

**CHAPTER 4
ACQUIRING HEADQUARTERS
AND REGIONAL OFFICE LEASES**

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**CHAPTER 4
ACQUIRING HEADQUARTERS
AND REGIONAL OFFICE LEASES**

4.A. GENERAL

- 4.A.1. Applicability** This chapter describes the acquisition process for headquarters and regional office leases. The policy for extensions is discussed in LPM Chapter 8 and expansions in LPM Chapter 9.
- 4.A.2. Solicitation for New Leased Space** The Leasing Specialist shall undertake a solicitation for new leased space as discussed in LPM Section 4.C. for all acquisitions of headquarters and regional office leases.
- 4.A.3. Use of Brokers** A professional Broker shall be used unless a waiver is obtained from the Associate Director, ACSB.
- 4.A.4. Official Lease File** The Leasing Specialist shall maintain the official pre-award lease file.

4.B. ROLES AND RESPONSIBILITIES

- 4.B.1. Program Office(s)** The Program Office(s) shall:
- Tour the prospective buildings on the scheduled visitation;
 - Consult with the Leasing Specialist in the selection and evaluation of buildings;
 - Provide information relevant to the lease negotiation to the Leasing Specialist; and
 - Concur on the Lease Case before presentation to the Board of Directors.
- 4.B.2. Board of Directors** The Board of Directors is the approving authority.
- 4.B.3. CFO** The CFO shall approve all initial lease terms longer than 5 years.
- 4.B.4. Director, DOA** The Director, DOA, shall sign the Lease Case for presentation to the Board of Directors.
- 4.B.5. Associate Director, ACSB** The Associate Director, ACSB, shall:
- Authorize Fitness and Integrity Policy waivers and the use of abbreviated authorized Fitness and Integrity certifications;
 - Concur on the Lease Case before submission to the Director, DOA; and
 - Execute all approved Leases.
- 4.B.6. Assistant Director, Leasing Section** The Assistant Director, Leasing Section, shall:
- Sign the RFP before issuance;
 - Be the approving authority for:
 - Extension of the proposal due date,
 - Consideration of late proposals,
 - Use of space measurement standards other than BOMA, and
 - Negotiated material changes to the standard lease documents; and
 - Concur on the Lease Case before submission to the

Associate Director, ACSB.

4.B.7. Leasing Specialist

The Leasing Specialist has overall responsibility for:

- Soliciting for new locations, including preparing the RFP;
- Conducting a tour of the prospective buildings;
- Distributing the RFP within FDIC;
- Selecting offerors to be asked for revised proposals;
- Conducting the best value evaluation;
- Making the selection decision (offeror and alternate) in consultation with the Program Office(s);
- Notifying the Program Office(s) of the selection of the selected offeror and alternate;
- Preparing the Lease Case;
- Negotiating and finalizing the Lease;
- Informing the Assistant Director, Leasing Section, of any material changes to the Lease required by the Landlord;
- Providing the Labor and Employee Relations Specialist, PSB, with a copy of the executed Lease for review by NTEU;
- Notifying unsuccessful offerors within 15 days of lease execution;
- Conducting debriefings as requested by unsuccessful offerors; and
- Maintaining all documentation in the official pre-award lease file.

4.B.8. Facilities Manager, Corporate Services

The Facilities Manager shall:

- Tour the prospective buildings on the scheduled visitation;
- Verify the offeror’s structural and mechanical representations with the assistance of the Architect-Engineer; and
- Oversee the design and construction of all initial tenant improvements.

4.B.9. Broker

The Broker shall:

- Prepare the RFP in conjunction with the Leasing Specialist;
- Distribute the RFP to potential offerors;
- Assist at any pre-proposal conference;
- Accept proposals;
- Organize the tour of the prospective buildings;
- Obtain clarifications from offers;
- Compile the Building Elimination Matrix;
- Prepare an evaluation of proposals for the Leasing Specialist to use;
- Assist in preparation of the Lease Case;
- Assist in negotiation of the Lease; and
- Assist in other matters as requested by the Leasing Specialist.

