FDIC

FEDERAL DEPOSIT INSURANCE CORPORATION

DIRECTIVE SYSTEM

TYPE AND NUMBER	
Circular 3540.1	
CONTACT	TELEPHONE NUMBER
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DATE	
July 13, 2004	
DATE OF CANCELLATION *(Bulletins Only)*	

TO: All Divisions and Offices

FROM: Arleas Upton Kea
Director, Division of Administration

SUBJECT: FDIC Leasing Policy Manual

1. Purpose To communicate leasing standards and provide guidelines that will produce corporate-wide uniform space acquisition procedures.

2. Revision FDIC Circular 3540.1, FDIC Leasing Policy Manual, dated December 22, 1999, is hereby revised and superseded.

3. Scope The provisions outlined in this manual apply to those employees involved in the acquisition/disposition of office and warehouse space.

4. Background This circular further defines the published Policy Statement on Securing Leased Space 61 Federal Register 5552, et seq. (February 13, 1996).

5. Policy The Corporation's policy is to create a uniform lease acquisition policy that provides a safe, efficient, and pleasant work environment for employees, meets the programmatic needs of the organization, and provides the "best value" in terms of cost and other factors.

6. Changes Changes to the FDIC Leasing Policy Manual shall be issued through the FDIC Directive System.

7. Effective Date The provisions outlined in this directive are effective upon issuance.

Attachment

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CHAPTER 1
AUTHORITY AND PURPOSE

1.A. GENERAL

1.A.1. Applicability

This chapter defines the authority and purpose of the Leasing Policy Manual (LPM) and describes the roles and responsibilities of Federal Deposit Insurance Corporation (FDIC) personnel.

1.A.2. Authority

The Federal Deposit Insurance Act (FDIA) (12 U.S.C. 1819(a)) empowers the Federal Deposit Insurance Corporation (FDIC) to enter into binding agreements, including leases. The FDIA also permits FDIC to develop a leasing program to acquire and to administer such leases.

The authority to establish policies and procedures for the leasing program has been delegated to the Director, Division of Administration (DOA) by the Board of Directors.

The LPM is issued by the Corporate Services Branch, DOA, Headquarters, Washington, DC, (CSB) pursuant to such authority.

1.A.3. Purpose

The LPM establishes and defines the policies and procedures for the leasing program.

1.A.4. Coverage

The LPM governs all leases entered into, and all leasing actions performed, after the LPM effective date, shown in LPM 1.A.7., except those entered into by FDIC:

- Acting as the conservator or receiver of a failed financial institution; or
- Operating as a bridge bank.

Leasing actions include:

- Renegotiation of an existing lease;
- Acquisition of a new lease;
- Amendment;
- Extension;
- Exercise of option;
- Expansion;

- Administration;
- Early termination;
- Subleasing; and
- Negotiation of work letters.

1.A.5. Responsibility

CSB shall develop, communicate, and implement all policies and procedures of the leasing program.

The Space Management and Special Services Section, CSB, shall oversee the implementation of the leasing program throughout FDIC.

1.A.6. Superseded Policy

The LPM supersedes the 1987 Directive on "Leasing of Real Estate," Circular 3540.1.

1.A.7. Effective Date

The effective date of the initial LPM was December 15, 1999; the effective date of this Revision 1 to the LPM is the effective date set forth in the transmittal memo for this Revision 1; and the effective dates of any future revisions to the LPM are to be set forth in corresponding FDIC transmittal memoranda promulgating the LPM revisions.

1.B. GUIDING PRINCIPLES

1.B.1. Goal

FDIC shall lease space that:

- Provides a safe, healthy, efficient, and pleasant work environment for its employees;
- Meets FDIC policy requirements and the programmatic needs of the organization; and
- Provides the "best value" in terms of cost and other factors.

1.B.2. Best Value

Best value is the use of business judgment to make a series of qualitative and quantitative decisions. Financial analysis is significant, but not the sole determining factor. Other evaluation criteria, such as location and flexibility in lease terms and conditions, impact the best value decision.

1.B.3. Objectives

The overall objectives of the LPM are to:

- Facilitate acquisition of quality space at a fair price;
- Ensure adequate planning and coordination;
- Provide a flexible process;
- Strengthen internal controls; and
- Promote fair and consistent treatment of offerors.

1.B.4. Responsibility

The Space Management and Special Services Section is responsible for headquarters and regional office leases.

Corporate Services Staff, DOA, in each regional office is responsible for field office and warehouse leases.

1.B.5. Team Approach

The DOA is a service organization that supports program divisions and offices (the Program Office(s)) by soliciting, acquiring, and administering leases. Other FDIC organizations play a significant role, as well. Therefore, a team approach is critical.

1.B.6. Core Team Members

The following individuals work together under the auspices of DOA to ensure the effectiveness of the leasing program:

- Leasing Specialist;
- Broker;
- Facilities Operations Specialist; and
- Architect-Engineer.

1.B.7. Other DOA Team Members

- The core team is supported by other team members within DOA including the Human Resources Branch (HRB).

1.B.8. Assistance Outside DOA

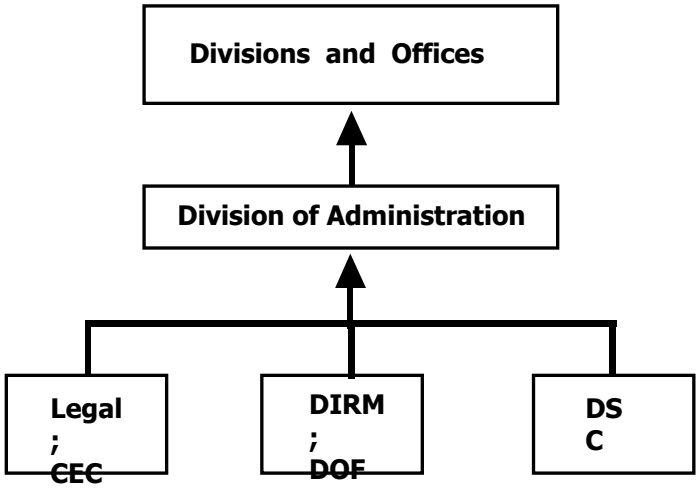
Significant contributions are also made by several FDIC organizations outside DOA including:

- Legal Division;
- Division of Finance (DOF);
- Division of Supervision and Consumer Protection (DSC) (such contributions may include concurring on Documentations of Need to confirm authorized field office staffing);
- Division of Information Resources Management (DIRM); and
- Corporation Ethics Committee.

These offices provide support to the team.

1.B.9. The Team

This team approach is illustrated below:



1.C. DELEGATIONS OF AUTHORITY

1.C.1. General

Consistent with the Delegation of Authority issued by the Board of Directors pursuant to Resolution bearing seal number 060985, entitled, "Expenditure Delegations for Contracts, Leases, Legal Services, and Non-Procurement Related Expenses" (the "Expenditure Delegations"), the Director of DOA has redelegated the authority described in "Division of Administration Redelegations of Authority Associated with Real Property Leases" (the "DOA Redelegations") to various officials within the Division of Administration.

1.C.2. Actual Delegations

LPM Exhibit A contains the Expenditure Delegations and the DOA Redelegations.

1.D. FDIC ROLES AND RESPONSIBILITIES

1.D.1. Program Office(s)

The Program Office(s) is the organizational unit requiring the leased space. The Program Office(s) shall provide information on its requirements and assist the Leasing Specialist as requested throughout the leasing process.

1.D.2. Board of Directors

The Board of Directors has authority under FDIA to enter into binding agreements, including leases. However, the Board of Directors has delegated certain authority as described in LPM Exhibit A.

The Board of Directors is the approving authority for headquarters and regional office leases, subject to Delegations set forth in LPM Exhibit A..

1.D.3. Chief Operating Officer (COO) and Chief Financial Officer (CFO)

The Chief Operating Officer (COO) and the Chief Financial Officer (CFO) shall:

- Approve the length of any initial lease term which is longer than 5 years; and
- Concur on all lease cases for headquarters and regional offices before presentation to the Board of Directors.

1.D.4. Director, DOA

The Director, DOA, has delegated authority from the Board of Directors to approve policies and procedures for the leasing program.

1.D.5. Associate Director, CSB

The Associate Director, CSB, shall develop leasing policies and procedures, distribute them through the LPM, and approve waivers or changes to the LPM.

The Associate Director, CSB, shall authorize requesting Fitness and Integrity Policy waivers from the Corporation Ethics Committee.

1.D.6. Regional Manager, DOA

For field office and warehouse leases, the Regional Manager, DOA, is the approving authority and shall ensure that the leasing process is conducted in accordance with the LPM and all other applicable FDIC policies and requirements.

1.D.7. Assistant Director, Space Management and Special Services Section

For headquarters and regional office leases, the Assistant Director, Space Management and Special Services Section, shall supervise the leasing process and ensure that the leasing process is conducted in accordance with the LPM and all other applicable FDIC policies and requirements.

1.D.8. Space Management and Special Services Section

The Space Management and Special Services Section shall communicate and implement all policies and procedures related to the leasing program. Additionally, the Space Management and Special Services Section shall be responsible for conducting the leasing process for headquarters and regional office leases.

The Space Management and Special Services Section shall provide technical assistance and support to DOA personnel responsible for field office and warehouse leasing.

1.D.9. Leasing Specialist

The Leasing Specialist shall be responsible for all phases of the leasing process performed in accordance with this LPM and all related FDIC policies and requirements including, without limitation, the FDIC/NTEU Nationwide Bargaining Agreement and the Agreement Regarding Leasing Policy Manual described in LPM Section 2.D.29.

The Leasing Specialist includes the Facilities Operations Specialist, Corporate Services, in regional offices.

1.D.10. Chief, Corporate Services Staff

For field office and warehouse leases, the Chief, Corporate Services Staff, shall supervise the leasing process.

1.D.11. Corporate Services Staff

Corporate Services Staff in each regional office shall be responsible for conducting the leasing process for field office and warehouse leases.

1.D.12. Facilities Operation Specialist, Corporate Services

The Facilities Operations Specialist shall consult with the Leasing Specialist and the Legal Division on negotiating any work letter agreement, oversee construction of initial tenant improvements, oversee move-in and monitor day-to-day services provided under the lease.

In the regional office, the Facilities Operation Specialist may also serve as the Leasing Specialist.

1.D.13. Space Planning Unit, CSB (SPU)

The Space Planning Unit (SPU) shall be responsible for services relating to the planning of tenant improvements.

1.D.14. Health, Safety and Environmental Program Manager, DOA

The Health, Safety and Environmental Program Manager, DOA, is responsible for implementing FDIC's Health, Safety and Environmental Policy Manual as it relates to leasing, Chapter 4, Indoor Air and Drinking Water Quality (LPM Exhibit M).

1.D.15. Security Management Section, CSB (SMS)

The Security Management Section (SMS) shall perform background checks on selected offerors and alternates as requested and shall perform functions assigned under the FDIC Physical Security Program (LPM Exhibit P), including performing vulnerability assessments and advising on security requirements for new and existing leased space as required.

1.D.16. Warranted Contracting Officer, ASB

A Warranted Contracting Officer, Acquisition Services Branch, shall provide contracting support to the Leasing Specialist throughout the leasing process as requested.

1.D.17. Legal Division

The Legal Division shall develop and maintain the standard lease documents and provide legal advice and opinions as required in this LPM or otherwise as requested or appropriate.

1.D.18. Human Resources Branch, HRB

The Human Resources Branch (HRB) shall interface with the National Treasury Employees Union (NTEU) with respect to the leased space as requested by the Leasing Specialist. HRB is responsible for providing the Leasing Specialist with a current version of the FDIC/NTEU nationwide collective bargaining agreement, and any supplemental agreements regarding leased space between FDIC and NTEU.

1.D.19. Disbursements Section, DOF

The Disbursements Section, DOF, shall process all lease payments based on authorized Payment Authorization Vouchers (PAVs).

1.D.20. DIRM

The Division of Information Resource Management (DIRM) shall coordinate the planning, installation and removal of computers, telecommunications, and cabling for leased space.

1.D.21. Corporation Ethics Committee

The Corporation Ethics Committee shall review and approve waivers of conflicts of interest under the Fitness and Integrity Policy.

