



NOV 10 2008

MEMORANDUM FOR ASSISTANT REGIONAL ADMINISTRATORS

FROM:


CATHLEEN C. KRONOPOLUS
ASSISTANT COMMISSIONER (PV)

SUBJECT:

Pricing Policy Clarification #25
Pricing Desk Guide, Section 7.3
United States Postal Service (USPS)

The attached pricing policy clarification replaces section 7.3 – "United States Postal Services" of the Pricing Desk Guide. This clarification reflects the terms and conditions regarding real property occupancy and utilization agreements between the General Services Administration (GSA) and the United States Postal Service (USPS). These terms and conditions are identified in the Letter of Understanding (LOU) between the GSA and the USPS, dated December 2004. Pricing Policy has been updated to reflect the provisions of the LOU.

If you have any questions regarding this clarification, please contact the National Pricing Points of Contact: Beth Lemanski at 202-501-3277, David Baker at 212-577-7920, Kelly Ellison at 202-208-7007, or Joy Heuer at 202-208-4937.

Attachment

cc: Assistant Commissioners
Regional PT Directors
Regional Pricing Points of Contact
Patrick Fee, Director of Building Operations and Maintenance
Robert D. Shaw, Director of Building Security and Policy

Effective Date: November 3,2008

Purpose: Pricing Policy Clarification #25 updates pricing for the United States Postal Service (USPS) section of the Pricing Desk Guide.

Existing Desk Guide Language:

The existing desk guide language resides in Section 7.3, United States Postal Service.

Clarification:

Delete Section 7.3 of the Pricing Desk Guide in its entirety and replace it with the following:

United States Postal Service

PBS and the United States Postal Service (USPS) can be either tenant or landlord to each other. A 2004 Letter of Understanding (LOU) governs this relationship. PBS pricing policy is to recognize the following:

- When USPS is a tenant in PBS-controlled space, all PBS pricing policies apply.

When USPS is the property owner:

- PBS will treat the USPS space as analogous to leased space for pricing purposes and will pass through Rent charges to the end user. A Tenancy Agreement (TA), created by the USPS and signed by GSA, will be used instead of a regular lease document. The TA will have a 5-year fixed term. However, if the tenant improvements (TI) are amortized for longer than 5 years, the TA can be extended to meet the amortization term.
- USPS will honor the tenant improvement allowance requirement of PBS clients depending on the availability of USPS funds. The tenant agency will have a 4-month cancellation right, with liability for only the unamortized balance of the tenant improvements.
- PBS will provide Occupancy Agreements (OAs) to the tenant agencies with the rates outlined in the TA. PBS will apply a fee of 4 percent, since contract risk is not present.
- USPS is the service provider for security, so USPS security charges will apply as part of the TA negotiations and will be passed on to the customer through the OA. If building security services are needed in addition to the security provided by USPS, separate negotiations will take place between the tenant agency and the Federal Protective Service (FPS).