4.B.10. Architect-Engineer

The Architect-Engineer shall:

- Tour the prospective buildings on the scheduled visitation;
- Review the structural and mechanical integrity of the prospective buildings;
- Prepare detailed square footage calculations based on the structure of the prospective buildings and in compliance with BOMA standards and the Facilities Design Guide; and
- Prepare construction estimates based on the layout and design of the existing building.

4.B.11. DIRM

DIRM shall provide cost estimates for planning and installation of computers and telecommunications.

DIRM shall provide DOA with design specification for planning and installation of cabling.

4.B.12. Warranted Contracting Officer

Upon request, a Warranted Contracting Officer shall engage:

- A Broker;

- An Architect-Engineer;
- Cost Estimators to estimate costs of construction of initial tenant improvements;
- Contractors for the construction of initial tenant improvements, if not being performed by the Landlord; and
- Environmental Consultants to verify building compliance with air and water quality standards.

4.B.13. Legal Division

The Legal Division shall:

- Review the RFP before issuance;
- Provide legal advice to all members of the team;
- Draft and revise the standard lease documents;
- Review all leases and issue a written opinion concerning compliance with the LPM and the Lease Case and detailing any material deviations from them before the Associate Director, ACSB, executes the Lease;
- Assist in negotiation of the Lease;
- Tour the prospective buildings on the scheduled visitation; and
- Assist the Leasing Specialist in preparation of the Lease Case.

4.B.14. Labor and Employee Relations Specialist, PSB

The Labor and Employee Relations Specialist, PSB, shall interface with the NTEU including:

- Sending a copy of the RFP for comments and coordinating any comments;
- Arranging for NTEU officials to tour prospective buildings and accompany them on such tours; and
- Sending a copy of the approved Lease to the NTEU.

4.B.15. Security Management

The Security Management Section (SMS) shall perform a background check on the selected offeror and alternate.

Section (SMS)

4.C. SOLICITATION FOR NEW LEASED SPACE

- 4.C.1. Applicability** The Leasing Specialist shall initiate the solicitation process for all new leased space.
- 4.C.2. Solicitation Process** The solicitation process includes the following steps:
- Advertisement of requirements (LPM Section 4.D.);
 - Identification of potential offerors (LPM Section 4.E.);
 - Preparing and distributing the RFP (LPM Section 4.F.);
 - Pre-proposal conference (LPM Section 4.G.);
 - Receipt of proposals (LPM Section 4.H.);
 - Screening proposals (LPM Section 4.I.);
 - Solicitation of revised proposals (LPM Section 4.J.);
 - Evaluation of revised proposals (LPM Section 4.K.);
 - Case preparation and approval (LPM Section 4.L.);
 - Negotiation and lease award (LPM Section 4.M.);
 - Notification to unsuccessful offerors and debriefings (LPM Section 4.N.); and
 - Negotiation and award of work letter (LPM Section 4.O.).
- 4.C.3. Review of Inventory** Before beginning the solicitation process, the Leasing Specialist shall review existing inventory to verify that acceptable leased space is not available within the specified geographic boundaries.
- 4.C.4. Use of a Broker** A Broker shall be used to assist in the solicitation process.
- 4.C.5. Obtaining Services of an Architect-Engineer** The Facilities Manager shall request the Warranted Contracting Officer to engage the services of a qualified Architect-Engineer with experience and familiarity with buildings located in the geographic boundaries to assist in:
- The evaluation of potential buildings;
 - The definition of space requirements; and
 - The development of cost estimates for initial tenant improvements.

4.D. ADVERTISEMENT OF REQUIREMENTS

4.D.1. Purpose

The advertisement assists in identifying buildings within the geographic boundaries that meet the requirements of the Program Office(s).