1.E. ACRONYMS AND ASSOCIATED DOCUMENTS

1.E.1. Acronyms

A list of acronyms and definitions is included in Appendix A. Acronyms used in this LPM but not otherwise defined in its text shall be set forth in Appendix A.

1.E.2. Glossary

A glossary of terms is included as Appendix B. Terms used in thisLPM but not otherwise defined in its text shall be set forth in Appendix B.

1.E.3. Space Utilization Policy

The Space Utilization Policy, as it may be amended, is maintained by CSB and provides overall guidance for how to calculate space requirements in the determination of Need. A copy of the current Space Utilization Policy is set forth in LPM Exhibit K.

1.E.4. Standard Lease Documents

The Legal Division generates and maintains the following standard lease documents:

- Standard Office Lease Agreement, Headquarters and Regional Office Leases;
- Standard Office Lease Agreement, Field Office Leases (including Abbreviated form);
- Standard Warehouse Lease Agreement;
- Work Letter Agreement for Initial Tenant Improvements estimated to cost $100,000 or greater;
- Work Letter Agreement for Initial Tenant Improvements estimated to cost less than $100,000;
- Sublease Agreement with FDIC as landlord; and
- Sublease Agreement with FDIC as tenant.

These standard lease documents are used throughout the leasing process to the maximum extent possible.

1.E.5. Corporate Objectives and Authorized Staffing

All leasing actions shall be coordinated with corporate objectives and authorized staffing.

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CHAPTER 2
OVERALL LEASING POLICY

2.A. GENERAL

2.A.1. Applicability This chapter summarizes FDIC's leasing program, including the leasing process and the general policies that apply.

2.A.2. Leasing Process Leasing is a multi-phase process as shown below:

I. Definition of Need	Identify space requirements Perform market survey Determine Seismic Risk Zone Determine geographic boundaries Recommend lease term Prepare and approve Documentation of Need
II. Solicitation	Advertise Issue RFP Conduct pre-proposal conference Receive and review offers Satisfy Seismic Requirements Survey sites Request and receive revised proposals Evaluate proposals
III. Award	Prepare and present Lease Case Negotiate and execute Lease Negotiate and execute Work Letter Complete initial tenant improvements
IV. Administration	Maintain official lease file Ensure data is updated in SLIMS Pay rent Audit operating expenses Closeout lease

Note: For field office and warehouse space, the Leasing Specialist may renegotiate the Lease at the existing site subject to LPM requirements. Lease renewal and extension procedures are set forth in LPM Section 8. Additional FDIC policies and requirements impacting the leasing process include those contained in the FDIC/NTEU Nationwide Bargaining Agreement and Agreement regarding LPM, the Space Utilization Policy, and the Health, Safety and Environmental Policy.

2.B. LEASING PROCESS

2.B.1. Phase I – Definition of Need

Requirements for leased space must be adequately planned to ensure compliance with corporate objectives and authorized staffing. Phase I deals with the definition of these requirements.

All leases must be supported by a written Documentation of Need in advance of the solicitation process. The Documentation of Need provides the justification for authorization to proceed with the acquisition of the leased space.

Each Program Office shall identify its requirements based on mission, corporate objectives, authorized staffing, and special purpose requirements.

The Leasing Specialist shall:

- Obtain a market survey;
- Determine Seismic Risk Zone;
- In consultation with the Program Office(s):
  - Determine geographic boundaries based on mission need and per LPM requirements; and
  - Recommend an initial lease term;
- Prepare the Documentation of Need, utilizing the latest Space Utilization Policy; and
- Obtain required approvals for the Documentation of Need.

2.B.2. Phase II – Solicitation Process

Phase II, the Solicitation Process, is used to identify potential buildings which may meet the need as defined in Phase I.

The Leasing Specialist shall initiate the solicitation process for new leased space:

- For all headquarters and regional office locations;
- For field office and warehouse leases when:

  The Documentation of Need justifies relocation;

  Negotiations with the existing Landlord (if any) are not proceeding in the best interest of FDIC;

  The Leasing Specialist and the existing Landlord (if any) have not agreed to all material lease terms and conditions of the new Lease by 9 months prior to

expiration of the existing Lease;

The existing leased space and amenities (if any) do not meet the then-current FDIC policies or requirements; or

The space needed is a new requirement.

The Leasing Specialist shall conduct the following activities under the solicitation process:

- Advertise (optional for field office and warehouse leases);
- Issue a Request for Proposal (RFP), in consultation with the Legal Division;
- Conduct a pre-proposal conference (optional for field office and warehouse leases);
- Receive and review proposals;
- Satisfy Seismic Requirements;
- Survey sites;
- Coordinate with FDIC's Health, Safety and Environmental Program Manager regarding any required pre-award asbestos or other environmental test;
- Request and receive revised proposals (optional for field office and warehouse leases); and
- Evaluate offers.

2.B.3. Phase III – Award

Phase III, Award, involves the process of obtaining expenditure authority, negotiating with the selected offeror, lease execution, and build-out of the space. The Leasing Specialist shall:

- Prepare a case including the:
  - Requirements of the Program Office(s);
  - Summary of the solicitation process,
  - Financial analysis,
  - Best value determination, and
  - Recommended actions;
- Route the case to obtain appropriate concurrences and approvals in accordance with the Delegations of Authority;
- Negotiate the Lease, in consultation with the Legal Division, using standard documents to the maximum extent possible;
- Obtain the signatures for execution;

- Negotiate a Work Letter, in consultation with the Legal Division and the Facilities Operations Specialist, for the construction of initial tenant improvements; and
- Notify unsuccessful offerors and hold debriefings, if requested (optional for field office and warehouse leases).

The phase concludes with the completion of the initial tenant improvements, the conducting by the Health, Safety and Environmental Program Manager of any indoor air and water quality testing pursuant to LPM Exhibit M and occupancy of the space by the Program Office(s).

2.B.4. Phase IV – Administration

Phase IV, Administration, is the day-to-day management of the Lease from the time of occupancy to closeout. The Leasing Specialist shall cooperate as required with FDIC's Health, Safety and Environmental Program Manager and shall;

- Maintain the official lease file;
- Ensure data is updated in SLIMS;
- Pay rent;
- Audit operating expenses and real estate taxes;
- Negotiate any Amendments to the Lease (e.g., exercise of options); and
- Conduct closeout activities.

2.B.5. Renegotiation of Existing Lease – Field Office and Warehouse Leases Only

As described in LPM Section 6.C., for field office and warehouse leases, the Leasing Specialist may renegotiate exclusively with the existing landlord to reach agreement on all material lease terms and conditions by a date certain. Any decision to remain shall be justified as the best value for FDIC.

If renegotiation is successful, the Leasing Specialist shall not conduct Phase II, the Solicitation Process, but shall begin Phase III, Award.

2.B.6 Renewals and Extensions of Existing Leases

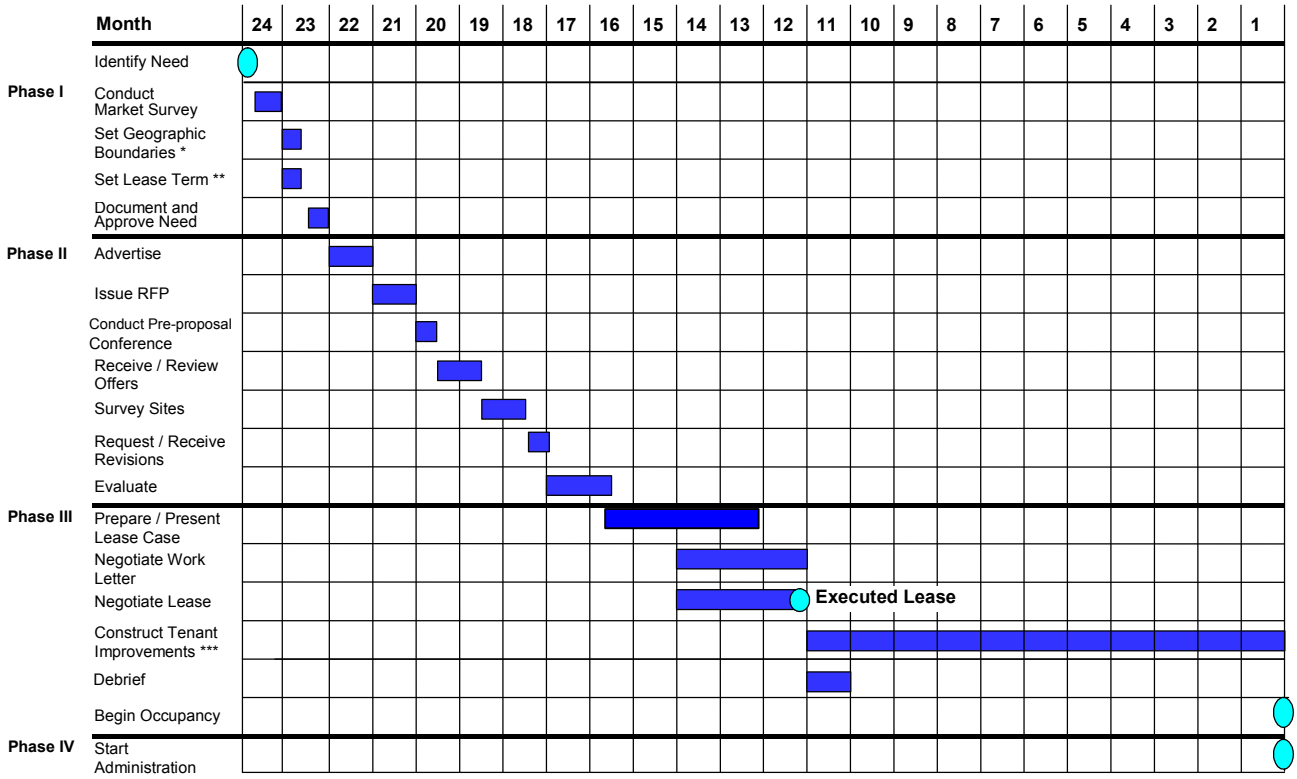
Procedures relating to renewals and extensions of existing leases are set forth in LPM Section 8.

2.C. TIME FRAMES FOR LEASE ACQUISITION

2.C.1. Headquarters and Regional Office Leases

The process to acquire headquarters and regional office leased space shall begin as far in advance of the need date as possible, ideally, 24 months.

A suggested time frame follows:



* and determine Seismic Risk Zone

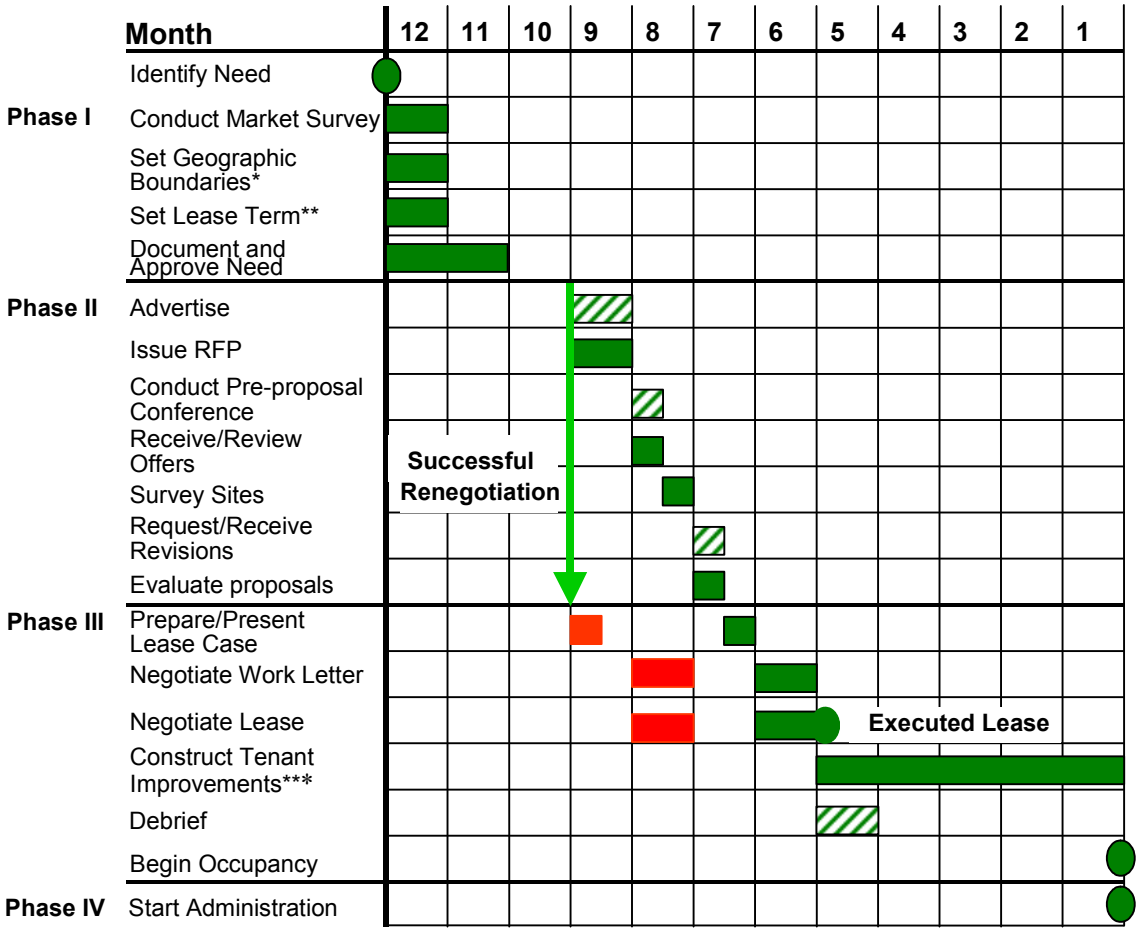
** and meet with NTEU representative

*** and cooperate with FDIC's Health, Safety and Environmental Program Manager regarding any required indoor air and water quality tests

2.C.2. Field Office and Warehouse Leases

The process to acquire field office and warehouse leased space shall begin as far in advance of the need date as possible, ideally, 9 –12 months.

