



SEP 17 2014

LAC-2014-05

MEMORANDUM FOR PBS REGIONAL COMMISSIONERS, PBS  
REGIONAL LEASING DIRECTORS AND PBS  
REGIONAL LEASING SERVICES OFFICERS

FROM: JAMES C. WISNER  
ASSISTANT COMMISSIONER FOR OFFICE OF LEASING - PR

Subject: Procedures for Server Room Heating, Ventilation, and Air  
Conditioning (HVAC) Requirements in Leases

1. **Purpose:** This Lease Acquisition Circular (LAC) establishes revised procedures for payment of costs related to continuous (24-Hour HVAC) cooling requirements for server rooms in lease locations.

2. **Background:**

- a. GSA PBS pricing policy establishes that all above standard services required by a tenant agency must be paid via RWA funding and not included in the rent. Essentially any heating or cooling requirements beyond the standard operating hours, typically a 10 hour shift, are considered above standard. This policy is the basis for how general overtime HVAC requirements are handled in our leased locations.
- b. The Office of Leasing and Portfolio have reviewed the application of this policy to server rooms. Small server rooms are now a standard component of most office leases and their operational requirements should no longer be considered above standard.
- c. To update PBS's leasing practices to those consistent with modern, private-sector practices, small server rooms which require continuous cooling for normal operations will now be allowed to be included in the operating cost component of the rent. General overtime HVAC requirements will continue to be a reimbursable service requiring RWA funding.

3. **Effective Date:** Date of issuance. This LAC and instruction are effective immediately for all Request for Lease Proposals having due date for receipt of initial offers on or

after the issuance date of this LAC. This LAC will remain in effect until incorporated into the Leasing Desk Guide, modified, or cancelled.

**4. Applicability:** This LAC applies to all GSA real property leasing activities and to all activities delegated by GSA to other Federal agencies.

**5. Forms Revised:** The following forms have been revised:

- a. GSA Form 1364A
- b. GSA Form 1364B
- c. GSA Form 1364C
- d. GSA Form 1364D (formerly 1364-S)
- e. GSA Form 1364WH

**6. Policies and Procedures:**

- a) All Leasing Specialists (LSs), Lease Contracting Officers (LCOs) and brokers shall use the revised Lease and GSA Form 1364 templates issued through this LAC. The Lease templates include revised instructions and contract language regarding the handling of expenses related to the continuous cooling requirement for small server rooms.
- b) During the requirements development phase of the project, the LS, or other individual tasked with requirements development, shall obtain from the agency information related to the size and cooling requirements of the server room requirements at that location.
- c) Server rooms which are 500 ABOA SF or smaller in size shall have the cost for continuous cooling incorporated into the operating cost component of the rent. The Lessor shall be required to provide this continuous cooling for the identified square footage in the RLP/Lease only. The Lease shall be prepared to include the new server room sub-paragraph in the Heating and Cooling paragraph and the paragraph for 24-Hour HVAC Requirement shall be deleted. Note: For multi-tenant leases, the 500 ABOA SF threshold applies to each client agency (i.e., Agency Bureau code), so that each client agency may have the cost for continuous cooling of up to a 500 ABOA SF server room incorporated into the operating cost component of the rent.
- d) Server rooms which are more than 500 ABOA SF shall continue to require reimbursable funding supplied via an RWA and these costs will be paid separately from the rent. It is further noted that if the server room is larger than 500 ABOA SF, the cooling costs for that room must be paid entirely

using RWA funds. The LS may not segment the cost to include a portion in the rent and a portion using reimbursable funds. The Lease shall be edited by deleting the new server room sub-paragraph in the Heating and Cooling paragraph in section 6 of the lease and including the paragraph for 24-Hour HVAC Requirement in section 1 of the lease.

- e) The following language has been added to the GSA Form 1364 for each acquisition model instructing Offerors how to submit costs for the continuous cooling component of the rent: "Only applies when the Government requires separate reimbursement for 24 hour HVAC as described under Section 1 of the Lease. Otherwise, include this cost in the operating rent, as described under Section 6 of the Lease."
- f) These revised procedures for server rooms do not impact the handling of general HVAC requirements for the rest of the leased space. Overtime heating or cooling for space outside of the established server room shall continue to be paid through RWA funding.
- g) The cost of the build-out of the server room, including purchasing supplemental HVAC units if required, shall remain tenant improvement costs.