4.D.2. Content

The advertisement shall include the following:

- Geographic boundaries;
- Rentable square footage required;
- Desired term;
- Projected need date;
- Name and telephone number of the Broker;
- The Broker's fax number for responses;
- Date that the expression of interest is due (not less than 10 days after the last published date of the advertisement); and
- Information requested in the expression of interest, including:
 - Building address,
 - Owner and property manager,
 - Building classification, and
 - Contiguous rentable and usable square feet available.

If the advertisement is to locate leased space to replace an existing Lease, the advertisement shall include language that informs potential offerors that financial analysis will consider the cost of the Lease, including the cost of relocation and construction of initial tenant improvements.

A sample advertisement follows.

SAMPLE ADVERTISEMENT

Federal Deposit Insurance Corporation Solicits Expression
of Interest to Lease or Purchase Class A Office Space

Requirement: Approximately (square feet), ($\pm 10\%$), rentable square feet of contiguous office space, in a Class A Office Building within a (number) mile radius of the CBD in (city, state), for a lease term of (number) years with occupancy required on or before (date).

Response: Interested Owner and Authorized Exclusive Agents representing blocks of space that meet the requirement shall submit an expression of interest containing the following information:

- Building address
- Name, address, telephone numbers of owner and property manager
- Building classification
- Contiguous rentable square feet available

Evaluation: The FDIC currently has an existing (type of) office located in (city). The selection process for this requirement will consider total costs of relocation, including moving services, construction of tenant improvements, and other factors.



For further information, contact (name) at (phone number)
Respond via facsimile, (fax number) by (date).

4.D.3. Placement

The Broker shall advertise in the local newspaper and/or the local commercial real estate paper for the area located within the geographic boundaries. If commercial real estate is featured on a particular day in the newspaper, the Broker shall run the advertisement on that day.

4.E. IDENTIFICATION OF POTENTIAL OFFERORS

4.E.1. List of Potential Offerors

The Broker and Leasing Specialist shall develop an initial list of potential offerors no later than 21 months before the need date. The list shall be comprised of:

- Potential offerors which submit an expression of interest in response to the advertisement;
- Other potential offerors identified through the market survey and other sources; and
- The existing Landlord, unless exclusion is authorized.

4.E.2. Minimum Requirements

The Broker and Leasing Specialist shall screen each of the potential offerors on the initial list to verify that:

- It is either the owner of the building, or the exclusive agent representing the owner; and
- The building is within the geographic boundaries, provides class A space, and provides sufficient space, preferably contiguous, to meet the requirement.

The Leasing Specialist shall remove from the list any potential offerors that do not meet the minimum requirements, and put a copy of the initial list, with notations regarding removal, in the lease file.

The Leasing Specialist shall ensure the list of potential offerors is composed of a broad spectrum of buildings that meet the requirements.

4.E.3. Building Elimination Matrix

The Broker shall record all offerors designated to receive an RFP on the Building Elimination Matrix (LPM Exhibit E). The Building Elimination Matrix shall track the progress of all offerors and will describe the reasons any buildings whose owners or managers received an RFP are eliminated from consideration.

4.F. PREPARING AND DISTRIBUTING THE RFP

- 4.F.1. Preparation** The Leasing Specialist with the assistance of the Broker, shall prepare the RFP to send to all potential offerors listed on the Building Elimination Matrix. The format of the RFP is attached as LPM Exhibit F, Sample RFP for Headquarters and Regional Office Leases.
- 4.F.2. Information Requested from Potential Offerors** The RFP shall request at a minimum the following information from potential offerors:

Financial

- Rental rate based on term(s) requested
- Monetary concessions (such as free rent and initial tenant improvements)
- Charges (maximum markup for initial tenant improvements, services)
- Utility charges
- Escalations for operating expenses and taxes

Premises

- Availability of requested square footage
- Space availability date
- Move-in date

Building

- Response to:
 - Structural and mechanical issues
 - Facilities management and environmental issues
- Building plans (using CADD software, if available)
- Proximity to public transportation
- Other amenities

Flexibility

- Ability to:
 - Expand the contract
 - Terminate early
 - Renew

Other

- Construct proposed initial tenant improvements
- Detailed comments on standard lease documents
- Completed Representations and Certifications Form(s) or abbreviated Fitness and