A suggested time frame follows.



Key

Required

Optional

* and determine Seismic Risk Zone

** and meet with NTEU representative

*** and cooperate with FDIC's Health, Safety and Environmental Program Manager regarding any required indoor air and water quality tests

2.D. GENERAL POLICIES

2.D.1. Consistent with Corporate Objectives and Authorized Staffing

All leases shall comply with FDIC policies, support the documented needs of the Program Office(s) and be consistent with corporate objectives and authorized staffing.

The Program Office(s) requirements shall be documented by the Program Office(s) in advance of the solicitation process. Based on documentation provided by the Program Office(s), the Leasing Specialist shall prepare the Documentation of Need and obtain the Program Office(s) concurrence and required approvals.

Authorized staffing shall be confirmed by the Corporate Planning, Budget and Analysis Branch, DOF.

2.D.2. Changes in Authorized Staffing and Projections

If additional leased space is required to meet changes in authorized staffing, an expansion may be negotiated.

2.D.3. Market Survey

The Leasing Specialist shall obtain a market survey whether renegotiating with the existing Landlord or soliciting for new leased space. For headquarters and regional office leases, the Leasing Specialist shall use the services of a professional Real Estate Broker (Broker) to prepare the market survey.

For field office and warehouse leases, the Leasing Specialist may obtain the market survey either by using a Broker or by conducting an in-house survey of the general metropolitan area (GMA).

2.D.4. Space Classification

Class A or Class B space.

2.D.5. Geographic Boundaries

The geographic boundaries for lease competitions shall be determined in consultation with the Program Office(s) based on mission need and per LPM requirements. When establishing a geographic boundary for space that replaces an existing office, and if the geographic boundary affects the Regional Pay Differential (RPD) and/or Locality Pay (LP), the Director, DOA, must approve the geographic boundaries.

Consideration shall be given to satisfying the Seismic Requirements and encouraging competition among offerors when establishing geographic boundaries.

2.D.6. Initial Lease Term

The initial lease term shall be determined by the Leasing Specialist in consultation with the Program Office(s) and shall be dependent on:

- Business need;
- Authorized staffing; and
- Local real estate market conditions.

2.D.7. Term Over 5 Years

If the Documentation of Need seeks a lease with an initial term longer than 5 years, the Associate Director, CSB, or Regional Manager, DOA, shall obtain written approval from the COO and the CFO.

2.D.8. Inventory Space

FDIC shall ensure that adequate vacant leased space within the geographic boundaries is not available in its inventory before beginning the solicitation process.

2.D.9. Use of a Broker

A professional Broker may be used to perform market surveys and assist in conducting the leasing process. For headquarters and regional office leases, a Broker is required, unless a waiver is obtained from the Associate Director, CSB. However, for field and warehouse leases, the use of a Broker is optional. In-house staff may be used to conduct the entire leasing process.

The Leasing Specialist shall closely monitor the activity of the Broker, if used. The Broker shall not negotiate lease terms and conditions without the participation or specific authorization of the Leasing Specialist.

2.D.10. Gross Rent

For field office and warehouse leases, FDIC prefers to solicit for a gross rent, all-inclusive of operating expenses, utilities, and taxes. The rate may provide for a reasonable escalation.

2.D.11. Direct Lease vs. Sublease

FDIC prefers to enter into direct leases to ensure a direct relationship with the provider of services for the leased space. If the Leasing Specialist determines that a sublease will provide the best value, the Leasing Specialist (in consultation with the Regional Manager, DOA, for field office and warehouse leases) shall seek a waiver from the Associate Director, CSB, before executing a sublease agreement.

2.D.12. Initial Tenant Improvements

FDIC prefers to use the Landlord, if possible, to construct initial tenant improvements. For field office and warehouse leases the

Landlord may also design the initial tenant improvements. Before accepting the Landlord's proposal for initial tenant improvements estimated to cost $100,000 or greater, the Leasing Specialist shall compare the Landlord's cost to an independent estimate prepared by a Cost Estimator or Architect-Engineer. This estimate shall be used by the Leasing Specialist to determine that the Landlord's costs are fair and reasonable.

If the cost of initial tenant improvements is estimated to be less than $100,000, a cost estimate for comparison purposes is required. However, the cost estimate may be prepared in-house or, if complex, by an independent cost estimator (Cost Estimator) or Architect-Engineer before accepting a contract for said improvements.

The agreement with the Landlord regarding construction shall be based on the applicable FDIC standard work letter agreement to the maximum extent possible.

2.D.13. Rent Commencement

FDIC shall not pay rent for space it does not use without the specific approval of:

Associate Director, CSB, for headquarters and regional office leases; or

Regional Manager, DOA, for field office and warehouse leases.

Accordingly, subject to the terms of the approved Lease, the obligation to pay rent shall commence upon or after the later of:

- Substantial completion of initial tenant improvements, or
- Occupancy.

2.D.14. Early Termination

If FDIC must vacate leased space before the expiration of a lease, in lieu of continuing to pay rent through the end of the term, FDIC prefers to buy out obligations at a substantial discount or net present value.

2.D.15. Subleasing Leased Space

The Director, DOA, shall approve subleasing of leased space in advance. The subleasing process for all leases shall be conducted by the Space Management and Special Services Section, CSB.

FDIC shall not enter into a sublease that increases its financial obligation under the Lease.

2.D.16. Additional Services

As part of the RFP, FDIC shall ask offerors to provide unit pricing for additional services. If the Lease provides for such services, the Leasing Specialist may engage the Landlord to perform services during lease administration, as required, but shall be under no obligation to use the Landlord for such actions. The initial prices submitted by the Landlord may be subject to regular adjustment.

2.D.17. Comments on the Standard Lease Documents

The RFP shall instruct offerors to comment on the standard lease documents as part of their initial proposal. These comments will be evaluated by the Leasing Specialist and the Legal Division in the analysis of proposals and used in the best value determination.

2.D.18. Security Deposit

FDIC shall not pay any form of security deposit or prepay any rent.

2.D.19. Abandonment

FDIC shall not enter into, or extend, any lease that defines vacating space as a breach of contract.

2.D.20. Holdover

FDIC, to the maximum extent possible, shall avoid invoking the holdover terms and conditions of the Lease.

Holdover is defined as "remaining in leased space after expiration of the Lease without a written agreement to extend."

2.D.21. Landlord Fitness and Integrity Policy

FDIC shall comply with The Policy Statement on the Fitness and Integrity of Lessors of Real Property to the FDIC, 61 Federal Register 5554, et seq. (February 13, 1996) as it may be subsequently modified, hereafter referred to as "Fitness and Integrity Policy." The Fitness and Integrity Policy is set forth at the end of LPM Exhibit C (FDIC Leasing Representations and Certifications, Fitness and Integrity Policy) (Leasing Representations and Certifications).

Under the Fitness and Integrity Policy, Landlord and any other applicable parties shall complete the Leasing Representations and Certifications for:

Solicitations for new leased space of at least 10,000 square feet;

Expansions of space in existing leases which before the expansion had less than 10,000 square feet but will have at least 10,000 square feet after the expansion;

Amendments of existing leases of at least 10,000 square feet that (a) extend the term, (b) increase the square footage or (c) increase the rent.

Completed Leasing Representations and Certifications forms, to be submitted with the offers of prospective Landlords, will be evaluated by the Leasing Specialist and the Legal Division in accordance with the Fitness and Integrity Policy. The Fitness and Integrity Policy sets forth procedures for granting waivers, which may be granted by the Corporation Ethics Committee.

For lease amendments that require a Leasing Representations and Certification form where that same Landlord has already provided a Leasing Representations and Certifications form regarding that lease, the Leasing Specialist may accept Landlord's written certification of no changes subsequent to the original certification.

Because only Part II of LPM Exhibit C (Lessor Fitness and Integrity Certifications) is mandated by the Fitness and Integrity Policy, Part I of LPM Exhibit C (Certifications Concerning the Premises and the Building) may be modified by the Associate Director, CSB and the Associate Director, CSB, shall have authority to determine whether Part I is required for lease amendments.

At the option of the Leasing Specialist, an abbreviated fitness and integrity certification, as set forth in LPM Exhibit B, may be used for leases and lease amendments for which the Leasing Representations and Certifications is not required.

2.D.22. Condition of Property; Health, Safety and Environmental Matters; ADA

FDIC seeks leased space that will provide a safe and healthy environment for its employees. Offerors for leases shall certify the physical and environmental conditions of their buildings for leases as part of the Fitness and Integrity Policy Certifications described above.

FDIC shall comply with FDIC's Health, Safety and Environmental Policy Manual, including Chapter 4, Indoor Air and Drinking Water Quality (LPM Exhibit M), as it may be amended, in its leasing activities and occupancy.

FDIC shall lease space in buildings with public areas and paths of travel that comply with the standards of the Americans with Disabilities Act (ADA). FDIC tenant improvements shall also comply with the standards of the ADA.

2.D.23. Space Measurement

FDIC shall lease space based on calculations of space measurement pursuant to the Building Owners and Managers Association (BOMA) standards, or otherwise if applicable based on the latest Space Utilization Policy. If a market uses

different measuring standards, the Leasing Specialist shall obtain approval before using the alternate standards as follows:

- Assistant Director, Space Management and Special Services Section for headquarters and regional office leases; or
- Chief, Corporate Services Staff for field office and warehouse leases.

2.D.24. Confidentiality

To maintain the integrity of the competitive process there shall be no disclosure of prospective sites under consideration other than that which is required to conduct the leasing process; except that DSC Field Supervisors may share information on a confidential basis with their FDIC employees, in accordance with the FDIC/NTEU Nationwide Bargaining Agreement, the Agreement regarding LPM and the Space Utilization Policy.

2.D.25. Negotiation with Individual Offerors

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

2.D.26. Written Lease Agreement

FDIC shall not occupy any space without a written Lease executed by all parties. FDIC shall use the standard lease documents to the maximum extent possible.

2.D.27. Operating Expense and Real Estate Tax Audits

For headquarters and regional office leases, the Leasing Specialist shall engage an Auditor to audit operating expenses and real estate taxes for the base year and the second year. Additional audits may be requested as needed. The Leasing Specialist shall assess the necessity to audit the final year of a Lease promptly after receipt of the last operating expense statement. Whenever there is a transfer of ownership on the leased space, the Leasing Specialist shall determine whether an audit of the final year of the Lease under the transferring Landlord is required and shall review with particular care, the first year of operating expenses provided by the new Landlord.

