

Guidance to GSA Form 1364, Proposal to Lease Space and
Security Unit Price List

1. GSA Form 1364, Proposal to Lease Space

- a. Due to a number of influences, a new GSA Form 1364, Proposal to Lease Space (1364) has been prepared to capture necessary data that will allow the financial details of offers and resulting lease to be tracked through the procurement process to the formation of the lease to the final Occupancy Agreement (OA).
- b. The new 1364 still captures required broker commission information.
- c. The new 1364 now captures Building Specific Security costs. So that we can capture and bill security costs more consistently, this RSL includes a new Security Unit Price List (SecUP). The SecUP identifies these items and associated cost categories for offerors to be able to complete this portion of the 1364 and for PBS to use in OAs. Additional guidance on the SecUP is provided further in this document.
- d. The new 1364 now captures the portion of the Tenant Improvement (TI) Allowance that represents the offerors' fees. New SFO language has been included that describes the price evaluation of those costs. The present value (PV) evaluation model in eLease was updated last year to accommodate these changes.
- e. The new 1364 now breaks out the cost components of the overall rental rate and allows for differing amortization rates and terms for various cost components. For example, if an offeror chooses to amortize TIs beyond the firm term of the lease, or the term of the lease itself, that information will be captured. NOTE: If an offeror chooses to amortize costs beyond the firm term or full term of the lease, include language in the lease that the Government will not be responsible for any unamortized costs exceeding the firm term of the lease unless a different agreement is reached and memorialized in the OA.
- f. Using the new 1364, the data from it can be easily used in price evaluation, written into the resulting lease, and captured on the OA. This will provide consistency among the documents and a clear paper trail for auditors.
- g. The new 1364 attempts to gather the information most commonly used in leases and normally described in SFOs. A new feature of both the SFO and the 1364 is Block 26, Offeror's Fee Schedule which corresponds to a subparagraph in the 1364 paragraph of the How to Offer section of the SFO. This block is mandatory on all procurements exceeding 20,000 usable square feet, and it is highly recommended for those below that threshold. If you do not use the SFO subparagraph, delete the contents of Block 26 on the 1364.
- h. Detailed instructions for completing each block of the 1364 are provided. These instructions must be provided to all offerors.

2. Security Unit Price List

- a. For below prospectus projects, Pricing Policy Clarification No. 13

http://pbsportal.pbs.gsa.gov:7777/pls/portal/docs/page/PV/Documents/PV_A/files/PPC_13_w071906.pdf discusses various treatments of security costs. To the extent that security costs can be segregated from other rental costs, for many customer agencies in many markets, these costs would not count against the tenant improvement allowance. The SecUP helps to identify those costs that might be eligible to be categorized as Building Specific Amortized Capital on the OA. Where this can be done, this in effect frees up more TI for the agency to use.

- b. We recommend that the SecUP be provided to FPS for their use in identifying applicable ISC countermeasures. The instructional blue text in the Security section of the SFO also provides guidance as to when an item should be used and how the cost should be categorized. Prior to issuing the SFO, delete countermeasures that are not applicable to the SFO being issued and renumber the items.
- c. If a countermeasure is an ISC requirement for the FPS-determined level of security (denoted by a dark circle in the hidden text of the SFO), then it is a "Building Specific" cost. If not, then it is a "Tenant Improvement" and must be funded by the TI allowance or by RWA. In cells that provide a choice between with "Building Specific" or "Tenant Improvement," select one and delete the other as necessary.