Integrity Certification if required by the Fitness and Integrity Policy as it has been amended by the LPM

- 4.F.3. Evaluation Criteria** The RFP shall inform potential offerors that FDIC will select leased space which offers the best value using the evaluation criteria shown below:

Financial Criteria

- Competitiveness of rental rate (rent, allowance, and other concessions)
- Design efficiency
- Length of lease term
- Cost of relocation and initial tenant improvements
- Date of availability
- Flexibility – particularly as it is related to expansion, contraction, termination, and renewal options

Qualitative Criteria

- Completion of the *FDIC Leasing Representations and Certifications Form* or the abbreviated Fitness and Integrity certification to the satisfaction of FDIC, per the instructions attached thereto and compliance with the Fitness and Integrity Policy as it has been amended by the LPM
- Location including proximity to public transportation and other amenities and any impact on employees
- Classification of building in the local market
- Degree of compliance of building and premises with ADA and other applicable federal, state, and local codes, laws, and regulations
- Structural and mechanical fitness of the building (degree of modernization, floor load capacity, etc.)
- Degree of acceptance of the *FDIC Standard Form Office Lease*

- 4.F.4. Legal Review** The Legal Division shall review the RFP before issuance and notify the Leasing Specialist, in writing, that the RFP is acceptable or of any areas of concern.

4.F.5. Review and Signature After the Legal Division review, the Assistant Director, Leasing Section, shall authorize the Leasing Specialist to notify the Broker to sign and distribute the RFP.

4.F.6. Distribution The Broker shall distribute the RFP to all potential offerors at least 2 weeks before the proposal due date.

The Leasing Specialist shall distribute copies of the RFP to:

- Associate Director, ACSB;
- Facilities Manager;
- Architect-Engineer;
- Program Office(s);
- Labor and Employee Relations Specialist, PSB; and
- Legal Division.

4.F.7. Review by NTEU The Leasing Specialist shall forward a copy of the approved RFP to the Labor and Employee Relations Specialist, PSB, who shall forward the copy to the NTEU for review.

All comments received from NTEU shall be coordinated by the Labor and Employee Relations Specialist, PSB, and then forwarded to the Leasing Specialist.

4.F.8. Filing Copies of the RFP, the Building Elimination Matrix, and all questions and answers shall be placed in the official pre-award lease file.

All comments received from the NTEU, through the Labor and Employee Relations Specialist, PSB, shall be placed in the official pre-award file.

4.G. PRE-PROPOSAL CONFERENCE

- 4.G.1. Purpose** The Leasing Specialist shall hold a pre-proposal conference before the proposal due date to provide clarification on matters of interest.
- 4.G.2. Timing** The conference shall be held as early as feasible and sufficiently in advance of the proposal due date to allow potential offerors to consider the information presented at the pre-proposal conference before submitting a proposal.
- 4.G.3. Notification** The conference place, date, and time shall be included in the RFP.
- 4.G.4. Attendees** The Facilities Manager, Legal Division, the Broker, and the Architect-Engineer shall attend the pre-proposal conference. The Leasing Specialist may invite other appropriate FDIC personnel, as necessary, to give potential offerors a full understanding of the requirement.
- 4.G.5. Agenda** The Leasing Specialist shall prepare an agenda for the conference, which may or may not be distributed to participants before the conference. Agenda items may include, but are not limited to:
- Explanation of requirements and criteria for evaluation of proposals;
 - Fitness and Integrity Policy as it has been amended by the LPM;
 - Description of expansion, contraction, extension, or termination rights requested;
 - Legal issues; and
 - Construction considerations.
- 4.G.6. Questions and Answers** The Broker shall document all questions and answers discussed at the conference and distribute a written summary to all RFP recipients.