For field office and warehouse leases, the Leasing Specialist may engage an Auditor to conduct operating expense and real estate tax audits as needed.

2.D.28. Approval or Authorization

All approvals or authorizations required by the LPM shall be "written." For internal procedures, "written" shall mean in writing or through electronic mail, unless explicitly stated otherwise.

2.D.29. FDIC/NTEU Nationwide Bargaining Agreement; Agreement Regarding LPM

The Human Resources Branch (HRB) shall interface with the National Treasury Employees Union (NTEU) with respect to leased space as requested by the Leasing Specialist, and shall consult with the Leasing Specialist regarding such matters. The FDIC shall comply with, and FDIC's leasing policy and procedures under this LPM shall be applied in a manner consistent with, and NTEU shall have only such rights regarding FDIC's leasing process as may be afforded by, the provisions of the then-current nationwide collective bargaining agreement with NTEU, and any additional written agreements between FDIC and NTEU regarding leased space, as well as with law, rule and regulations. The current FDIC/NTEU Nationwide Bargaining Agreement can be located at http://fdic01/division/DOA/humanresources/ler/agreements/nationwidetermagreementfebruary172003.doc and an Agreement regarding the LPM is attached as LPM Exhibit L.

```
* To the extent that the current FDIC/NTEU Nationwide Bargaining      *
I Agreement and the Agreement attached to this LPM as Exhibit L       I
I provide that the local NTEU representative is entitled to information I
I related to geographic boundaries under consideration for a particular I
I proposed leasing action, that information shall be provided again if I
I and when the initial geographic boundaries for that leasing action are I
I subsequently redefined per this LPM. This information shall be      I
I provided for the purpose of allowing DSC examiners in that office   I
I location to reconsider their initial decisions regarding the DSC    I
I Examiner's Option in accordance with the current FDIC/NTEU          I
* Nationwide Bargaining Agreement.                                    *
```

2.D.30. RP-6 and Seismic Requirements; Exemptions and Exceptions

Any space leased by the FDIC shall satisfy the requirements of the "Standards of Seismic Safety for Existing Federally Owned and Leased Buildings" ICSSC RP-6, NISTIR 6762 (RP-6), as amended from time to time (Seismic Requirements). RP-6 is attached to this LPM as Exhibit N.

FDIC shall have "satisfied the Seismic Requirements" under the LPM regarding a particular building if the building (a) is exempt per RP-6, (b) is excepted per RP-6, or (c) a professional engineer

certifies that the building complies with the "Life Safety" performance level per RP-6.

RP-6 was issued by the Interagency Committee on Seismic Safety in Construction (ICSSC) and the National Institute of Standards and Technology (NIST). The ICSSC and NIST issued RP-6 in response to requirements in the Earthquake Reduction Act of 1977 and Executive Orders 12699 (1990) and 12941 (1994).

Unless the building is exempt or excepted from compliance per RP-6, RP-6 provides that no new lease or renewal/extension of an existing lease shall be made in a building that does not comply with the "Life Safety" performance level as determined by a professional engineer in accordance with American Society of Civil Engineers Standard 31-03 (Seismic Evaluation of Existing Buildings) (which has replaced FEMA 310) and RP-6. RP-6 specifies certain exemptions (Section 1.3 of RP-6) and contains an exception (Section 1.3.2.a of RP-6).

In some instances, a professional engineer may determine in its professional judgment that RP-6 is satisfied as to a certain space in a building if that space, common areas of the building, and all paths of ingress/egress from that space through the building to the outside meet the "Life Safety" performance level, even if other tenant spaces in that building do not meet that performance level.

Exemptions

Following is a listing of the RP-6 exemptions:

a. all buildings located in regions of low seismicity where $S_{DS}<0.167$ g, and $S_{D1}<0.067$ g (unless designated by agency as a critical facility),
b. detached one- and two-family dwellings located where $S_{DS}<0.4$ g,
c. detached one- and two-family wood frame dwellings located where $S_{DS} \geq 0.4$ g that satisfy the light-frame construction requirements of the 2000 *NEHRP Recommended Provisions for Seismic Regulations for New Buildings and Other Structures*,
d. agricultural and storage structures that are intended only for incidental human occupancy or that are occupied by persons for a total of less than 2 hours a day,
e. one story buildings of steel light frame or wood construction with areas less than 280 m^2 (3000 ft^2),
f. special structures including, but not limited to: bridges, transmission towers, industrial towers and equipment,

piers and wharves, and hydraulic structures,

g. fully rehabilitated buildings that comply with these Standards, to the satisfaction of the owning agency, in all compliance categories (structural, nonstructural, foundation, geologic site hazards, and adjacency),
h. post-benchmark buildings as defined in Table 1-1 of RP-6 which also comply with the structural, nonstructural, foundation, geologic site hazards, and adjacency compliance categories and are being evaluated to the Life-Safety Performance Level,
i. pre-benchmark buildings which have been shown by evaluation to the satisfaction of the owning agency to be life-safe in all four compliance categories,
j. buildings constructed for the Federal Government whose detailed design was done after the date of adoption of Executive Order 12699 (January 5, 1990) and that were designed and constructed in accordance with the ICSSC Guidelines and Procedures for Implementation of the Executive Order on Seismic Safety of New Building Construction, RP 2.1-A,
k. buildings scheduled for demolition; temporary short-term leases; and foreclosure buildings,
l. the remaining useful life of the building or the agency's requirement for the building has been identified as being less than five years,
m. rehabilitated buildings that substantially comply with RP 4, or other agency specific standards and criteria to the satisfaction of the owning agency, in all four compliance categories (structural, nonstructural, foundation, geologic site hazards, and adjacency).

Exception

The Section 1.3.2.a exception to RP-6 presupposes that no exemption applies and provides that if no space that meets the RP-6 construction standards is available, then space with the "best seismic resistance" shall be pursued; FDIC may elect to have a professional engineer determine the "best seismic resistance" among competing buildings.

Construction Compliance

For buildings that are neither exempt nor excepted, RP-6 sets forth certain seismic construction standards to be used in an evaluation by a professional engineer to determine if a building

satisfies the "Life Safety" performance level. The form of Evaluation Certification detailing whether or not a building complies with the performance level is attached as LPM Exhibit O.

2.D.31. Physical Security Program

FDIC shall comply with FDIC's Physical Security Program (LPM Exhibit P), as it may be amended, in its leasing activities and occupancy.

2.E. FILING AND RECORD RETENTION

2.E.1. Policy

The Leasing Specialist shall adhere to the FDIC Records Retention and Disposition Schedule, 3500.002.

The following documents shall be maintained for 6 years and 6 months after final lease payment:

- Potential offeror information;
- Proposals;
- Revised proposals;
- Lease cases; and
- Original leases, associated correspondence and documentation.

2.E.2. Official Lease File

The official lease file shall be maintained by the Leasing Specialist and comprised of both pre-award and post-award documentation. Pre-award and post-award documentation file contents are described below.

Pre-Award Documentation	
Information received from the Program Office(s)	Documented consideration of late proposals or revised proposals
Documentation defining geographic boundaries and initial lease term	Requests for clarification from offerors
Seismic Risk Zone	Results of building tours
Documentation of Need	Independent appraiser's determination
Request for waiver, if any	Financial analyses
Market survey results	Best value matrix
Advertisement	Building elimination matrix
RFP	Documentation of Satisfaction of Seismic Requirements
Potential offeror questions and answers	Lease Case
Pre-proposal conference documentation	Negotiated Lease (any required Leasing Representations and Certifications form to be attached)
List of proposals and revised proposals received	Negotiated Work Letter
	Documentation of any required pre-award environmental assessments

Post-Award Documentation
The Leasing Specialist shall establish an 8-part post-award file. Part 1: Lease Fact Sheets; Part 2: PAVs; Part 3: Escalations; Part 4: Insurance; Part 5: Alterations; Part 6: Correspondence; Part 7: Lease case, legal opinion, and approvals; Part 8: Lease and Amendments.

For leases entered into before the effective date, the official lease file must contain the information above, but need not be in the 8-part file format.

2.E.3. Official Lease File Location

The Leasing Specialist shall keep the official lease file in a central, secured location.

Unsuccessful offeror proposals may be sent to off-site storage no earlier than 30 days after lease award provided that debriefings, if any, are completed.

2.E.4. Copy

The Leasing Specialist shall submit a copy of all Leases and Amendments to the Assistant Director, Space Management and Special Services Section, promptly after lease execution.

2.F. AUTOMATED TOOLS

2.F.1. SLIMS

The Space Management and Special Services Section has developed a PC-based system, Strategic Leasing and Insurance Management System (SLIMS) which shall be a complete repository of FDIC leasing information. CSB is responsible for maintaining the system, coordinating training, and for preparing system documentation.

2.F.2. Purpose

SLIMS shall be used to support leasing activities including inquiry, payment processing and tracking, critical date management, and reporting.

2.F.3. Data

The Leasing Specialist or designee shall perform timely input and updates of data in SLIMS.

2.G. WAIVERS

2.G.1. Definition

A waiver is a one-time authorization from the Associate Director, CSB, to proceed with a leasing action outside of one or more provisions of the LPM in accordance with any applicable laws and regulations.

2.G.2. Approval in Advance of Use

The Leasing Specialist shall request a waiver as soon as the need is identified as follows:

- Through the Assistant Director, Space Management and Special Services Section, for headquarters and regional office leases; or
- Through the Regional Manager, DOA, for field office and warehouse leases.

2.G.3. Request for Approval

The request for waiver shall include the following information:

- Identification of the LPM requirement from which waiver is sought;
- Full description of the leasing action;
- Explanation of why the waiver is necessary or desirable; and
- Copies of any documents involved.

2.G.4. Disposition

The Associate Director, CSB, shall acknowledge and act on a waiver request within a reasonable period of time. The Leasing Specialist shall be notified in writing of the decision of the Associate Director, CSB.

2.G.5. Records

The Leasing Specialist shall maintain copies of all correspondence requesting, authorizing, denying, or otherwise dealing with waivers in the official lease file.

CHAPTER 3
DETERMINING REQUIREMENTS FOR HEADQUARTERS AND REGIONAL OFFICE LEASES

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CHAPTER 3
DETERMINING REQUIREMENTS FOR HEADQUARTERS AND REGIONAL OFFICE LEASES

3.A. GENERAL

3.A.1. Applicability

This chapter defines procedures for determining and documenting the requirements for headquarters and regional office leases.

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 corporate objectives and authorized staffing.

Initial lease terms longer than 5 years shall be approved by the Chief Operating Officer (COO) and 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. COO and CFO

The COO and the CFO shall approve all initial lease terms longer than 5 years.

3.B.3. Director, DOA

When the Associate Director, CSB, 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, CSB

The Associate Director, CSB, shall review and approve geographic boundaries and the Documentation of Need.

3.B.5. Assistant Director, Space Management and Special Services Section

The Assistant Director, Space Management and Special Services Section, shall review the Documentation of Need, submit it to the Associate Director, CSB, for approval, and assign the authorized Documentation of Need to the appropriate Leasing Specialist. The Assistant Director, Space Management and Special Services, shall be responsible for determining and advising Leasing Specialist of the Seismic Risk Zone of areas within geographic boundaries.

3.B.6. Leasing Specialist

The Leasing Specialist shall:

- Notify the Program Office(s) of the expiration date of the current lease;
- Request a determination from the Assistant Director, Space Management and Special Services Section, of the Seismic Risk Zone of areas within the proposed geographic boundaries (not required if the Seismic Risk Zone for buildings in the subject zip code has already been determined as aforesaid);
- Define the geographic boundaries in consultation with the Program Office(s);
- Confirm authorized staffing with the Corporate Planning, Budget and Analysis Branch, DOF;

- Define the initial lease term in consultation with the Program Office(s);
- Calculate the estimated rentable square footage based on information provided by the Program Office(s) and the latest Space Utilization Policy (which may also require usable square footage calculations);
- Coordinate compliance with the FDIC/NTEU Nationwide Bargaining Agreement and the Agreement related to LPM; 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.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 authorized staffing;
- 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 based on mission need and per LPM requirements; provide the postal zip codes for all areas within the recommended geographic boundaries (to be used to establish Seismic Risk Zones);
- 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 and such other information necessary to complete the Documentation of Need and, as applicable, to comply with the Space Utilization Policy;
- 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 related to corporate objectives.

