

## CHAPTER 3 DETERMINING REQUIREMENTS FOR HEADQUARTERS AND REGIONAL LEASES

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## **CHAPTER 3**

### **DETERMINING REQUIREMENTS FOR HEADQUARTERS AND REGIONAL LEASES**

#### **3.A. GENERAL**

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- 3.A.1. Applicability** This chapter defines procedures for determining and documenting the requirements for headquarters and regional office leases and applies to all lease acquisitions that are initiated after the effective date of the LPM.
- 3.A.2. Need Date** The need date is the required start date for occupancy. The leasing process should be initiated as early as possible to ensure the Program Office(s) can occupy leased space by the need date.
- 3.A.3. Documentation of Need** Phase I of the leasing process, Definition of Need, provides the justification for the authorization to proceed with the acquisition of leased space. A Documentation of Need is compiled in the format shown in LPM Exhibit D, Documentation of Need.
- 3.A.4. Determination of Geographic Boundaries** FDIC shall use a market survey to assist in determining:
- The availability of quality leased space at a fair price; and
  - The geographic boundaries to be used in the identification of available space, LPM Section 3.D.
- 3.A.5. Lease Term** The initial lease term shall be in compliance with the Corporate Strategic Plan and Approved Staffing Projections.
- Initial lease terms longer than 5 years shall be approved by the Chief Financial Officer (CFO).
- 3.A.6. Authorization to Proceed** An approved Documentation of Need becomes the authorization to proceed and initiates the solicitation process as defined in LPM Section 4.C.
- 3.A.7. Official Pre-Award Lease File** The Leasing Specialist shall maintain all pre-award documentation in the official pre-award lease file.

### **3.B. ROLES AND RESPONSIBILITIES**

- 3.B.1. Program Office(s)** The Program Office(s) shall:
- Provide information to define its need;
  - Assist in determining the geographic boundaries;
  - Assist in defining the initial lease term; and
  - Concur on the Documentation of Need.
- 3.B.2. CFO** The CFO shall approve all initial lease terms longer than 5 years.
- 3.B.3. Director, DOA** When the Leasing Specialist and the Program Office(s) do not agree, the Director, DOA, shall make the final determination regarding geographic boundaries and the exclusion of an existing Landlord from the solicitation process.
- 3.B.4. Associate Director, ACSB** The Associate Director, ACSB, shall review and approve the Documentation of Need.
- 3.B.5. Assistant Director, Leasing Section** The Assistant Director, Leasing Section, shall review the Documentation of Need, submit it to the Associate Director, ACSB, for approval, and assign the authorized Documentation of Need to the appropriate Leasing Specialist.
- 3.B.6. Leasing Specialist** The Leasing Specialist shall:
- Notify the Program Office(s) of the expiration date of the current lease;
  - Define the geographic boundaries in consultation with the Program Office(s);
  - Define the initial lease term in consultation with the Program Office(s);
  - Calculate the anticipated rentable square footage based on the Corporate Strategic Plan, Approved Staffing Projections, and the Facilities Design Guide; and
  - Prepare the Documentation of Need.
- 3.B.7. Broker** The Broker shall conduct a market survey in the general geographic area of the needed space.

- 3.B.8. Management Review Staff, DOA** Management Review Staff shall confirm the Approved Staffing Projections and resolve any significant discrepancies with the Program Office(s).
- 3.B.9. Labor and Employee Relations Specialist, PSB** The Labor and Employee Relations Specialist, PSB, shall forward a copy of the approved Documentation of Need to the NTEU and shall coordinate all subsequent comments from the NTEU with the Leasing Specialist.

**3.C. GATHERING INFORMATION**

- 3.C.1. Initiation for Existing Space** The Leasing Specialist shall notify the Program Office(s):
- At least 24 months before an existing lease expires; or
  - If earlier than 24 months before an existing lease expires, 6 months before the date that notice is required to be given to exercise an option to extend the existing lease.
- 3.C.2. Initiation for Additional or New Space** To acquire additional or new space, the Program Office(s) shall notify the Leasing Specialist of the need for space as far in advance of the need date as practicable.
- 3.C.3. Program Office(s) Information** The Leasing Specialist shall request the following information from the Program Office(s):
- The need date;
  - The number of personnel to be housed based on Approved Staffing Projections;
  - Review of existing leased space, including Landlord nonperformance issues, facilities management issues, environmental concerns, and other matters, including written justification if the desire is not to remain;
  - Recommended geographic boundaries;
  - The intended use for the requested leased space including any special use areas such as training facilities, conference room(s), library, storage, kitchen, and offices for detailees;
  - Special accommodations and requirements including parking and accommodations for special needs employees; and
  - Mission needs which will affect the initial lease term, such as known dates for office closings and other pertinent information from the Corporate Strategic Plan.
- The Program Office(s) shall provide the information to the Leasing Specialist within 2 weeks of the date of request.
- 3.C.4. Director, DOA** If the Program Office(s) does not wish the existing Landlord to be considered in the solicitation process, the Director, DOA, shall concur on the Documentation of Need.
- 3.C.5. Rentable Square** Based on the Approved Staffing Projections and the intended

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**Footage Calculation**

use of the leased space, the Leasing Specialist shall calculate the rentable square footage required using the standards for usable square footage defined in the latest Facilities Design Guide.