4.I. SCREENING PROPOSALS

- 4.I.1. Scope** Screening proposals is the process of assessing each offeror's capability to meet the requirements at a fair and reasonable price.
- 4.I.2. Existing Leased Space** If the existing Landlord is an offeror, FDIC shall consider the existing leased space with other offers, unless prior approval to exclude the Landlord has been obtained from the Associate Director, ACSB.
- 4.I.3. Review of Proposals** The Broker and the Leasing Specialist shall make an initial review of proposals for completeness. The Leasing Specialist or Broker may, but shall not be required to, contact any offeror for clarification and/or additional information. All requests and responses shall be made in writing.
- 4.I.4. Review of Representations and Certifications** If required by FDIC's Fitness and Integrity Policy, the Representations and Certification Form(s) will be reviewed with respect to fitness and integrity of the Landlord and the physical building condition. The Leasing Specialist shall review all representations and certifications for completeness, to ensure that the offeror states that it meets FDIC requirements, and that the offeror has no conflict of interest.
- If the offeror has a conflict of interest and requests that its conflict of interest be waived, the Leasing Specialist shall send the waiver request to the Ethics Section, OES, pursuant to FDIC's Fitness and Integrity Policy as it has been amended by the LPM.
- If the offeror's physical building condition raises concerns, the Leasing Specialist may request additional information from the offeror.
- 4.I.5. Tour of Facilities** The Leasing Specialist, representatives from the Program Office(s), the Facilities Manager, the Broker, and the Architect-Engineer shall tour any building which:
- Has sufficient contiguous space available in time to meet the need date;
 - Provides class A space;
 - Offers a net effective rent within the competitive range;

- Is within the geographic boundaries;
- Meets the physical condition requirements; and
- Is owned by an individual or entity that complies with the Fitness and Integrity Policy as it has been amended by the LPM.

During the tour, the Leasing Specialist shall note specific issues with each building to be addressed in the request for revised proposals. The Architect-Engineer shall examine the building layout and determine the actual space requirements to meet FDIC's needs. These square footage calculations shall be used in the request for revised proposals and the financial analysis.

4.1.6. Building Tour By NTEU

The list of buildings shall be sent to the Labor and Employee Relations Specialist, PSB, who will coordinate any building tours requested by the NTEU. The Leasing Specialist and the Labor and Employee Relations Specialist, PSB, shall accompany the NTEU on any such tours.

4.1.7. Determining Building Classification

Prior to the tours, the Broker shall determine the classification of each building (A, B, or C). The Architect-Engineer shall confirm the classification of each building after the tour.

4.1.8. Environmental Assessment

The Leasing Specialist shall engage the services of an environmental consultant through a Warranted Contracting Officer to conduct air and water quality tests as needed. The need for an environmental consultant shall be based on the offeror's representations and certifications and issues discovered during the building tours.

4.1.9. Construction Determination

During the tour of the buildings, the Facilities Manager and the Architect-Engineer shall assess the construction requirements for each building to meet design specifications.

The Facilities Manager in conjunction with the Architect-Engineer shall use this assessment to prepare a cost estimate for initial tenant improvements.

The Leasing Specialist shall use the cost estimate prepared by the Facilities Manager as part of the financial analysis of proposals.

4.J. SOLICITATION OF REVISED PROPOSALS

4.J.1. Qualified Offerors

Based on the proposals and the results of the tours, the Broker and Leasing Specialist shall prepare a list of offerors which meet the following criteria:

- The Landlord has submitted and completed the Representations and Certification Form(s) if required by FDIC's Fitness and Integrity Policy, as it has been amended by the LPM, and has no unwaived conflicts of interest;
- The proposed leased space meets the classification criteria, contains sufficient rentable square footage, and will be available in accordance with timing requirements; and
- The net effective rent is within the competitive range.

4.J.2. Request for Revisions

The Broker shall invite, in writing, each qualified offeror to submit a revised proposal.

The letter requesting revisions to the proposal shall consist of:

- An invitation to submit a revised proposal by improving the original proposal;
- A request to propose space based on the building-specific square footage calculations prepared by the Architect-Engineer;
- A request for clarification of specific issues identified on the building tours or in the proposal;
- A due date, no less than 5 days after issuance of the letter; and
- A request for such other information as appropriate.