The Program Office(s) shall provide the information to the Leasing Specialist within 2 weeks of the date of request.

The Leasing Specialist shall confirm authorized staffing with the Corporate Planning, Budget and Analysis Branch, DOF.

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. Estimated Square Footage Calculation

Based on authorized staffing and the intended use of the leased space as provided by the Program Office(s), the Leasing Specialist shall estimate the rentable square footage and the usable square footage required using the standards defined in the latest Space Utilization Policy.

The Documentation of Need shall reflect the standards in the latest Space Utilization Policy.

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:

- Authorized staffing;
- Local real estate market conditions; and
- Program Office(s) mission need.

Initial lease terms longer than 5 years shall be approved by the COO and 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, their estimated years of construction and 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 do 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 LPM Section 2.D.5 and the following:

- Mission need;
- Market survey information;
- Access to:
  - Other FDIC offices,
  - Other financial and/or regulatory agencies, and
  - Major highways and airports;
- Proximity to existing office;
- Impact of Seismic Requirements (given information then available);
- 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, Space Management and Special Services Section, for consideration. The Assistant Director, Space Management and Special Services Section will forward the geographic boundaries to the Associate Director, CSB, for approval.

3.D.4. Disputes

If the Associate Director, CSB, 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.D.6. Expansion of Geographic Boundaries to Address Seismic Requirements

The Leasing Specialist, in conjunction with the Program Office(s), and in consultation with the Assistant Director, Space Management and Special Services Section, and the Associate Director, CSB, shall expand the geographic boundaries in an attempt to include buildings that meet the construction standards of the Seismic Requirements, if needed; provided that the expansion of the geographic boundaries shall meet LPM requirements including those set forth in LPM Section 2.D.5.

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 and, if required by the latest Space Utilization Policy, the usable square footage;
- Authorized staffing;
- Intended space uses;
- Need date;
- Recommended term; and
- Geographic boundaries and Seismic Risk Zone;

The following items shall be attached:

- 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 Space Utilization Policy.

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, Space Management and Special Services Section.

After concurrence, the Assistant Director, Space Management and Special Services Section, shall submit the Documentation of Need to the Associate Director, CSB, for approval.

3.E.3. 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.4. Authorization to Proceed

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

3.E.5. Filing

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

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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

Subject to LPM Chapter 8 (Lease Renewal and Extension), 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, CSB.

4.A.4. Official Lease File

The Leasing Specialist shall maintain the official pre-award lease file.

4.A.5. Seismic Requirements for Buildings in "Low" Seismic Risk Zone

Buildings located in a "low" Seismic Risk Zone are exempt from complying with the Seismic construction standards per RP-6 and therefore satisfy the Seismic Requirements.

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.

4.B.2. Board of Directors

The Board of Directors is the approving authority, subject to Delegations set forth in LPM Exhibit A.

4.B.3. COO and CFO

The COO and 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.

4.B.5. Associate Director, CSB

The Associate Director, CSB, shall:

- Authorize requesting Fitness and Integrity Policy requesting waivers from the Corporation Ethics Committee;
- Authorize any use of the "best seismic resistance" exception or any exemption under RP-6 to satisfy the Seismic Requirements;
- Authorize the expansion of geographic boundaries after the initial proposed screening to address Seismic Requirements concerns;
- Concur on the Lease Case before submission to the Director, DOA; and
- Execute all approved Leases.

4.B.6. Assistant Director, Space Management and Special Services Section

The Assistant Director, Space Management and Special Services Section, shall:

- Sign the RFP before issuance;
- Be the approving authority for:

  Authorizing procurement/tasking of a registered professional engineer obtained through FDIC contracting procedures for seismic engineering

services (to include preparation or evaluation of an RP-6 Evaluation Certificate or general advice on seismic matters including "best seismic resistance" determinations per RP-6 in furtherance of satisfying the Seismic Requirements),

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, CSB.

4.B.7. Leasing Specialist

The Leasing Specialist has overall responsibility for:

Coordinating compliance with the FDIC/NTEU Nationwide Bargaining Agreement and the Agreement regarding LPM;

- Soliciting for new locations, including preparing the RFP;
- Conducting tour(s) of the prospective building(s);
- Distributing the RFP within FDIC;
- Coordinate determination of building satisfaction of Seismic Requirements (exemption, excepted or compliant with construction standards, per RP-6);
- Coordinating efforts with FDIC's Health, Safety and Environmental Program Manager;
- Coordinating efforts with FDIC's Security Management Section (or designee) per FDIC's Physical Security Program;
- 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, Space Management and Special Services Section, of any material changes to the Lease required by the Landlord;
- 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 Operations Specialist, Corporate Services

The Facilities Operations Specialist 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 any tour of the prospective buildings;
- Obtain clarifications from offerors;
- 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 latest Space Utilization Policy; 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 and, if requested, a seismic 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;
- As may be required by the Health, Safety and Environmental Program As may be required by the Health, Safety and Environmental Program Manager, environmental consultants to verify building compliance with air and water quality standards and other environmental matters.

4.B.13. Legal Division

The Legal Division shall:

- Review existing lease, if any, to determine options and requirements;
- Review the RFP before issuance;
- Provide legal advice to all members of the team;
- Provide legal advice regarding exemptions or exceptions to Seismic Requirements;
- Draft and revise the standard lease documents;
- As applicable under this LPM, the Corporation Ethics Committee shall review requests for waivers of conflicts of interest under the Fitness and Integrity Policy;
- Review all leases and issue a written opinion concerning compliance with the LPM and the Lease Case and detailing any known material deviations from them before the Associate Director, CSB, 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. Security Management Section (SMS)

The Security Management Section (SMS) shall perform a background check on the selected offeror and alternate and shall otherwise perform or coordinate the performance of functions required by FDIC's Physical Security Program.

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 qualified proposals (LPM Section 4.J.);
- Evaluation of revised qualified 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 vacant and 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 Operations Specialist shall request the Warranted Contracting Officer to engage the services of a qualified Architect-Engineer (if a qualified Architect-Engineer has not already been engaged) 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 Class A or Class B Office Space

Requirement: A sufficient amount of contiguous rentable square feet of office space to result in approximately (number) usable square feet, in a Class A or Class B office building within a (number) mile radius of (location) 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 to yield the required usable square feet

Evaluation: The FDIC currently has an existing 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 or class B 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 and in consultation with the Legal Division, 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 and contract
  - Terminate early
  - Renew

Other

- Construct proposed initial tenant improvements
- Detailed comments on standard lease documents
- Completed Representations and Certifications Form(s) if required
- Unless exempt per RP-6, completed RP-6 Evaluation Certificate (LPM Exhibit O), even if a building is thought not to comply with “Life Safety” performance level.

4.F.3. Evaluation Criteria

The RFP shall inform potential offerors that FDIC will select leased space that satisfies the Seismic Requirements (meets the construction standards or is exempt from the standards or qualifies for an exception from the standards, under RP-6) and that offers the best value using the evaluation criteria shown below, as may be supplemented in a particular RFP.

Financial Criteria

Competitiveness of rental rate (rent, allowances, and other concessions) and related costs

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* to the satisfaction of FDIC, per the instructions attached thereto and compliance with the Fitness and Integrity Policy

Location including proximity to public transportation and other amenities (such as parking) 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, Space Management and Special Services 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, CSB;
- Facilities Operations Specialist;
- Architect-Engineer;
- Program Office(s); and
- Legal Division.

4.F.7. Filing

Copies of the RFP, the Building Elimination Matrix, and all questions and answers shall be placed in the official pre-award lease 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 Operations Specialist, 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 and Indoor Air and Water Quality Policy;
- Description of expansion, contraction, extension, or termination rights requested;
- Seismic Requirements;
- 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.H. RECEIPT OF PROPOSALS

4.H.1. General Practice

The Broker shall:

- Accept proposals in accordance with the terms of the RFP;
- Ensure that each proposal is date stamped upon receipt;
- Acknowledge receipt of proposals on the Building Elimination Matrix; and
- Forward building plans to the Facilities Operations Specialist and Architect-Engineer.

4.H.2. Extension to the Proposal Due Date

With the approval of the Assistant Director, Space Management and Special Services Section, the Leasing Specialist may extend the proposal due date. The Broker shall notify all RFP recipients of the extension.

4.H.3. Safeguarding Proposals

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

4.H.4. Late Proposals

Proposals received from offerors after the proposal due date, or any extension thereof, are considered late. When a proposal is late, the Leasing Specialist shall inform the offeror that its proposal was received late and FDIC may, but is under no obligation to, consider the proposal.

The Leasing Specialist with approval from the Assistant Director, Space Management and Special Services Section, may consider late 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.H.5. Cancellation

The Broker shall send a notice of cancellation in writing to all potential offerors if it is necessary to cancel the RFP. The Leasing Specialist shall distribute this notice to all RFP recipients within FDIC.

4.I. SCREENING PROPOSALS

4.I.1. Scope

Screening proposals is the process of determining qualified proposals and 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, subject to satisfaction of the Seismic Requirements for that building, unless prior approval to exclude the Landlord has been obtained from the Associate Director, CSB.

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 Leasing 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, in consultation with the Legal Division, 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 first obtain the approval of the Associate Director, CSB and then send the waiver request to the Corporation Ethics Specialist, pursuant to FDIC's Fitness and Integrity Policy.

If the offeror's physical building condition raises concerns, the Leasing Specialist may request additional information from the offeror.

4.I.5 Satisfaction of Seismic Requirements

The Leasing Specialist shall ensure that buildings of Offerors satisfy the Seismic Requirements or are exempt from or qualify for an exception from the construction standards, under RP-6), as follows:

If the building is in a "low" Seismic Risk Zone, the building is exempt per RP-6 and the Seismic Requirements are satisfied;

If the building is in a "moderate" or “high” Seismic Risk Zone, the Leasing Specialist shall consult with the Legal Division regarding whether any RP-6 exemption applies and, if the Associate Director, CSB, approves of the utilization of that exemption, then the building is exempt per RP-6 and the Seismic Requirements are satisfied;

If the building is in a "moderate" or “high” Seismic Risk Zone and is not exempt per RP-6, the Leasing Specialist shall confirm that the bidder has submitted an RP-6 Evaluation Certificate (LPM Exhibit O) issued by a registered professional engineer; if that engineer has certified that the building meets the “Life-Safety” performance level per RP-6 and has attached the required Checklists, the building satisfies the Seismic Requirements;

If one or more bidders decline to provide RP-6 Evaluation Certificates, or if an engineer indicates that a building fails to meet the “Life-Safety” performance level per RP-6 under circumstances that lead the Leasing Specialist to believe that a second opinion is warranted, or if the Leasing Specialist has some question about the information on an existing RP-6 Evaluation Certificate, the Leasing Specialist shall consult with the Assistant Director, Space Management and Special Services Section, regarding whether it is in FDIC’s best interest to procure the services of an engineer per LPM Section 4.B.6 (i) to provide an RP-6 Evaluation Certificate, or (ii) to review an existing RP-6 Evaluation Certificate or (iii) to otherwise advise FDIC or contact the bidder’s engineer. If FDIC’s engineer advises FDIC in writing that the building meets the “Life-Safety” performance level per RP-6, that building satisfies the Seismic Requirements for purposes of this LPM and the written advice of FDIC’s engineer shall be placed in the lease file or documented in an exhibit to the Lease;

If after the foregoing process no building satisfies the Seismic Requirements (exempt, excepted, or compliant with construction standards, per RP-6), or if there are an insufficient number of buildings for competition purposes (for reasons that may include bidders failing to provide RP-6 Evaluation Certificates or FDIC declining to procure them as aforesaid), then the Leasing Specialist shall so advise the Assistant Director, Space Management and Special Services Section, and the Associate Director, CSB; the Associate Director, CSB,

will then decide, in conjunction with the Program Office(s), if it is in FDIC's best interest to expand the geographic boundaries and re-solicit for the space in an attempt to obtain buildings that comply with the construction standards in the Seismic Requirements; provided that any expansion of the geographic boundaries shall meet LPM requirements including those in LPM Section 2.D.5;

If, after the foregoing process no building satisfies the Seismic Requirements (exempt, excepted, or compliant with construction standards, per RP-6), the Leasing Specialist may recommend to the Assistant Director, Space Management and Special Services Section, that an engineer be tasked by FDIC per LPM Section 4.B.6 to review the RP-6 Evaluation Certifications that have been provided by Offerors to determine which of those buildings has the "best seismic resistance" per RP-6 (Section 1.3.2.a); if one of the buildings is then certified by the engineer as having the "best seismic resistance" per RP-6, if the Associate Director, CSB, approves of the utilization of the "best seismic resistance" exception, then the building is excepted per RP-6 and the building satisfies the Seismic Requirements.

