

MEMORANDUM TO ASSISTANT REGIONAL ADMINISTRATORS, PBS
1P, 2P, 3P, 4P, 5P, 6P, 7P, 8P, 9P, 10P, WP
REGIONAL REALTY SERVICES OFFICERS

FROM:

WILLIAM B. JENKINS
for NATIONAL REALTY SERVICES OFFICER
OFFICE OF REALTY SERVICES - PE

SUBJECT: "Office Hoteling" Leases

1. Purpose. This real property letter issues guidance on the execution of "Office Hoteling" leases.
2. Background.
 - a. GSA customers often have needs for small blocks of space on a temporary or short-term basis, for swing space, emergencies, special projects, etc. The commercial real estate market is now offering an "Office Hoteling" (OH) lease that can sometimes meet that demand. An OH lease contains all the basic, generic features of an office. Services and amenities available through an OH lease include: security, office furniture, phone instruments, phone service, computers, internet access, cleaning, repairs, utilities, conference rooms, and break rooms.
 - b. OH space is available in hundreds of buildings across the nation from two major providers, Regus and HQ Global Workplaces. It is also available from many additional providers with smaller inventories.
 - c. Pricing policy does not allow furniture, phones, phone service, computers, and Internet access to be included as part of rental in typical GSA leases. These features, however, are available in OH leases for short-term occupancies in the commercial leasing market. Accordingly, it is appropriate under pricing policy that GSA may acquire them in temporary OH leases.
 - d. Pricing Policy Clarification #9, Application of the Tenant Improvement Allowances, effective June 20, 2003, authorized the inclusion of the above referenced features in temporary OH leases.
3. Effective Date/Expiration Date. These instructions and SFO attachment are effective June 20, 2003, and will expire 12 months from the date of issuance, unless extended.
4. Cancellation. None.
5. Applicability. All real property leasing activities.
6. Instructions/Procedures. Business guidance and suggested lease language are attached.

Attachments

“Office Hoteling” Leases Business Guidance

The following guidance has been compiled to assist the Realty Specialist and Contracting Officer in completing the documents required for “Office Hoteling” (OH) lease acquisition.

1. Policies. Standard lease acquisition policies and procedures, as outlined in issuances such as the General Service Administration Acquisition Regulation and Realty Services Letters (RSLs), apply to “Office Hoteling” (OH) leases unless otherwise stated in this RSL.
2. Vendor. The company entering into an OH Agreement (contract) will be referred to as the “Office Hoteling Vendor.”
3. Pricing Authority. Pricing Policy Clarification #9 on Application of the Tenant Improvement Allowances authorized the inclusion of furniture, phones, phone service, computers, and Internet access as part of rental in an OH lease. These amenities may be included as part of either base rent or services according to the standard practice of the OH Vendor.
Note: Receptionists or other personnel services normally available through OH leases are not authorized in a GSA OH lease.
4. Forms. Most OH leases will fall under the Simplified Lease Acquisition Threshold (SLAT) and Simplified Lease forms may be used. Attached is a suggested Attachment to GSA Form 3626, U.S. Government Lease For Real Property (Short Form), which amends the form to address the unique aspects of OH leases. Major OH Vendors have reviewed the SLAT forms and they have agreed to their content. If an OH lease exceeds the SLAT, Realty Specialists must use the appropriate forms and prepare similar amendments.
5. The GSA Form 3626, with attachment, and the GSA Simplified Lease versions of General Clauses and Representations and Certifications forms will establish the binding contract between the Government and the OH Vendor.
6. The following two pages is a recommended attachment to GSA Form 3626. This attachment may be edited to fit regional styles and preferences.
7. Current Points of Contact for Major OH Vendors.
 - a. Regus – Ben Fluhart ben.fluhart@regus.com
Phone: 800-353-9291 and 202-772-1993
To locate available Regus office space: www.regus.com
 - b. HQ Global Workplaces – Patricia Vozzo-Gola Patty.Vozzo@hq.com
Phone: 610-941-2733 and 610-349-2419
To locate available HQ Global Workplaces office locations: www.hq.com

GSA Form 3626 Attachment ____
(Page 1 of 2)

GENERAL SERVICES ADMINISTRATION
“OFFICE HOTELING” LEASE AGREEMENT DOCUMENT

Lease No. _____

The following forms accompanying this document (GSA form 3626 Attachment A) comprise the GSA “Office Hoteling” (OH) Agreement document (contract).

- 1) U.S. Government Lease For Real Property (Short Form)
GSA Form 3626 (2 pages)
- 2) Representations and Certifications (Short Form)
(Simplified Acquisition of Leasehold Interests in Real Property for Leases Up to \$100,000 Annual Rent)
GSA Form 3518A (2 pages)
- 3) General Clauses (Simplified Leases)
(Acquisition of Leasehold Interests in Real Property for Leases up to \$100,000 Annual Rent)
Full Text Clauses
GSA Form 3517C (14 pages)

The Government and OH Vendor agree that the following revisions will be made to the above GSA Forms:

GSA Form 3626 shall be revised as follows:

- The following sentence in Section B. STANDARD CONDITIONS AND REQUIREMENTS will be deleted:

The Lessor shall complete any necessary alterations within _____ days after receipt of approved layout drawings.