4.J.3. Acceptance of Revised Proposals

The Broker shall:

- Accept revised proposals in accordance with the letter;
- Ensure that each revised proposal is date stamped upon receipt; and
- Acknowledge receipt of revised proposals on the Building Elimination Matrix.

4.J.4. Safeguarding Proposals

The Broker shall deliver the originals of all revised proposals to the Leasing Specialist and retain copies for the Broker's use. The Leasing Specialist shall retain all original revised proposals in a secured location after receipt, during evaluation, and throughout the leasing process.

4.J.5. Handling of Late Proposals

Revised proposals received after the proposal due date are considered late. When a revised proposal is late, the Broker shall inform the offeror that the revised proposal was received late and that the FDIC may, but is under no obligation to, consider the revised proposal.

The Leasing Specialist, with approval from the Assistant Director, Leasing Section, may consider late revised proposals, if it is in the best interest of FDIC. The Leasing Specialist shall document all exceptions and maintain records of the exception in the official pre-award lease file.

4.K. EVALUATION OF REVISED PROPOSALS

4.K.1. Best Value

The Broker and Leasing Specialist shall review each revised proposal to identify the proposal that offers the best value to FDIC.

4.K.2. Financial Criteria

The Leasing Specialist shall complete all financial analyses both on a net present value and a nominal basis.

The financial analysis shall include but not be limited to the following items:

- Rental rate per square foot;
- Number of square feet based on building specific requirements;
- Efficiency of the building in rentable vs. actual useable square feet;
- Any free rent or lease assumption offered;
- Estimated increases in operating expenses and real estate taxes over the base year amount, if applicable;
- Estimated direct utility costs;
- Any cash concessions, incentives, and non-cash concessions, such as construction labor, engineering, materials, etc.;
- Cost of termination, construction, renewals;
- Estimated cost of:
 - Architectural fees,
 - Initial tenant improvements,
 - Relocation costs provided by ACSB,
 - Cabling and telecommunication provided by DIRM, and
 - Parking, if any, paid by FDIC.

The format for the financial analysis is shown in LPM Exhibit G.

4.K.3. Qualitative Criteria

Best value involves using business judgment to make a decision based on the evaluation criteria stated in the RFP. Financial analysis results are significant, but not the sole determining factor, in a best value decision. All evaluation

criteria shall be considered.

Qualitative criteria shall include, but not be limited to, the following items:

- Completion of the FDIC Leasing Representations and Certifications Form to the satisfaction of the FDIC, per instructions attached thereto and compliance with the Fitness and Integrity Policy as it has been amended by the LPM;
- Impact on employees, including proximity to public transportation, proximity to parking facilities, proximity to eating establishments, and safety of the area, during work hours and after hours;
- Classification of building in the local market;
- Degree of compliance of building and premises with ADA and other applicable federal, state and local codes, laws and regulations;
- Structural and mechanical fitness of the building (degree of modernization, floor load capacity, etc.); and
- Degree of acceptance of the *FDIC Standard Form Office Lease*.

The offer that provides the best value shall be that offer which, as a whole, serves the best interest of FDIC. All best value decisions shall demonstrate logical consistency and provide sound bases for documentation.

4.K.4. Negotiation with Individual Offerors

The Leasing Specialist may negotiate on an individual basis with any offeror that meets the minimum requirements.

4.K.5. Best Value Matrix

The Broker shall document the results of the financial analysis and other evaluation criteria in a Best Value Matrix as shown in LPM Exhibit H.

4.K.6. Building Elimination Matrix

The Broker shall document the results of the best value analysis in the Building Elimination Matrix.

4.K.7. Selection of Offeror and Alternate

The Leasing Specialist shall select the offeror that offers the best value and an alternate that offers the next best value. The alternate shall be considered for award if negotiations with the selected offeror fail.

4.K.8. Background Check

The Leasing Specialist shall submit a request to the Security Management Section (SMS), ACSB, for a background check for the selected offeror and alternate.

