

**CHAPTER 5
DETERMINING REQUIREMENTS FOR
FIELD OFFICE AND WAREHOUSE LEASES**

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CHAPTER 5

DETERMINING REQUIREMENTS FOR FIELD OFFICE AND WAREHOUSE LEASES

5.A. GENERAL

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| 5.A.1. Applicability | This chapter defines procedures for determining and documenting the requirements for field office and warehouse leases and applies to all lease acquisitions that are initiated after the effective date of the LPM. |
| 5.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. |
| 5.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 the leased space. The Documentation of Need shall be in the format of LPM Exhibit I, Sample Documentation of Need for Field Offices and Warehouses. |
| 5.A.4. Determination of Geographic Boundaries | The Program Office(s) shall recommend the geographic boundaries for the leased space. |
| 5.A.5. Market Survey | The Leasing Specialist shall conduct a market survey to assist in determining the market conditions and available buildings within the geographic boundaries. The market survey may be conducted by the Broker, or through an in-house survey. |
| 5.A.6. 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 require CFO approval. |
| 5.A.7. Authorization to Proceed | An approved Documentation of Need becomes the authorization to proceed and initiates renegotiation or the solicitation process as defined in LPM Section 6.D. |
| 5.A.8. Official Lease File | The Leasing Specialist shall maintain all pre-award documentation in the official pre-award lease file. |

5.B. ROLES AND RESPONSIBILITIES

- 5.B.1. Program Office(s)** The Program Office(s) shall:
- Provide information to define its need;
 - Recommend geographic boundaries for a proposed lease;
 - Assist in defining the initial lease term; and
 - Concur on the Documentation of Need.
- 5.B.2. CFO** The CFO shall approve all initial lease terms longer than 5 years.
- 5.B.3. Regional Manager, DOA** The Regional Manager, DOA, shall:
- Review and approve the Documentation of Need;
 - Ensure that the requirements expressed in the Documentation of Need are in compliance with the Corporate Strategic Plan and Approved Staffing Projections; and
 - Resolve any disagreements between the Program Office(s) and the Leasing Specialist with respect to the geographic boundaries.
- 5.B.4. Leasing Specialist** The Leasing Specialist shall:
- Notify the Program Office(s) of the expiration date of the current lease;
 - Verify that the geographic boundaries recommended by the Program Office(s) are reasonable given the market;
 - Calculate the square footage based on the Corporate Strategic Plan, Approved Staffing Projections, and the Facilities Design Guide;
 - Define the initial lease term in consultation with the Program Office(s); and
 - Prepare the Documentation of Need.
- 5.B.5. Broker** A professional Broker may conduct a market survey at the request of the Leasing Specialist.
- 5.B.6. Management Review Staff, DOA** Management Review Staff shall confirm the Approved Staffing Projections and resolve any significant discrepancies with the Program Office(s).

5.B.7. 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 with the Leasing Specialist.

5.C. GATHERING INFORMATION

- 5.C.1. Existing Space** The Leasing Specialist shall notify the Program Office(s):
- At least 12 months before an existing lease expires, or
 - If earlier than 12 months before an existing lease expires, 6 months before the date notice is required to be given to exercise an option to extend the existing lease.
- 5.C.2. 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.
- 5.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 non-performance issues, facilities management issues, environmental concerns, and other matters;
 - Recommended geographic boundaries considering:
 - Mission need;
 - Access to:
 - Other FDIC offices,
 - Other financial and/or regulatory agencies,
 - Public transportation (walking distance),
 - Major highways and airports, and
 - General safety and crime statistics of the area.
 - The intended use for the leased space including any special use areas such as training facilities, conference room(s), library, storage, kitchen, 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 all of the requested

information to the Leasing Specialist within 2 weeks of the date of request.

5.C.4. Determination of Lease Term

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

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

Initial lease terms longer than 5 years require the approval of the CFO.

5.C.5. Geographic Boundaries

The Leasing Specialist shall verify that the geographic boundaries are reasonable given the marketplace. If no buildings with adequate space are available, the Leasing Specialist, with approval from the Regional Manager, DOA, shall expand the geographic boundaries.

If the Leasing Specialist and the Program Office(s) are unable to agree on the geographic boundaries, taking into account the factors in LPM Section 5.C.3., the Regional Manager, DOA, shall make the final decision.

5.C.6. Rentable Square Footage Calculation

Based on the Approved Staffing Projections and the intended use of the leased space, the Leasing Specialist shall calculate the rentable square footage required using the standards defined by the Facilities Design Guide. The Documentation of Need shall reflect the standards in the latest Facilities Design Guide.

5.D. SPACE AVAILABILITY

5.D.1. Market Survey

In conjunction with gathering information for the Documentation of Need, the Leasing Specialist shall conduct a market survey to determine general market conditions within the geographic boundaries. The market survey shall provide information regarding:

- Current rental rates;
- Vacancy rates; and
- Available buildings and their classifications which have sufficient contiguous space to fulfill the requirements of the Program Office(s).

The Leasing Specialist may conduct the market survey by using a professional Broker, or by conducting an in-house survey of the general geographic area.

If the market survey reveals that a reasonable number of buildings with adequate available space does not exist within the geographic boundaries, then the Leasing Specialist may either expand the geographic boundaries, with approval from the Regional Manager, DOA, or if the Program Office(s) agrees, seek leased space in the building(s) that are available, even if limited in number. If no buildings with adequate space exist, the Leasing Specialist shall expand the geographic boundaries.

5.D.2. Filing

The Leasing Specialist shall file the market survey in the official pre-award lease file.

5.E. DOCUMENTATION OF NEED

5.E.1. Documentation of Need

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

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 to the Documentation of Need:

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

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

5.E.2. Review and Approval

The Leasing Specialist shall submit the Documentation of Need for written concurrence by the Program Office(s).

Upon concurrence by the Program Office(s), the Leasing Specialist shall submit the Documentation of Need to the Regional Manager, DOA, for approval.

The Regional Manager, DOA, shall verify that the requirements are in full agreement with the Corporate Strategic Plan and Approved Staffing Projections.

5.E.3. Review by NTEU

The Leasing Specialist shall forward a copy of the approved Documentation of Need to the Labor and Employee Relations Specialists, 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.

- 5.E.4. Timing** The Leasing Specialist should have the Documentation of Need approved at least 11 months before the need date.
- 5.E.5. Authorization to Proceed** After approval by the Regional Manager, DOA, the Documentation of Need becomes an authorization to proceed.
- 5.E.6. Filing** The Leasing Specialist shall file the signed Documentation of Need in the official pre-award lease file.
- All comments received from the NTEU through the Labor and Employee Relations Specialist, PSB, shall be included in the official pre-award lease file.