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RSL-2007-03

MEMORANDUM FOR ASSISTANT REGIONAL ADMINISTRATORS, PBS
REGIONAL REALTY SERVICES OFFICERS

THRU: ANTHONY E. COSTA 
DEPUTY COMMISSIONER - PD

FROM: MARTHA J. BENSON 
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SUBJECT: Tenant Improvements Schedule and Submittals Revisions in the
Solicitation for Offers

1. Purpose. This Realty Services Letter (RSL) revises specific tenant improvements paragraphs in the Solicitation for Offers, and issues mandatory operating procedures to ensure their accurate application. It also provides a tool to obtain tenant improvements pricing from lessors.
2. Background.
 - a. In 2005, GSA's Office of Inspector General (IG) conducted an audit of leases to assess whether PBS effectively manages the tenant improvements (TI) buildout process in leased space. Their findings are reported in the Review of PBS's Tenant Improvement Process Audit A050063.
 - b. PBS agreed with the findings and committed to a multi-step Corrective Action Plan (CAP) to better manage the TI process in leases. This RSL implements the following action items:
 - i. Recommendation a, Step 1
Update the SFO language to better coordinate the TI process, submittals and schedules.
 - ii. Recommendation c, Step c
Provide guidance and training related to Construction Specifications Institute (CSI) formatted cost proposals.
 - c. In addition to the 2005 IG audit findings, in 2006 the Solutions Development Division conducted peer reviews of 120 leases across all regions. Of those leases reviewed, 73 percent did not contain evidence of a competitive bidding process or cost and pricing data.

- d. Many of the items in the audit are interrelated; however, certain templates represent discrete steps in the TI process. So that users can more easily identify which RSL addresses a particular subject and contains a particular template, the RSLs are being issued concurrently, and they address the following topics:

RSL 2007-03	Tenant Improvements Schedule and Submittals Revisions in the Solicitation for Offers
RSL 2007-04	Tenant Improvements Price Negotiation Memorandum, Notice to Proceed, and Supplemental Lease Agreement to Order Excess TIs
RSL 2007-05	Tenant Improvements Costs/Reimbursable Work Authorization Tracker and Agency Concurrence for RWA Expenditure
RSL 2007-06	Tenant Improvements Project Management Support

3. Effective Date/Expiration Date. This RSL and instructions are effective March 31, 2007, and will expire 12 months from the date of issuance unless modified, cancelled, or reissued earlier.
4. Cancellation. None
5. Applicability. This RSL applies to all real property leasing activities.
6. Instructions/Procedures. The instructions in this RSL must be implemented for all SFOs using tenant improvement allowances issued on or after April 1, 2007.

Attachments

- 1 Operating Policy for Revised Tenant Improvements SFO Paragraphs
- 2 Guidance for Tenant Improvements Cost Summary Table
- 3 Tenant Improvements Cost Summary Table