The Leasing Specialist should provide SMS with the following information:

- Name of the offeror and alternate;
- Taxpayer identification number;
- Address; and
- Names of the principals.

The Leasing Specialist shall have received a satisfactory report prior to submitting the Lease Case to the Board for approval.

4.K.9. Negotiation of Financial Terms

The Leasing Specialist shall negotiate the financial terms of the Lease with the selected offeror and alternate, before the Lease Case is presented.

4.L. CASE PREPARATION AND APPROVAL

- 4.L.1. Applicability** The purpose of the Lease Case is to request expenditure authority for all costs that will be incurred under the full term of the Lease. Case preparation and approval applies to all lease acquisitions.
- 4.L.2. Preparation of Lease Case** The Leasing Specialist with the assistance of the Broker and in conjunction with the Assistant Director, Leasing Section, and the Associate Director, ACSB, shall prepare the Lease Case.
- 4.L.3. Timing** The Lease Case shall be submitted to the Board of Directors to allow sufficient time to make a decision and pursue other options, if necessary. The LPM recommends presentation of the Lease Case at least 14 months before the need date.
- 4.L.4. Content of Lease Case** The Lease Case shall consist of:
- Request for expenditure authority;
 - Background information justifying need;
 - Description of the real estate market and results of the market survey;
 - Name and address of selected offeror and alternate;
 - Lease negotiation summary;
 - Financial analysis of all revised proposals;
 - Best Value Matrix;
 - Building Elimination Matrix;
 - Best value substantiation of selected offeror and alternate;
 - Confirmation that selected offeror and alternate meet the Fitness and Integrity Policy as it has been amended by the LPM;
 - Legal issues, if any; and
 - Identification of any material and substantial deviations from the LPM which have not been waived as provided for in the LPM.

4.L.5. Approvals

The Leasing Specialist shall submit the Lease Case for concurrence and approval in the following order:

Assistant Director, Leasing Section	Concurs
Associate Director, ACSB	Concurs
General Counsel, Legal Division	Concurs
Program Office Director(s)	Concurs
Director, DOA	Signs Lease Case
CFO	Concurs

4.L.6. Disposition

The Board of Directors must approve the Lease Case before execution of the Lease.

If the Board of Directors approves the Lease Case, the Leasing Specialist shall notify the Landlord of the selection and initiate final negotiations.

If the Board of Directors approves the Lease Case with conditions, the Leasing Specialist shall ensure the conditions are met before notifying the Landlord of the selection and initiating the final negotiations.

If the Board of Directors rejects the Lease Case entirely, the Leasing Specialist shall inform the Program Office(s) and the Landlord of the rejection and pursue alternatives.

4.M. NEGOTIATION AND LEASE AWARD

- 4.M.1. Standard Lease Documents** All agreements shall be based on the standard lease document to the maximum extent possible (see 1.E.4, Standard Lease Documents).
- 4.M.2. Negotiation of Lease Document** After case approval, the Leasing Specialist shall complete negotiations of the Lease. The Legal Division shall be included in negotiations, however, the Leasing Specialist shall be responsible for negotiations of the business terms and conditions.
- The Legal Division is responsible for drafting and incorporating any changes to the standard lease documents. The Legal Division shall explain the consequences of changes to the standard lease documents to the Leasing Specialist.
- 4.M.3. Legal Opinion and Review** Upon conclusion of the lease negotiation, the Legal Division shall prepare a written opinion to the Associate Director, ACSB, regarding material deviations from the LPM and the existence of any legal impediments.
- 4.M.4. Signature by Landlord** The Leasing Specialist shall send 4 copies of the Lease to the Landlord for signature. The Landlord shall sign and date all 4 copies and return them to the Leasing Specialist. Unless the Leasing Specialist has a substantive reason to do so, the Associate Director, ACSB, shall not sign the Lease before the Landlord.
- 4.M.5. Review of Returned Lease** The Leasing Specialist and the Legal Division shall review the Lease to identify any changes made by the Landlord.
- 4.M.6. Execution Package** Before the Associate Director, ACSB, signs the Lease, the Leasing Specialist shall prepare the execution package which consists of:
- 4 copies of the Lease signed by the Landlord;
 - Legal opinion;
 - Landlord Representations and Certifications Form(s); and
 - Approved Lease Case.
- 4.M.7. FDIC Signature** The Assistant Director, Leasing Section, shall present the execution package to the Associate Director, ACSB, for

signature.