**Attachments:**

- Attachment 1 – Lease language
- Attachment 2 - GSA Form 1364A (REV 09/14)
- Attachment 3 - GSA Form 1364B (REV 09/14)
- Attachment 4 - GSA Form 1364C (REV 09/14)
- Attachment 5 - GSA Form 1364D (REV 09/14)
- Attachment 6 – GSA Form 1364WH (REV 09/14)

Lease Language

For Simplified, Standard, Streamlined, Succeeding/Superseding, and Warehouse Lease Models

Section 1:

NOTE: 24 HR HVAC MAY ONLY BE INCLUDED IN THE OPERATING RENT FOR LAN ROOMS 500 ABOA SF OR LESS IN SIZE.

ACTION REQUIRED: CONFIRM WHETHER CLIENT AGENCY REQUIRES DESIGNATED SERVER (LAN) ROOM WITH 24HR COOLING. IF THE AREA REQUIRING 24HR COOLING IS 500 ABOA SF OR LESS, DELETE THIS PARAGRAPH AND USE 6.05(G), WHICH ROLLS THIS HVAC COST INTO THE OPERATING RENT INSTEAD.

IF THE AREA REQUIRING 24HR COOLING EXCEEDS 500 ABOA SF, USE THIS PARAGRAPH WHICH REQUIRES SEPARATE MONTHLY INVOICING. PRIOR TO ISSUING RLP PACKAGE, INSERT SQUARE FOOTAGE AND BTU OUTPUT. ADJUST HUMIDITY LEVEL AS NEEDED. INSERT ADDRESS OF LCO OR DESIGNATED REPRESENTATIVE. THE NEGOTIATED OT RATE FOR 24/7 COOLING SHOULD BE A NOMINAL AMOUNT, SEPARATE FROM THE STANDARD OVERTIME RATE USED FOR HOURLY OVERTIME HVAC FOR THE ENTIRE PREMISES.

NOTE: FOR MULTI-TENANT LEASES, THE 500 ABOA SF THRESHOLD APPLIES TO EACH CLIENT AGENCY (AGENCY BUREAU CODE).

24-HOUR HVAC REQUIREMENT (SEP 2014)

A. \_\_\_\_\_ ABOA SF of the Space shall receive cooling at all times (24 hrs a day, 365 days a year) for purposes of cooling the designated server room. The BTU output of this room is established as \_\_\_\_\_ BTU. The temperature of this room shall be maintained at \_\_\_\_\_ degrees F, with humidity control not to exceed 60% relative humidity, regardless of outside temperature or seasonal changes.

B. The 24 hour cooling service shall be provided by the Lessor at an annual rate of \$X.XX per ABOA SF of the area receiving the 24-hour cooling and is not to be included in the monthly operating costs. Also, the hourly overtime HVAC rate specified under the paragraph "Hourly Overtime HVAC Rates" shall not apply to any portion of the Premises that is required to have 24 hour cooling.

C. The Lessor shall submit monthly invoices, in arrears, for this cost to the LCO or the LCO's designated representative at the address below:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

D. Notwithstanding the foregoing, Lessor shall provide this service at no additional cost to the Government if the Lessor provides this service to other tenants in the Building at no additional charge.

Section 6:

HEATING AND AIR CONDITIONING (SEP 2014)

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NOTE: 24 HR HVAC MAY ONLY BE INCLUDED IN THE OPERATING RENT FOR LAN ROOMS 500 ABOA SF OR LESS IN SIZE.

ACTION REQUIRED: CONFIRM WHETHER CLIENT AGENCY REQUIRES DESIGNATED SERVER (LAN) ROOM WITH 24HR COOLING. IF THE AREA REQUIRING 24HR COOLING IS 500 ABOA SF OR LESS, USE THIS PARAGRAPH AND DELETE 1.18, WHICH REQUIRES SEPARATE MONTHLY INVOICING. PRIOR TO ISSUING RLP PACKAGE, INSERT SQUARE FOOTAGE AND BTU OUTPUT. ADJUST HUMIDITY LEVEL AS NEEDED.

NOTE: FOR MULTI-TENANT LEASES, THE 500 ABOA SF THRESHOLD APPLIES TO EACH CLIENT AGENCY (I.E., AGENCY BUREAU CODE), SO THAT EACH CLIENT AGENCY MAY HAVE THE COST FOR CONTINUOUS COOLING OF UP TO A 500 ABOA SF SERVER ROOM INCORPORATED INTO THE OPERATING COST COMPONENT OF THE RENT.

G. \_\_\_\_\_ ABOA SF of the Premises shall receive cooling at all times (24 hrs a day, 365 days a year) for purposes of cooling the designated server room. The peak BTU output of this room is established as \_\_\_\_\_ BTU per hour. The temperature of this room shall be maintained at \_\_\_\_\_ degrees F, with humidity control not to exceed 60% relative humidity, regardless of outside temperature or seasonal changes. Notwithstanding the foregoing, Lessor shall provide this service at no additional cost to the Government if the Lessor provides this service to other tenants in the Building at no additional charge.