If at the end of the process described in this LPM Section there is no building that satisfies the Seismic Requirements (exempt, excepted, or compliant with construction standards, per RP-6), the Leasing Specialist shall consult on a course of action with the Program Office(s), the Assistant Director, Space Management and Special Services Section, the Associate Director, CSB, and the Legal Division.

Tour of Facilities

The Leasing Specialist, representatives from the Program Office(s), the Facilities Operations Specialist, 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 or class B space;
- Offers a net effective rent within the competitive range;
- Is within the geographic boundaries;
- Satisfies the Seismic Requirements;
- Meets the physical condition requirements; and
- Is owned by an individual or entity that complies with the

Fitness and Integrity Policy.

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 required to meet FDIC's needs. These square footage calculations shall be used in the request for revised proposals and the financial analysis.

Determining Building Classification

Prior to the tours, the Broker shall determine the classification of each building. The Architect-Engineer shall confirm the classification of each building after the tour.

Environmental Assessment

The Leasing Specialist shall cooperate with the FDIC's Health, Safety and Environmental Program Manager regarding any pre-award asbestos testing pursuant to LPM Exhibit M. The need for environmental assessments shall also be based on the offeror's representations and certifications and issues discovered during the building tours.

Construction Determination

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

The Facilities Operations Specialist 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 Operations Specialist as part of the financial analysis of proposals.

4.J. SOLICITATION OF REVISED QUALIFIED 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 qualified offerors which meet the following criteria:

- The Landlord has submitted and completed the Leasing Representations and Certification Form(s) if required by FDIC's Fitness and Integrity Policy and has no unwaived conflicts of interest;
- The proposed leased space satisfies the Seismic Requirements (exempt, excepted or compliant with construction standards per RP-6);
- The proposed leased space meets the classification criteria, contains sufficient usable 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, Space Management and Special Services 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 QUALIFIED PROPOSALS

4.K.1. Best Value

The Broker and Leasing Specialist shall review each revised proposal to identify the qualified 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 CSB,
  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;
- 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 and health and safety issues;
- 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 qualified offer that provides the best value shall be that qualified 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 qualified 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 qualified 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), CSB, 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 approvals and 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, Space Management and Special Services Section, and the Associate Director, CSB, shall prepare the Lease Case.

4.L.3. Timing

The Lease Case shall be submitted to allow sufficient time to make a decision and pursue other options, if necessary. The LPM recommends presentation of the Lease Case at least 12 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;
- Financial analysis of all revised proposals;
- Best Value Matrix;
- Best value substantiation of selected offeror and alternate;
- Legal issues (as identified and reviewed by the Legal Division), if any;
- Confirmation of compliance with all applicable policies and documentation of any deviations from policy; 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, through the Assistant Director, Space Management and Special Services Section, shall submit the Lease Case for concurrence and approval in the following order:

Associate Director, CSB	Signs Lease Case
Director, DOA	Signs Lease Case
Program Office Director(s)	Concurs
General Counsel	Concurs
CFO	Concurs
COO	Concurs

4.L.6. Disposition

Subject to the delegations of authority described in LPM Exhibit A, 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.

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 final lease documents shall comply with FDIC's indoor air and water quality policies as required by LPM Exhibit M, Paragraph 4-2.C.

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 of no legal objection to the Associate Director, CSB, regarding known 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, CSB, 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, CSB, 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, Space Management and Leasing Section, shall present the execution package to the Associate Director, CSB, for signature.

The Associate Director, CSB, 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.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 Operations Specialist 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 Operations Specialist obtain an independent contractor to construct initial tenant improvements.

4.O.7. Payment

The Facilities Operations Specialist shall process all Payment Authorization Vouchers (PAVs) for payment of initial tenant improvements.

4.O.8. Work Letter Agreement

The Leasing Specialist, in conjunction with the Legal Division and the Facilities Operations Specialist, shall negotiate the work letter agreement with the landlord or other contractor, using FDIC forms to the maximum extent possible.

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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

5.A.1. Applicability

This chapter defines procedures for determining and documenting the requirements for field office and warehouse leases.

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.

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 corporate objectives and authorized staffing.

Initial lease terms longer than 5 years require COO and 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. COO and CFO

The COO and 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; 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;
- Request a determination from the Assistant Director, Space Management and Special Services Section, of the Seismic Risk Zone of areas within the proposed geographic boundaries (not required if lease is for warehouse space or if the Seismic Risk Zone for buildings in the subject zip code has already been determined as aforesaid);
- Verify that the geographic boundaries recommended by the Program Office(s) are reasonable given the market;
- Calculate the square footage based on information provided by the Program Office(s) and the latest Space Utilization Policy;
- Define the initial lease term in consultation with the Program Office(s);
- Confirm authorized staffing with the Corporate Planning, Budget and Analysis Branch, DOF;
- Coordinate compliance with the FDIC/NTEU Nationwide Bargaining Agreement and the Agreement regarding LPM; 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.

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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 authorized staffing;
- Review of existing leased space, including Landlord non-performance issues, facilities management issues, environmental concerns, and other matters;
- Recommended geographic boundaries (including postal zip codes for areas within those boundaries, to be used to determine Seismic Risk Zone) considering LPM Section 2.D.5 and the following:
  - 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 and such other information necessary to complete the Documentation of Need and, as applicable, to comply with the Space Utilization Policy;
- 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.

The Program Office(s) shall provide all of the requested information to the Leasing Specialist within 2 weeks of the date of request.

The Leasing Specialist shall confirm authorized staffing with the Corporate Planning, Budget and Analysis Branch, DOF.

5.C.4. Determination of Lease Term

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

- Authorized staffing;
- Local real estate market conditions; and
- Program Office(s) mission need.

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

5.C.5. Geographic Boundaries

The Leasing Specialist shall verify that the geographic boundaries are reasonable given the marketplace and considering, to the extent possible given the information then available, the impact of the Seismic Requirements. If no buildings with adequate space are available or if the geographic boundaries are otherwise unreasonable, 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, the Regional Manager, DOA, shall make the final decision.

5.C.6. Estimated Square Footage Calculation

Based on authorized staffing and the intended use of the leased space, the Leasing Specialist shall estimate the rentable square footage, and, if required by the latest Space Utilization Policy, the usable square footage, required using the standards defined by the latest Space Utilization Policy. The Documentation of Need shall reflect the standards in the latest Space Utilization Policy.

5.C.7. Expansion of Geographic Boundaries to Address Seismic Requirements

The Leasing Specialist in conjunction with the Program Office(s) and in consultation with the Regional Manager, DOA, shall expand the geographic boundaries in an attempt to include buildings that meet the construction standards of the Seismic Requirements, if needed; provided that the expansion of the geographic boundaries shall meet LPM requirements, including those set forth in LPM Section 2.D.5.

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, their estimated dates of construction 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 and, if required by the latest Space Utilization Policy, the usable square footage;
- Authorized staffing;
- Intended space uses;
- Need date;
- Recommended term; and
- Geographic boundaries and Seismic Risk Zone.

The following items shall be attached to the Documentation of Need:

- 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 latest Space Utilization Policy.

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.

5.E.3. Timing

The Leasing Specialist should have the Documentation of Need approved at least 10 months before the need date.

5.E.4. Authorization to Proceed

After approval by the Regional Manager, DOA, the Documentation of Need becomes an authorization to proceed.

5.E.5. Filing

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

CHAPTER 6
ACQUIRING FIELD OFFICE AND WAREHOUSE LEASES

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CHAPTER 6
ACQUIRING FIELD OFFICE AND WAREHOUSE LEASES

6.A. GENERAL

6.A.1. Applicability

This chapter describes the acquisition process for field office and warehouse leases. The policy for extensions is discussed in LPM Chapter 8 and expansions in LPM Chapter 9.

6.A.2. Renegotiation

FDIC has the option to remain in the existing leased space and renegotiate the existing Lease with the Landlord unless the Program Office(s) has justified the need for a new location.

The Leasing Specialist shall use best efforts to negotiate a rental rate with the Landlord of the existing space that takes into consideration the value of the infrastructure in place, the election of FDIC not to use a broker and the good credit of the FDIC. These negotiation points should result in a rental rate well below market.

6.A.3. Solicitation for New Leased Space

The Leasing Specialist shall solicit for new leased space when:

- The existing building does not satisfy the Seismic Requirements (exempt, excepted or compliant with construction standards, per RP-6);
- The Leasing Specialist and the existing Landlord have not agreed to all material terms and conditions for a new Lease by 9 months before the need date;
- The Documentation of Need justifies relocation;
- Financial analysis indicates that remaining in the existing leased space is not the best value for FDIC;
- The existing leased space or amenities do not meet the requirements; or
- The space needed is a new requirement.

6.A.4. Dispute

When there is a dispute between the Program Office(s) and the Leasing Specialist about whether or not the Program Office(s) should remain in the existing leased space, the Regional Manager, DOA, shall decide, considering all factors including program impact.

6.A.5. Use of Brokers

LPM Section 2.D.9., delineates the use of Brokers for assistance in the leasing process. The Leasing Specialist may elect to use a Broker, as it deems necessary, to the same extent the Broker may be used under LPM Chapter 4.

6.A.6. Representations and Certifications

When required by FDIC's Fitness and Integrity Policy, the Leasing Specialist shall obtain completed Representations and Certifications Form(s) or, subject to LPM Section 2.D.21, the abbreviated Fitness and Integrity certification from the Landlord and prospective offerors in the solicitation process.

6.A.7. Official Lease File

The Leasing Specialist shall maintain an official pre-award lease file.

6.A.8. Warehouse Leases and Seismic Requirements

Storage structures that are intended only for incidental human occupancy (such as warehouse space) are exempt from complying with RP-6 and therefore satisfy the Seismic Requirements.

6.A.9. Seismic Requirements for Buildings in "Low" Seismic Risk Zone

Buildings located in a "low" Seismic Risk Zone are exempt from complying with the construction standards per RP-6 and therefore satisfy the Seismic Requirements.

6.B. ROLES AND RESPONSIBILITIES

6.B.1. Program Office(s)

The Program Office(s) representative(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 Regional Manager, DOA.

6.B.2. Regional Manager, DOA

The Regional Manager, DOA, shall:

- Authorize any use of the "best seismic resistance" exception or any exemption under RP-6 to satisfy the Seismic Requirements;
- Authorize procurement of a registered professional engineer utilizing FDIC's contracting procedures for seismic engineering services (to include preparation of an RP-6 Evaluation Certificate, the review of an existing RP-6 Evaluation Certificate or general advice on seismic matters, including "best seismic resistance" determinations per RP-6), as needed, in furtherance of satisfying the Seismic Requirements. The initial FDIC contact point for beginning this procurement process for these engineering services is the Assistant Director, Space Management and Special Services Section;
- Be the approving authority for:

  Extension to the proposal due date,

  Consideration of late proposals, and

  The Lease Case;
- Execute the approved Lease; and

  Serve as deciding official if there is a dispute between the Program Office(s) and the Leasing Specialist.

6.B.3. Associate Director, CSB

The Associate Director, CSB, shall authorize requesting Fitness and Integrity Policy waivers from the Corporation Ethics Committee.