- In section 2. SERVICES AND UTILITIES (to be provided by the lessor as part of the rent), all Services and Utilities listed shall be provided.
- In section 3. OTHER REQUIREMENTS, the following items shall be included and completed:

Initials: _____ & _____
Lessor Gov't

- 1) Each workstation, which includes the following:

shall be the equivalent of _____ usable square feet.

- 2) The space (or suite) shall be constructed to accommodate _____ (number) of workstations in fully operable condition inclusive of telecommunication connections and T1 lines. The space shall be in the following layout: (see attachment)

_____ Private Offices
_____ Open floor plan

- 3) The use of meeting space (conference rooms) shall be available for _____ hours per day, at no additional cost to the Government.

Additional meeting rooms shall be available for use at a minimum of _____ hours per week at an additional rate of _____.

- 4) Additional services provided: (example: Facsimile Transmission, Photocopying, Local and Long-Distance Telephone Service, Internet Service)

at an additional cost of _____

GSA Form 3626, 3518A and 3517C will be revised accordingly:

- The word "license" will be inserted in lieu of the word "lease".
- The word "licensed" will be inserted in lieu of the word "leased".
- The word "licensor" will be inserted in lieu of the word "lessor".
- The word "accommodations" will be inserted in lieu of the word "premises".

Initials: _____ & _____
Lessor Gov't



MEMORANDUM FOR ASSISTANT REGIONAL ADMINISTRATORS

FROM:

[Signature] WILLIAM H. MATTHEWS *Emily C. Karam*
ASSISTANT COMMISSIONER – PT

SUBJECT:

Pricing Policy Clarification #9
Application of the Tenant Improvement Allowances
(Temporary "Office Hoteling" Leases)

The attached pricing policy clarification covers pricing of temporary "Office Hoteling" leases. The clarification was initiated based on a regional request to explain how we price amenities provided in temporary "Office Hoteling" leases. The clarification was drafted in coordination with the Regional Pricing Points of Contact (POC's) and the Pricing Network. A copy of this clarification is being provided to the Regional Pricing POC's for dissemination within each Region.

If you have questions regarding this clarification, please contact the National Pricing Points of Contact, Kevin Rothmier at 816-926-1100, Mary Gibert at 202-501-0096 or Steve Peters at 215-446-4670.

Attachments

cc: Assistant Commissioners, Regional PT Directors, Regional Pricing POCs



PBS Pricing Network

Effective Date: June 20, 2003

Purpose: Policy Clarification #9 on Application of the Tenant Improvement Allowances

Desk Guide Section: 2.3.3, page 2-15

Replace the "Existing" language with the "Clarification" language.

Existing Desk Guide Language:

The tenant allowance (general and customization components) can only be used to pay for items that are real property, or which become real property when attached or affixed to the building. The tenant allowance is not available to fund personal property, such as furniture and artwork, personal computers, phone handsets, or physical relocation expenses of personal property. PBS lacks the authority to use the budget activities that fund the tenant improvement allowances for personal property purchases.

Clarification:

The tenant allowance (general and customization components) can only be used to pay for items that are real property, or which become real property when attached or affixed to the building. The tenant allowance is not available to fund personal property, such as furniture and artwork, personal computers, phone handsets, or physical relocation expenses of personal property. PBS lacks the authority to use the budget activities that fund the tenant improvement allowances for personal property purchases.

Special note: Temporary "Office Hoteling" space is leased "as is"; therefore, a tenant improvement allowance is not provided.

Furniture, artwork, phone equipment and personal computers provided by the Lessor in temporary "Office Hoteling" type leases are not considered personal property. It is customary for this type of space to include these amenities. Temporary "Office Hoteling" leases may not exceed 18 months. The furniture, artwork, phone equipment and personal computers will remain with the property when the lease terminates. In addition, it is customary for phone service and Internet access to be provided by the Lessor in "Office Hoteling" space.

The amenities discussed above may be included as part of base shell rent or operating rent in a temporary "Office Hoteling" lease according to the standard practice of the "Office Hoteling" vendor.

