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MEMORANDUM FOR ASSISTANT REGIONAL ADMINISTRATORS

FROM: WILLIAM H. MATTHEWS *William H. Matthews*
ASSISTANT COMMISSIONER - PV

SUBJECT: Operational Guidance (OM 2005-3) Regarding Pricing Policy Clarification #15, Operating Costs and Extra Services dated August 17, 2004

The following provides guidance on the application of the Pricing Policy Clarification #15 to address inconsistencies found by the Overtime Utilities Estimating Tool Team regarding the application of the standard number of operating hours per day, and the operation, maintenance, and additional utility costs related to agency program equipment.

Operational guidance is provided on the following sections of Pricing Policy Clarification #15:

Section 3.2.3 Operating Costs, Federally Owned Space, Utilities

"Standard utilities are based on a one-shift office operation, Monday through Friday, excluding Federal holidays. PBS provides a consistent heating or cooling temperature for 10 operating hours. For buildings with 24 hours per day operation, PBS provides one 10-hour shift, Monday through Friday, excluding Federal holidays. Service beyond these hours is reimbursable."

Guidance:

The policy provides for 10 hours of consistent heating or cooling. The property manager in consultation with the tenants will determine the 10 hours of standard operation to accommodate the majority of tenants. In certain situations, such as with multi-tenant buildings, we will not be able to accommodate every agency's varying work shifts within the standard 10 hours of operation. Tenant operations above the established 10 hours of operation will require reimbursement to GSA.

Section 3.2.3 Operating Costs, Federally Owned Space, Above Standard Services

“Many of the tenant spaces in a general use building may have operating and maintenance requirements that are different than conventional office space. This may be due either to the particular space use or to the presence of special tenant equipment or fixtures. The following services are provided on a reimbursable basis. Non-payment will result in discontinuation of the above standard service.

- *Operation and maintenance and additional utility costs related to agency program equipment*
- *Utility costs for areas that require 24-hour HVAC (For 24 hours per day operation, PBS provides 10 operating hours of HVAC service, 5 days a week (Monday through Friday), excluding Federal holidays. Service beyond 10 hours is reimbursable.)*
- *Special cleaning (above office standard)*
- *Equipment maintenance costs for supplemental air conditioning equipment in conference spaces, computer facilities, laboratories, chemical or film storage, libraries, and other special use space*
- *Frequent plumbing service calls for pantries, plumbing fixtures associated with laboratory use, and private bathrooms. Service calls resulting in only incidental expense to GSA should be performed at no charge to customers*
- *Uninterruptible power services”*

Guidance:

Bullet #1 above addresses special tenant equipment or fixtures, for example a computer room containing items such as Liebert (Air Handler) units, UPS (Uninterruptible Power Supply), and/or PDM (Power Distribution Module). Spaces such as these are no longer considered typical office space; therefore, operation, maintenance, and additional utility costs are reimbursable for all hours of operation.

Bullet #2 above addresses a special tenant operation where no additional tenant HVAC equipment has been added, but where a requirement exists to operate the buildings HVAC systems that serve that space 24 hours per day. In spaces such as these, service beyond 10 hours is reimbursable.

Section 3.2.3 Operating Costs, Leased Space

“Standard utilities are based on a one-shift office operation, Monday through Friday, excluding Federal holidays. PBS provides a consistent heating or cooling temperature for 10 operating hours. For 24 hours per day operation, PBS provides one 10-hour shift, Monday through Friday, excluding Federal holidays. Service beyond these hours is reimbursable.”

In leased space, PBS will provide a consistent heating or cooling temperature for one shift (minimum of 10 hours). If the local market practice provides standard HVAC hours that exceed 10 hours (and /or Saturday hours), reimbursement should not be requested and the lease should reflect the building's normal operating hours. Reimbursement is required for HVAC outside the normal hours as specified in the lease.

If you have locations that are not in compliance with the policies and guidance outlined above a communication strategy needs to be developed and implemented in a uniform and timely manner. In locations where deviation from the policy has occurred, customers must be notified up to 18 months in advance of the estimated cost impact so they may budget accordingly.

If you have any questions or concerns regarding this memorandum, please contact me at 202-501-0638 or Pat Fee, Building Operations and Maintenance Division, at 202-501-0038.