



JUN 24 2003

MEMORANDUM FOR ASSISTANT REGIONAL ADMINISTRATORS

FROM:

*William H. Matthews*  
WILLIAM H. MATTHEWS  
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.