JUL 1 2003

PE-2003-03

MEMORANDUM TO ASSISTANT REGIONAL ADMINISTRATORS, PBS
1P, 2P, 3P, 4P, 5P, 6P, 7P, 8P, 9P, 10P, WP
REGIONAL REALTY SERVICES OFFICERS

FROM: WILLIAM B. JENKINS (signed Gary Roberts for)
NATIONAL REALTY SERVICES OFFICER
OFFICE OF REALTY SERVICES – PE

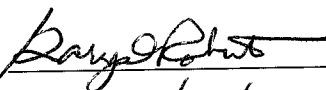
SUBJECT: “Office Hoteling” Leases

1. Purpose. This real property letter issues guidance on the execution of “Office Hoteling” leases.
2. Background.
 - a. GSA customers often have needs for small blocks of space on a temporary or short-term basis, for swing space, emergencies, special projects, etc. The commercial real estate market is now offering an “Office Hoteling” (OH) lease that can sometimes meet that demand. An OH lease contains all the basic, generic features of an office. Services and amenities available through an OH lease include: security, office furniture, phone instruments, phone service, computers, internet access, cleaning, repairs, utilities, conference rooms, and break rooms.
 - b. OH space is available in hundreds of buildings across the nation from two major providers, Regus and HQ Global Workplaces. It is also available from many additional providers with smaller inventories.
 - c. Pricing policy does not allow furniture, phones, phone service, computers, and Internet access to be included as part of rental in typical GSA leases. These features, however, are available in OH leases for short-term occupancies in the commercial leasing market. Accordingly, it is appropriate under pricing policy that GSA may acquire them in temporary OH leases.
 - d. Pricing Policy Clarification #9, Application of the Tenant Improvement Allowances, effective June 20, 2003, authorized the inclusion of the above referenced features in temporary OH leases.
3. Effective Date/Expiration Date. These instructions and SFO attachment are effective June 20, 2003, and will expire 12 months from the date of issuance, unless extended.
4. Cancellation. None.
5. Applicability. All real property leasing activities.
6. Instructions/Procedures. Business guidance and suggested lease language are attached.

Attachments

PE: GRoberts:gdr:6-26-03

PE


6/26/03

PR


6/30/03

“Office Hoteling” Leases Business Guidance

The following guidance has been compiled to assist the Realty Specialist and Contracting Officer in completing the documents required for “Office Hoteling” (OH) lease acquisition.

1. Policies. Standard lease acquisition policies and procedures, as outlined in issuances such as the General Service Administration Acquisition Regulation and Realty Services Letters (RSLs), apply to “Office Hoteling” (OH) leases unless otherwise stated in this RSL.
2. Vendor. The company entering into an OH Agreement (contract) will be referred to as the “Office Hoteling Vendor.”
3. Pricing Authority. Pricing Policy Clarification #9 on Application of the Tenant Improvement Allowances authorized the inclusion of furniture, phones, phone service, computers, and Internet access as part of rental in an OH lease. These amenities may be included as part of either base rent or services according to the standard practice of the OH Vendor.
Note: Receptionists or other personnel services normally available through OH leases are not authorized in a GSA OH lease.
4. Forms. Most OH leases will fall under the Simplified Lease Acquisition Threshold (SLAT) and Simplified Lease forms may be used. Attached is a suggested Attachment to GSA Form 3626, U.S. Government Lease For Real Property (Short Form), which amends the form to address the unique aspects of OH leases. Major OH Vendors have reviewed the SLAT forms and they have agreed to their content. If an OH lease exceeds the SLAT, Realty Specialists must use the appropriate forms and prepare similar amendments.
5. The GSA Form 3626, with attachment, and the GSA Simplified Lease versions of General Clauses and Representations and Certifications forms will establish the binding contract between the Government and the OH Vendor.
6. The following two pages is a recommended attachment to GSA Form 3626. This attachment may be edited to fit regional styles and preferences.
7. Current Points of Contact for Major OH Vendors.
 - a. Regus – Ben Fluhart ben.fluhart@regus.com
Phone: 800-353-9291 and 202-772-1993
To locate available Regus office space: www.regus.com
 - b. HQ Global Workplaces – Patricia Vozzo-Gola Patty.Vozzo@hq.com
Phone: 610-941-2733 and 610-349-2419
To locate available HQ Global Workplaces office locations: www.hq.com

- 1) Each workstation, which includes the following:

shall be the equivalent of _____ usable square feet.

- 2) The space (or suite) shall be constructed to accommodate _____ (number) of workstations in fully operable condition inclusive of telecommunication connections and T1 lines. The space shall be in the following layout: (see attachment)

_____ Private Offices
_____ Open floor plan

- 3) The use of meeting space (conference rooms) shall be available for _____ hours per day, at no additional cost to the Government.

Additional meeting rooms shall be available for use at a minimum of _____ hours per week at an additional rate of _____.

- 4) Additional services provided: (example: Facsimile Transmission, Photocopying, Local and Long-Distance Telephone Service, Internet Service)

at an additional cost of _____

GSA Form 3626, 3518A and 3517C will be revised accordingly:

- The word "license" will be inserted in lieu of the word "lease".
- The word "licensed" will be inserted in lieu of the word "leased".
- The word "licensor" will be inserted in lieu of the word "lessor".
- The word "accommodations" will be inserted in lieu of the word "premises".

Initials: _____ & _____
Lessor Gov't