment have been completed in accordance with the scope of work. The Lessor and the Government agree that, once an inspection is more practicable in light of the COVID-19 pandemic, the Government has the right to visit the space and conduct an on-site inspection to document any deficiencies and/or punch list items for the Lessor's correction. The Government will determine a reasonable timeframe for completion of these items. The Lessor must coordinate a follow-up inspection with the Lease Contracting Officer (LCO) to ensure all corrective action(s) have been completed. The cost of the punch list corrections will be at no additional cost to the Government. No extensions will be granted.

Failure by the Lessor to correct any deficiency and/or punch list item(s) may constitute default by the Lessor, and shall give rise to the rights and remedies for the Government in accordance with the GSA Form 3517-General Clauses, No. 10. DEFAULT BY LESSOR.