The Associate Director, ACSB, shall sign and date the Lease.

4.M.8. Distribution of Signed Lease Documents

The Leasing Specialist shall distribute the signed Leases to:

- Official Lease File (1);
- Legal Division (1); and
- The Landlord (2).

4.M.9. Notification of NTEU

The Leasing Specialist shall provide a copy of the executed Lease to the Labor and Employee Relations Specialist, PSB, who shall forward it to the NTEU.

4.N. NOTIFICATION TO UNSUCCESSFUL OFFERORS AND DEBRIEFINGS

4.N.1. Notice to Unsuccessful Offerors

The Broker shall provide written notification to all unsuccessful offerors which submitted RFPs within 15 days after lease execution and offer debriefings.

4.N.2. Debriefings

The Leasing Specialist shall debrief unsuccessful offerors as requested. The Leasing Specialist and at least one other qualified FDIC representative shall attend the session.

The Leasing Specialist shall honor all requests for debriefings requested within 3 months after the notification to unsuccessful offerors.

4.O. NEGOTIATION AND AWARD OF WORK LETTER

4.O.1. Initial Tenant Improvements

FDIC prefers to engage the Landlord to construct initial tenant improvements. The Leasing Specialist may use another contractor, engaged through a Warranted Contracting Officer, under certain circumstances, including:

- The Landlord is unable or unwilling to construct the initial tenant improvements; or
- The Facilities Manager has specific design or construction requirements that are best met through other contractor resources.

4.O.2. Pricing for Initial Tenant Improvements

The Leasing Specialist shall ensure that the Landlord has sufficient information to provide a fixed-price cost proposal that encompasses the total cost for initial tenant improvements including all subcontracting costs to the Landlord. The Leasing Specialist shall request a detailed cost proposal from the Landlord including:

- Fixed-price; and
- Unit prices for change orders.

4.O.3. Cost Estimate

If the cost of initial tenant improvements is estimated to be \$100,000 or greater, the Leasing Specialist shall obtain an independent cost estimate using an Architect-Engineer. The Architect-Engineer shall visit the building and prepare the estimate using information provided by the Landlord.

If the cost of initial tenant improvements is estimated to be less than \$100,000, a cost estimate is still required. However, at the Leasing Specialist's option, the cost estimate may be prepared in-house.

An in-house cost estimate may be obtained using the Means Standard Pricing Guide for the geographic region, other regional pricing guides, industry standards, or comparison with other similar initial tenant improvements.

- 4.O.4. Cost Comparison** For initial tenant improvements estimated at \$100,000 or greater, the Leasing Specialist shall compare the proposal from the Landlord with the independent cost estimate. If there is a significant variation in the fixed-price or on an individual line item, the Leasing Specialist shall obtain clarification from the Landlord or the Architect-Engineer.
- 4.O.5. Price Reasonableness** For initial tenant improvements less than \$100,000 the Leasing Specialist shall review the Landlord's cost estimate to determine the reasonableness of the price quoted.
- If the Leasing Specialist feels the prices are not fair and reasonable, negotiations shall be conducted with the Landlord.
- 4.O.6. Use of Independent Contractor** If agreement on constructing initial tenant improvements is not reached with the Landlord within a reasonable time, the Leasing Specialist shall request that the Facilities Manager obtain an independent contractor to construct initial tenant improvements.
- 4.O.7. Payment** The Facilities Manager shall process all Payment Authorization Vouchers (PAVs) for payment of initial tenant improvements.

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