

## Client Enrichment Series – Q & A



**Topic:** *Broker Support Services*

**Presenters:** *Lisa Brown and Edgar Delgado*

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**Link to Series Information:** [www.gsa.gov/ces](http://www.gsa.gov/ces)

**1. Where can we find the new broker commission break-outs?**

*Answer:* While it's procurement sensitive to provide the specific commission data, each of the brokerages have negotiated rates that the Government has deemed fair and reasonable. Details are covered in the presentation, but in general the Government and brokers are sharing a market commission, which provides a benefit to our Federal customers.

**2. Can I have the formula for the rent cost avoidance on slide 12?**

*Answer:* 
$$\text{The Total Market Commission (Tenant Side) - Broker Commission Share} = \text{Commission Credit or Rent Cost Avoidance}$$

**3. Can you talk about how the Strategic and Technical requirements have been coordinated through this contract?**

*Answer:* Strategic Planning Services allow the Government to obtain information about changes in market conditions, re-negotiation opportunities, or changes in ownership rights within the shared portfolio. This service can only be requested by the National Program Manager and is not ordered by a task order under the contract. This service is provided by the contractor strictly on a voluntary basis.

*To begin the process, GSA internally reviews our expiring lease inventory for leases that are good candidates for re-negotiation in a specific region(s). The broker then provides an in-depth analysis and recommendation of the region's portfolio. If the region determines that there is a good opportunity for re-negotiation or for pursuit of a superseding lease, the Tenant Agency will be approached and presented with the business case.*

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**4. Do you have any examples of when the GLS contract was used to implement a Strategic Workplace Engagement and/or an example of the deliverable of a POR using the GLS contract?**

*Answer: In the development of a Strategic Workplace Engagement, the broker may work as part of the project team in conjunction with the Workplace Planning Manager. Moreover, the contract is not intended to replace other space planning contracts which provide full PORs.*

**5. How is the commission credit applied? All at once, monthly?**

*Answer: The credit to the agency is applied in equal parts for the first few months of the rental term (exact length is determined by the amount of the base rent and the size of the credit).*

**6. What are some of the other options when you have special requirements?**

*Answer: After determining that no suitable owned space is available to meet your requirements, GSA procures a lease solution using one of three options: in-house personnel, the AAAP (Advanced Automated Acquisition Program) or the GLS Contract.*

**7. If GSA has already selected its Brokerage Firms (in each region), what is the impact on the brokerage for poor performance? Are they replaced by another brokerage firm, receive decreased commissions or other?**

*Answer: Issues with past performance can impact a broker's ability to obtain work under the contract. Past performance data is reported directly into CPARS (Contractor Performance Assessment Report) which many Government agencies use for source selection in contracts. A history of past performance in CPARS will affect a brokerage's ability to receive work from other federal agencies.*

*Not only will poor performance be documented,, it also puts the brokerage firm at risk for not being able to attain the "best value commission".*

**8. What are the advantages of choosing a Broker Contract vs. AAAP? What does the PBS Lease Contracting Officer look at in order to make the determination of which option will be best for my lease procurement?**

*Answer: The Lease Contracting Officer will take several factors into account when determining which platform will be most appropriate. Things that are considered include but are not limited to size, market and procurement complexity.*

**9. What percent of contracts awarded are awarded using brokers?**

*Answer: About half of all high-to-moderate value projects are tasked to the broker.*

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**10. Can you use the GLS Broker on only regular office space procurements? What if I have special space or unique requirements?**

**Answer:** *GLS is appropriate for use on “plain vanilla” and special space procurements that have unique requirements. If a space has special requirements, we can consider specialized experience when selecting the best broker for the procurement. Specialized experience can hone in on the broker’s past experience, market expertise, and/or other qualifications that aid in finding the broker that will provide the best value to the Government.*

**11. Is GLS any more effective in a certain market size? Is it preferable for smaller or larger markets?**

**Answer:***The GLS is most effective in our larger markets because this is where the broker offers the most leverage by using market knowledge and negotiation expertise. Larger markets are also more conducive to real estate arrangements utilizing brokers to fulfil space requests.*