Lease Process

Requirements Development

Space Request

- R#spacerequest@gsa.gov
- Standard Form 81 or other approved communication
- Acknowledge upon receipt
Confirming Requirements

- How much space do you need?
  - ANSI/BOMA OFFICE AREA (ABOA)
- What type of space do you need?
- How long do you anticipate occupying the space?
- Is there anything special or unique about your space needs?
- Are there any preferences we should consider?
- Where do you need the space?
- When do you need the space?

GSA Considers:

- Competition in Contracting Act (CICA)
- Rural Development Act of 1972
- Executive Order 11988 – Floodplain Management
- Executive Order 12072 – Federal Space Management
- Executive Order 13006 – Locating Federal Properties on Historic Properties in Nation’s Central Cities
- Congressional Districts
- Federal Management Regulation (FMR) - Chapter 102
- Special Requirements

Understanding Delineated Area

Do's

Dont's

Acquisition Strategy

Lowest Cost Tradeoff
Determine Lease Model

- Simplified
- Succeeding/Superseding
- Streamlined
- Standard
- On Airport

Types of Lease Models

<table>
<thead>
<tr>
<th>Lease Model</th>
<th>Rent Parameters</th>
<th>Parameters</th>
</tr>
</thead>
<tbody>
<tr>
<td>Simplified</td>
<td>≤ $150k Net Avg. Annual Rent</td>
<td>Smaller Leases; Security Level I &amp; II</td>
</tr>
<tr>
<td>Succeeding/Superseding</td>
<td>All Levels</td>
<td>Stay-In-Place Leases</td>
</tr>
<tr>
<td>Streamlined</td>
<td>≤ $500k Net Annual Rent</td>
<td>Small to Mid-Size Leases; Security Level I-III; 3 TI approaches</td>
</tr>
<tr>
<td>Standard</td>
<td>All Levels</td>
<td>Applicable to all security &amp; rent levels and leases not accommodated by other models.</td>
</tr>
<tr>
<td>On Airport</td>
<td>All Levels</td>
<td>Agencies located at the airport.</td>
</tr>
</tbody>
</table>

Agency Commitment

Commitment to:
- The Lease Model
- Funding required
- Incorporate schedule (15 milestones)
- Include the draft Occupancy Agreement (OA)

Pre-Solicitation
Advertising

- If Requirement > 10k ABOA Square Feet
  - LCO must advertise via FedBizOppz
- If Requirement < 10k ABOA Square Feet
  - LCO must seek competition

Market Survey

Who Should Come?
- GSA LCO/LCS
- Agency Rep with Signatory Authority
- GSA Broker (if applicable)

Assessment

- Is the owner willing to modify the building to meet the requirements?
- If not, is the building capable of meeting those requirements?
- Does the building meet the agency’s mission requirements?
- Does the building meet the RLP requirements?

Decision to Solicit

Make sure to put the reasons!!
Solicitation

Agency Specific Requirements (ASR)/Special Requirements

- Requirements unique to the procurement that are not captured in the RLP or Lease templates
  - Examples: computer room specifications, room schedules, specialty items
- LCO/S may have to edit the package supplied by the agency

Agency Concurrence

- Send draft to agency for review
- Make any necessary changes; assemble final version

Indian Health Service
Indian Health Service

Issuing an RLP Package

- Minimum response time is 20 calendar days
- Send copy, with cover letter, to:
  - All Offerors found capable of meeting requirements
  - Any party requesting a copy
  - Tenant agency (facilities)
  - GSA Property Manager
  - Federal Protective Service

Evaluation of Offerors

LCO/S Goals

- Maintain good relationships
- Stay on schedule
- Find objective criteria
- Stay within your defined price range
- Verify technical compliance
- Make fair and reasonable determination

Technical Review

- Fire Protection of Life Safety (FPLS)
- Scaling of Offered Space
- Seismic Safety
- Energy Star
- Federal Protective Service (FPS)
Evaluation of Proposals

**Lowest cost technically acceptable**
- Lowest cost = lowest PV
- Technically acceptable = satisfies RLP requirements

**Tradeoff**
- May not be lowest offer
- Non-monetary award factors considered (e.g., design, experience, past performance, location)

Final Proposal Revision (FPR)

- FPR: last opportunity for Offeror to revise proposal prior to award
- Post-FPR: no negotiations allowed; clarifications only
- Prior to the call for FPR, the LS should have at least one responsive proposal in hand

Evaluation of Offerors

- Revise OA to reflect negotiated lease terms
- Agency must sign OA prior to lease award
- Issue space recommendation
  - Agency acceptance
  - Building information
  - Floor plan
Assembling Lease

- Lease Contract
  - Agency’s Special Requirements (ASR)
  - Interagency Security Criteria Specifications
- Lease Amendments
- GSA Form 3517 (General Clauses)
- GSA Form 3518 (Reps and Certs)
- Floor plans

Awarding the Lease

- Only an LCO can award a lease
- Lease awarded after executed by GSA & Lessor
- Provide copy to agency

Evaluation of Offerors

Preparing Design Intent Drawings (DIDs)?

Lessor
- Through DID workshop or offline

GSA
- In-house interior designer or contract services
- Reimbursable cost/verify funding

Tenant Agency
- In-house interior designer
Simplified Model: Post-Award

- Per OA ad hoc clause, agency committed to “assist with development of DIDs”
- Lessor obligated to complete DIDs within 10 working days of award
  - Three versions maximum
- Review of Construction Drawings (CD) not required

Succeeding/Superseding: Requirements Development

- Client agency is satisfied with space
  - Minimal alterations required
    - Carpet/paint refresh
    - Scope of Work required for other improvements

Streamlined/Standard Model Features

- Three Tenant Improvement (TI) options
  - Turnkey Pricing with Design Schematic
  - TI Allowance
  - Turnkey Pricing with Pre-Award DIDs

CD Review Process

- Initial construction drawings
- GSA and tenant agency review
- Final construction drawings
TI Competitive Process

- Lessor must demonstrate best efforts to obtain most competitive price
- Minimum of two qualified contractor proposals
- Proposal shall be submitted in the Tenant Improvement Cost Summary (TICS) Table
- Bids must reflect terms of lease and approved design
- Bids must separate shell from TI items

Granting Notice To Proceed (NTP)

- Only LCO can grant NTP when:
  - Fair and reasonable determination made
  - Lessor’s cost proposal is accepted (based on lowest bid and qualified contractor)
  - Funds are available
- Must state price agreed upon

Negotiating the TI

- TI process is a negotiation
- LCO/S reviews line items
  - Shell vs TI
- Ensure proper documentation
  - Lease Amendment(s)
  - OA

Build-out

- Construction kickoff and coordination
- Progress inspection process
- Change order process
- Final acceptance inspection process
- Project close-out
Lease Process

What We Covered

Turn Key Opportunity (TKO)
- Project close-out Meeting
  - Agency Representatives
  - GSA Representatives (LCO/S, Building Manager)
  - FPS
  - Lessor & Building Manager
- Discuss Roles and Responsibilities