6.B.4. Leasing Specialist

The Leasing Specialist has overall responsibility for:

- Renegotiating leases with the existing Landlord;

Coordinating compliance with the FDIC/NTEU Nationwide Bargaining Agreement and the Agreement Related to LPM;

- Soliciting for new locations, including preparing the RFP;
- Distributing the RFP within FDIC;
- Coordinate determination of building satisfaction of Seismic Requirements (exemption, excepted or compliant with construction standards per RP-6);
- Coordinating efforts with Security Management Section (or designee) per FDIC's Physical Security Program;
- Coordinating efforts with FDIC's Health, Safety and Environmental Program Manager;
- Organizing tour(s) of the prospective buildings;
- Conducting the best value evaluation;
- Making the selection of the offeror and alternate in consultation with the Program Office(s);
- Confirming with the Program Office(s) the selection of the offeror and alternate;
- Preparing the Lease Case;
- Informing the Regional Manager, DOA, of any material changes to the Lease required by the Landlord; and
- Negotiating and finalizing the Lease.

6.B.5. Chief, Corporate Services Staff

The Chief, Corporate Services Staff, or designee, shall:

- Sign the RFP;
- Concur on the Lease Case before presentation to the Regional Manager, DOA;
- Approve the use of space measurement standards other than BOMA;
- Approve negotiated, material changes to the standard lease documents; and
- Tour the prospective buildings on the scheduled

visitation.

6.B.6. Facilities Operations Specialist, Corporate Services

The Facilities Operations Specialist shall:

- Tour the prospective buildings on the scheduled visitation;
- Verify square footage calculations in accordance with BOMA or other applicable standards during the analysis of proposals;
- Provide construction cost estimates; and
- Oversee the design and construction of all initial tenant improvements.

In the Regional Office, the Facilities Operations Specialist may also be the Leasing Specialist.

6.B.7. DIRM

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

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

6.B.8. Warranted Contracting Officer

Upon request, a Warranted Contracting Officer shall engage:

- An Architect-Engineer to design and estimate the cost of construction of initial tenant improvements and, if requested, a seismic engineer and/or Cost Estimator;

  Contractors for the construction of initial tenant improvements if not being performed by the Landlord; and

  As may be required by the Health, Safety and Environmental Program Manager, environmental consultants to verify building compliance with air and water quality standards and other environmental matters.

6.B.9. Legal Division

The Legal Division shall:

- Review existing lease, if any, to determine options and requirements;
- Provide legal advice to all members of the team;
- Provide legal advice regarding any exemptions or exceptions to Seismic Requirements;
- Draft and revise the standard lease documents;

- As applicable under this LPM, the Corporation Ethics Committee shall review requests for waivers of conflicts of interest under the Fitness and Integrity Policy;
- Assist in negotiation of the Lease; and
- Review all leases and issue a written opinion concerning compliance with the LPM and the Lease Case and detailing any known material deviations from the LPM and the Lease Case, before the Regional Manager, DOA, or designee, executes the Lease.

6.B.10. Security Management Section (SMS)

The Security Management Section (or designee) shall perform a background check on the selected offeror and alternate, if required, and shall otherwise perform or coordinate the performance of functions required by FDIC's Physical Security Program.

6.C. RENEGOTIATION WITH EXISTING LANDLORD

6.C.1. Renegotiation

The Leasing Specialist has the authority to negotiate exclusively with the existing Landlord until 9 months before the need date. The Leasing Specialist may discontinue negotiations at any time with the approval of the Regional Manager, DOA, if it is determined to be in the best interest of FDIC.

6.C.2. Satisfaction of Seismic Requirements; Information Requested from Landlord

First, the Leasing Specialist shall confirm that the building satisfies the Seismic Requirements or is exempt from or qualifies for an exception from the construction standards, under RP-6), as follows:

If the building is in a “low” Seismic Risk Zone (as determined by the Assistant Director, Space Management and Special Services Section), the building is exempt per RP-6 and the Seismic Requirements are satisfied;

If the building is in a "moderate" or “high” Seismic Risk Zone, the Leasing Specialist shall consult with the Legal Division regarding whether any RP-6 exemption applies and, if the Regional Manager, DOA, approves of the utilization of that exemption, then the building is exempt per RP-6 and the Seismic Requirements are satisfied;

If the building is in a "moderate" or “high” Seismic Risk Zone and is not exempt per RP-6, the Leasing Specialist shall obtain from the landlord an RP-6 Evaluation Certificate (LPM Exhibit O) issued by a registered professional engineer and if that engineer certifies that the building meets the “Life-Safety” performance level per RP-6 and attaches the required Checklists, then the building satisfies the Seismic Requirements;

If the landlord declines to provide an RP-6 Evaluation Certificate, or if an engineer indicates that the building fails to meet the “Life-Safety” performance level per RP-6 under circumstances that lead the Leasing Specialist to believe that a second opinion is warranted, or if the Leasing Specialist has some question about the information on the RP-6 Evaluation Certificate, the Leasing Specialist shall consult with the Regional Manager, DOA, regarding whether it is in FDIC’s best interest to procure the services of an engineer per LPM Section 6.B.2 (i) to

provide an RP-6 Evaluation Certificate, (ii) or to review the existing RP-6 Evaluation Certificate or (iii) to otherwise advise FDIC or contact the landlord's engineer. If FDIC's engineer advises FDIC in writing that the building meets the "Life-Safety" performance level per RP-6, that building satisfies the Seismic Requirements for purposes of this LPM and the written advice of FDIC's engineer shall be placed in the lease file or documented in an exhibit to the Lease;

If at the end of the process described in this LPM Section the building does not satisfy the Seismic Requirements (exempt, excepted, or compliant with construction standards, per RP-6), the Leasing Specialist may not proceed to renegotiate the lease with the existing landlord on an exclusive basis, unless that landlord agrees to fully mitigate or correct the building's seismic deficiencies per RP-6 prior to the expiration of the existing lease term in a written document enforceable by FDIC.

If the building satisfies the Seismic Requirements (exempt, excepted or compliant with construction standards, per RP-6), the Leasing Specialist shall request that the Landlord submit a written proposal by a date certain addressing the following:

- Rental rate based on term(s) requested;
- Monetary concessions (free rent, concessions on initial tenant improvements);
- Charges (maximum markup initial tenant improvement, services);
- Availability of requested square footage;
- Parking availability;
- Ability to:
  Expand and contract,
  Terminate early,
  Extend the term, and
  Construct proposed initial tenant improvements;
- Response to:
  Structural and mechanical issues,
  Facilities management issues, and
  Environmental issues;
- Detailed comments on standard lease documents; and

Building plans (using CADD software, if available).

6.C.3. Financial Analysis

The Leasing Specialist shall use the results of the market survey to perform a cost comparison of the Landlord's proposed rental rate (including concessions) to determine if the proposed rate is fair and reasonable. Using this data, the Leasing Specialist shall analyze the cost of relocation vs. remaining in the existing location to determine the best value.

6.C.4. Unsuccessful Renegotiation

At least 9 months before the need date, the Leasing Specialist and the Landlord must agree to all material terms and conditions of the new Lease; if not, the Leasing Specialist shall begin the solicitation process.

When the Leasing Specialist issues the RFP, the Leasing Specialist shall advise the Landlord that to be considered further, it must respond to the RFP.

6.D. SOLICITATION FOR NEW LEASED SPACE

6.D.1. Applicability

The Leasing Specialist shall solicit for new leased space when:

- The Leasing Specialist and the existing Landlord have not agreed to all material terms and conditions for a new Lease by 9 months before the need date;
- The Documentation of Need justifies relocation;
- Financial analysis indicates that remaining in the existing leased space is not the best value for FDIC;
- The existing leased space or amenities do not meet the requirements (including Seismic Requirements); or
- The space needed is a new requirement.

6.D.2. Solicitation Process

The solicitation process includes the following steps:

- Advertisement of requirements, (optional) (LPM Section 4.D.);
- Identification of potential offerors, (LPM Section 6.E.);
- Preparing and distributing the RFP, (LPM Section 6.F.);
- Pre-proposal conference (optional) (LPM Section 4.G.);
- Receipt of proposals, (LPM Section 6.G.);
- Screening proposals, (LPM Section 6.H.);
- Solicitation of revised proposals, (optional) (LPM Section 4.J.);
- Evaluation of qualified proposals, (LPM Section 6.I.);
- Case preparation and approval, (LPM Section 6.J.);
- Negotiation and lease award, (LPM Section 6.K.);
- Notification to unsuccessful offerors and debriefings (optional) (LPM Section 4.N.); and
- Negotiation and award of work letter (LPM Section 6.L).

6.D.3. Using the Broker (Optional)

At the option of the Leasing Specialist, a Broker may be used to assist in the solicitation process.

6.D.4. Advertisement (Optional)

Advertisement is not required. If the Leasing Specialist believes that the market survey or other information received does not properly reflect the market, the Leasing Specialist shall place an advertisement as described in LPM Section 4.D.

6.E. IDENTIFICATION OF POTENTIAL OFFERORS

6.E.1. List of Potential Offerors

The Leasing Specialist shall develop an initial list of potential offerors no later than 9 months before the need date. The list should be comprised of:

- Potential offerors that submit an expression of interest in response to the advertisement, (if any);
- Other potential offerors identified through the market survey and other sources; and
- Existing Landlord, if the Program Office(s) has not justified relocation; the Leasing Specialist may include the existing Landlord even if the existing building did not satisfy the Seismic Requirements under LPM Section 6.C.2, as that building may ultimately qualify for the "best seismic resistance" exception under LPM Section 6.H.3.

6.E.2. Minimum Requirements

The 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 or class B 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 official pre-award lease file.

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

6.F. PREPARING AND DISTRIBUTING THE RFP

6.F.1. Preparation

The Leasing Specialist shall prepare the RFP to send to all potential offerors in consultation with the Legal Division. A sample RFP is shown in LPM Exhibit J, Sample RFP for Field Office and Warehouse Leases.

6.F.2. All Inclusive Rate

The RFP shall state that FDIC prefers to pay a gross rate rent, all-inclusive of operating expenses, utilities, and taxes.

6.F.3. Information Requested from Potential Offerors

The RFP shall request 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 and contract
  - Terminate early
  - Renew

Other
- Construct proposed initial tenant improvements
- Detailed comments on standard lease documents

Completed Representations and Certifications Form(s) if required by the Fitness and Integrity

Policy

Unless exempt per RP-6, completed RP-6 Evaluation Certificate (LPM Exhibit O), even if a building is thought not to comply with "Life Safety" performance level

6.F.4. Evaluation Criteria

The RFP shall inform potential offerors that FDIC will select leased space that satisfies the Seismic Requirements (exempt, excepted or compliant with the construction standards, per RP-6) and that offers the best value using the evaluation criteria shown below, as may be supplemented by a particular RFP:

Financial Criteria

Competitiveness of rental rate (rent, allowances, and other concessions) and related costs

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* to the satisfaction of FDIC, per the instructions attached thereto and compliance with the Fitness and Integrity Policy

Location, including proximity to public transportation and other amenities and any impacts 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

Building amenities such as parking

6.F.5. Review and Signature

After obtaining Legal Division review and comment, the Chief, Corporate Services Staff, or designee, shall sign the RFP provided the designee is not the preparer.

6.F.6. Distribution

The Leasing Specialist 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:

- Facilities Operations Specialist;

- Program Office(s); and
- Legal Division.

6.F.7. Pre-Proposal Conference (Optional)

The Leasing Specialist may choose to hold a conference with potential offerors before the proposal due date to provide clarification on matters of interest. Procedures for conducting the conference are outlined in LPM Section 4.G.

6.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.

6.G. RECEIPT OF PROPOSALS

6.G.1. General Practice

The Leasing Specialist shall:

- Accept proposals in accordance with the terms of the RFP;
- Ensure that each proposal is date stamped upon receipt;
- Prepare and maintain a list of the proposals received in the official lease file; and
- Forward building plans to the Facilities Operations Specialist.

6.G.2. Extension to the Proposal Due Date

With the approval of the Chief, Corporate Services Staff, the Leasing Specialist may extend the proposal due date. The Leasing Specialist shall notify all RFP recipients of the extension.

6.G.3. Safeguarding Proposals

The Leasing Specialist shall retain all proposals in a secured location after receipt, during evaluation, and throughout the leasing process.

6.G.4. Late Proposals

Proposals received from offerors after the proposal due date, or any extension thereof are considered late. When a proposal is late, the Leasing Specialist shall inform the offeror that its proposal was received late and FDIC may, but is under no obligation to, consider the proposal.

The Leasing Specialist, with approval from the Chief, Corporate Services Staff, may consider late 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 lease file.