The Documentation of Need shall reflect the standards in the latest Facilities Design Guide.

**3.C.6. Determination of Initial Lease Term**

The Leasing Specialist, together with the Program Office(s), shall recommend an initial lease term based on:

- Approved Staffing Projections;
- Local real estate market conditions; and
- Program Office(s) mission need.

Initial lease terms longer than 5 years shall be approved by the CFO.

### **3.D. DETERMINATION OF GEOGRAPHIC BOUNDARIES**

#### **3.D.1. Market Survey**

After receiving the information from the Program Office(s), the Leasing Specialist shall task the Broker to conduct a market survey. The Leasing Specialist shall:

- Determine the geographic areas to be included in the market survey, expanding the Program Office(s)' recommendation of geographic boundaries where appropriate to obtain information on all relevant submarkets;
- Ensure that the market survey describes the available buildings in detail and includes general market conditions including:
  - Current rental rate,
  - Market trends;
  - Vacancy and absorption rates, and
  - Available buildings and their classifications which have sufficient contiguous space to fulfill the requirements of the Program Office(s).

If the market survey reveals that a reasonable number of buildings with adequate available space does not exist within the geographic boundaries, the Leasing Specialist shall expand the geographic area under consideration.

#### **3.D.2. Geographic Boundary Considerations**

The Leasing Specialist in conjunction with the Program Office(s) shall set the geographic boundaries considering:

- Defined radius from the CBD;
- Market survey information;
- Access to:
  - Other FDIC offices,
  - Other financial and/or regulatory agencies, and
  - Major highways and airports;
- Proximity to existing office;
- Other factors critical to the mission need of the Program Office(s); and
- Impact on employees include proximity to public transportation, proximity to parking facilities, proximity to eating establishments, safety of the area, during working hours and after hours).

- 3.D.3. Approval** The Leasing Specialist shall submit the geographic boundaries to the Assistant Director, Leasing Section, for approval.
- 3.D.4. Disputes** If the Leasing Specialist and the Program Office(s) are unable to agree on the geographic boundaries, the Director, DOA, shall make the final decision.
- 3.D.5. Filing** The Leasing Specialist shall file the market survey in the official pre-award lease file.

**3.E. DOCUMENTATION OF NEED**

**3.E.1. Documentation of Need**

The Leasing Specialist has primary responsibility for preparing the Documentation of Need, based on information obtained from the Program Office(s) and the market survey.

The Documentation of Need shall contain the following:

- Estimate of required rentable square footage;
- Approved Staffing Projections;
- Intended space uses;
- Need date;
- Recommended term; and
- Geographic boundaries.

The following items shall be attached:

- Approved Staffing Projections confirmed by Management Review Staff; and
- All information received from the Program Office(s).

LPM Exhibit D, the Sample Documentation of Need, is the form to be used. This form may be updated to reflect any updates to the space standards in the latest Facilities Design Guide.

**3.E.2. Review and Approval**

The Leasing Specialist shall submit the Documentation of Need for written concurrence by the Program Office(s) and forward the signed document to the Assistant Director, Leasing Section.

The Assistant Director, Leasing Section, shall then submit the Documentation of Need to the Management Review Staff to verify and concur in writing that the requirements are in full agreement with the Corporate Strategic Plan and Approved Staffing Projections.

After concurrence by the Management Review Staff, the Assistant Director, Leasing Section, shall submit the Documentation of Need to the Associate Director, ACSB, for approval.

**3.E.3. Review by NTEU**

The Leasing Specialist shall forward a copy of the approved Documentation of Need to the Labor and Employee Relations Specialist, PSB, who shall forward a copy to the NTEU for review.

All comments received from NTEU shall be coordinated by

the Labor and Employee Relations Specialist and then forwarded to the Leasing Specialist.

**3.E.4. Timing**

The Leasing Specialist should have the Documentation of Need approved at least 22 months in advance of the date of need for lease acquisitions to replace existing space.

**3.E.5. Authorization to Proceed**

After approval by the Associate Director, ACSB, the Documentation of Need becomes the authorization to proceed.

**3.E.6. Filing**

The Leasing Specialist shall place the original signed Documentation of Need in the official pre-award lease file.

All comments received by the NTEU shall be placed in the official pre-award lease file.

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