6.G.5. Cancellation

The Leasing Specialist shall send notice of cancellation in writing to all RFP recipients if it is necessary to cancel the RFP.

6.H. SCREENING PROPOSALS

6.H.1. Scope

Screening proposals is the process of determining qualified proposals and assessing each offeror's capability to meet the requirements at a fair and reasonable price.

6.H.2. Short List

The Leasing Specialist shall review each proposal to determine which buildings are qualified and have a reasonable chance of being selected. These buildings will make up the Short List. This review shall be based upon:

- Requirements stated in the RFP;
- Ability to meet the need date;
- Satisfaction of the Seismic Requirements (exempt, excepted or compliant with construction standards per RP-6);
- Sufficient contiguous square footage available;
- Price per square foot competitiveness in the market; and
- Net effective rent within the competitive range.

The Leasing Specialist 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.

6.H.3 Satisfaction of Seismic Requirements

The Leasing Specialist shall ensure that buildings proposed by Offerors satisfy the Seismic Requirements (exempt, excepted, or compliant with construction standards, per RP-6), as follows:

If the building is in a "low" Seismic Risk Zone, the building is exempt per RP-6 and the Seismic Requirements are satisfied;

If the building is in a "moderate" or "high" Seismic Risk Zone, the Leasing Specialist shall consult with the Legal Division regarding whether any RP-6 exemption applies and, if the Regional Manager, DOA, approves of the utilization of that exemption, then the building is exempt per RP-6 and the Seismic Requirements are satisfied;

If the building is in a "moderate" or "high" Seismic Risk Zone and is not exempt per RP-6, the Leasing Specialist shall confirm that the bidder has submitted an RP-6 Evaluation Certificate (LPM Exhibit O) issued by a registered professional

engineer; if that engineer has certified that the building meets the "Life-Safety" performance level per RP-6 and has attached the required Checklists, the building satisfies the Seismic Requirements;

If one or more bidders decline to provide RP-6 Evaluation Certificates, or if an engineer indicates that a building fails to meet the "Life-Safety" performance level per RP-6 under circumstances that lead the Leasing Specialist to believe that a second opinion is warranted, or if the Leasing Specialist has some question about the information on an existing RP-6 Evaluation Certificate, the Leasing Specialist shall consult with the Regional Manager, DOA, regarding whether it is in FDIC's best interest to procure the services of an engineer per LPM Section 6.B.2 (i) to provide an RP-6 Evaluation Certificate, (ii) or to review an existing RP-6 Evaluation Certificate or (iii) to otherwise advise FDIC or contact the bidder's engineer. If FDIC's engineer advises FDIC in writing that the building meets the "Life-Safety" performance level per RP-6, that building satisfies the Seismic Requirements for purposes of this LPM and the written advice of FDIC's engineer shall be placed in the lease file or documented in an exhibit to the Lease;

If after the foregoing process no building satisfies the Seismic Requirements (exempt, excepted, or compliant with construction standards, per RP-6), or if there are an insufficient number of buildings for competition purposes (for reasons that may include bidders failing to provide RP-6 Evaluation Certificates or FDIC declining to procure them as aforesaid), then the Leasing Specialist shall so advise the Regional Manager, DOA; the Regional Manager, DOA, will then decide, in conjunction with the Program Office(s), if it is in FDIC's best interest to expand the geographic boundaries and re-solicit for the space in an attempt to obtain buildings that comply with the construction standards of the Seismic Requirements; provided that any expansion of the geographic boundaries shall meet LPM requirements including those in LPM Section 2.D.5;

If, after the foregoing process no building satisfies the Seismic Requirements (exempt, excepted, or compliant with construction standards, per RP-6), the Leasing Specialist may recommend to the Regional Manager, DOA, that an

engineer be tasked by FDIC per the LPM to review the RP-6 Evaluation Certifications that have been provided by Offerors to determine which of those buildings has the "best seismic resistance" per RP-6 (Section 1.3.2.a); if one of the buildings is then certified by the engineer as having the "best seismic resistance" per RP-6, if the Legal Division indicates in a written opinion that the "best seismic resistance" exception applies, and the Regional Manager, DOA, approves of the utilization of the "best seismic resistance" exception, then the building is excepted per RP-6 and the building satisfies the Seismic Requirements.

If at the end of the process described in this LPM Section there is no building that satisfies the Seismic Requirements (exempt, excepted, or compliant with construction standards, per RP-6), the Leasing Specialist shall consult on a course of action with the Program Office(s), Regional Manager, DOA, the Assistant Director, Space Management and Special Services Section, the Associate Director, CSB and the Legal Division.

Tour of Facilities

The Chief, Corporate Services Staff, the Leasing Specialist, the Program Office(s), the Broker, and the Facilities Operations Specialist shall tour each of the buildings on the Short List. All persons touring prospective buildings must be accompanied by the Leasing Specialist.

6.H.3. Construction Determination

During the tour of the buildings, the Facilities Operations Specialist shall assess construction requirements for each building to meet design specifications. The Facilities Operations Specialist shall prepare a cost estimate for initial tenant improvements.

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

6.H.4. Revised Proposals (Optional)

The Leasing Specialist shall determine whether or not to solicit a revised proposal to all offerors on the Short List.

A revised proposal is optional; however, reasons a Leasing Specialist may solicit for a revised proposal include:

- A number of highly qualified offerors;
- A significant number of questions related to the RFP; and
- To promote further price competition and obtain a better

value.

Procedures for solicitation of revised proposals are addressed in LPM Section 4.J.

6.H.5. Environmental Assessments

The Leasing Specialist shall cooperate with the FDIC Health, Safety and Environmental Program Manager regarding any pre-award asbestos testing pursuant to the Health, Safety and Environmental Policy, LPM Exhibit M, or otherwise as warranted.

6.I. EVALUATION OF QUALIFIED PROPOSALS

6.I.1. Best Value

The Leasing Specialist shall review each qualified proposal to identify the Lease that offers the best value.

6.I.2. Financial Analysis

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 CSB,
  Cabling and telecommunication provided by DIRM, and
  Parking, if any, paid by FDIC.

The format for the financial analysis is given in LPM Exhibit G, Sample Format for Financial Analysis.

6.I.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:

- 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;

- Impact on employees, including proximity to public transportation, proximity to parking facilities, proximity to eating establishments, and safety of 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 and health and safety issues;
- 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 qualified offer that provides the best value shall be that qualified 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.

6.I.4. Negotiation with Individual Offerors

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

6.I.5. Best Value Matrix

The Leasing Specialist shall document the results of the financial analysis and other evaluation criteria in the Best Value Matrix shown in LPM Exhibit H, Format for the Best Value Matrix.

6.I.6. Selected Offeror

The Leasing Specialist shall select the qualified offeror that offers the best value to FDIC.

The Leasing Specialist may select an alternate that offers the next best value to be considered if negotiations with the selected offeror fail.

6.I.7. 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.

6.J. CASE PREPARATION AND APPROVAL

6.J.1. Applicability

The purpose of the Lease Case is to request expenditure authority for all costs related to a particular Lease. Case preparation and approval applies to all lease acquisitions.

6.J.2. Regional Manager, DOA

The Regional Manager, DOA, shall approve all field office and warehouse lease acquisitions.

6.J.3. Preparation of Lease Case

The Leasing Specialist shall prepare the Lease Case.

6.J.4. Timing

The Lease Case shall be submitted with sufficient time to make a decision and pursue other options, if desired. The LPM recommends submission at least 6 months before the need date.

6.J.5. Content of Lease Case

The Lease Case consist of the following, as applicable:

- Documentation of Need;
- Background information;
- Description of real estate market and results of the market survey;
- Name and address of selected offeror (and alternate, if applicable);
- Financial analysis of proposals;
- Best Value Matrix;
- Best value substantiation of selected offeror and alternate;
- Legal issues (as identified and reviewed by the Legal Division), if any; and
- Confirmation of compliance with all applicable policies; documentation of any deviations from policy.

6.J.6. Approvals

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

Leasing Specialist	Signs
Chief, Corporate Services	Concurs
Program Office	Concurs
COO and CFO (if term longer than 5 years)	Concurs

After obtaining the required concurrences, the Leasing Specialist shall present the Lease Case to the Regional Manager, DOA, for approval.

6.J.7. Disposition

The Regional Manager, DOA, shall approve the Lease Case before execution of the Lease.

6.K. NEGOTIATION AND LEASE AWARD

6.K.1. Standard Lease Documents

Leases shall be based on the standard lease documents to the maximum extent possible.

6.K.2. Negotiation of Lease Document

After Lease Case approval, the Leasing Specialist shall complete negotiations of the Lease. The Leasing Specialist is encouraged to include the Legal Division in negotiations. The Leasing Specialist shall be responsible for negotiations of the business terms and conditions.

The final lease documents shall comply with FDIC's indoor air and water quality policies as required by LPM Exhibit M, Paragraph 4-2.C.

The Legal Division is responsible for drafting and incorporating any changes to the standard lease documents. The Legal Division shall explain the consequences of any changes to the standard lease documents to the Leasing Specialist.

6.K.3. Legal Opinion and Review

Upon conclusion of the negotiations, the Legal Division shall prepare a written opinion of no legal objection to the Regional Manager, DOA, or designee, regarding known material deviations from the LPM and existence of any legal impediments.

6.K.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 strong reason to do so, the Regional Manager, DOA, shall not sign the Lease before the Landlord.

6.K.5. Review of Returned Lease

The Leasing Specialist and the Legal Division shall review the Lease to identify any changes made by the Landlord.

6.K.6. Execution Package

Before the Regional Manager, DOA, signs and dates the Lease, the Leasing Specialist shall prepare the execution package consisting of:

- 4 copies of the Lease signed and dated by the Landlord;
- Legal opinion;
- Landlord representation and certification forms as applicable; and
- Approved Lease Case.

6.K.7. FDIC Signature

The Leasing Specialist shall present the execution package to the Regional Manager, DOA, for signature.

The Regional Manager, DOA, shall sign and date the Lease.

6.K.8. Distribution of Signed Lease Documents

The Leasing Specialist shall distribute the signed leases to:

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

6.K.9. Notification to Unsuccessful Offerors and Debriefings (Optional)

If applicable, the Leasing Specialist shall follow the procedures for notification to unsuccessful offerors and conduct debriefings as described in LPM Section 4.N.

6.L. NEGOTIATION AND AWARD OF WORK LETTER

6.L.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 improvements; or
- The Facilities Operations Specialist has specific design or construction requirements that are best met through other contractor resources.

6.L.2. Turnkey Construction

The LPM provisions on pricing for initial tenant improvements do not apply where the Landlord is constructing initial tenant improvements and the cost is included in the rent (i.e., turnkey).

6.L.3. Pricing for Initial Tenant Improvements

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

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

6.L.4. 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 a contractor engaged through a Warranted Contracting Officer. The independent Cost Estimator 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 required. However, the cost estimate may be prepared in-house or, at the Leasing Specialist's option, by a Cost Estimator through a Warranted Contracting Officer.

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

tenant improvements.

6.L.5. 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 independent Cost Estimator.

6.L.6. 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.

6.L.7. 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 the Facilities Operations Specialist to obtain an independent contractor to construct the initial tenant improvements.

6.L.8. Payment

The Facilities Operations Specialist shall process all PAVs for payment of initial tenant improvements.

6.L.9. Work Letter Agreement

The Leasing Specialist, in conjunction with the Legal Division and the Facilities Operations Specialist, shall negotiate the work letter agreement with the Landlord or other contractor, using FDIC forms to maximum extent possible.

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LEASE ADMINISTRATION

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CHAPTER 7
LEASE ADMINISTRATION

7.A. GENERAL

7.A.1. Authority

This chapter applies to all headquarters, regional office, field office and warehouse leases, from the time of Lease execution through the closeout of the Lease.

7.A.2. Definitions

Lease administration includes:

- Rent payments;
- Verifying rental rate changes;
- Reviewing operating expense and real estate tax changes;
- Monitoring audits;
- Enforcing Landlord performance;
- Interacting, as needed, with FDIC's Health, Safety and Environmental Program Manager;
- Ensuring that documentation is maintained in the official post-award lease file;
- Conducting lease expiration activities; and
- Closing out the Lease.

7.A.3. Transition

The Leasing Specialist responsible for negotiating the Lease is usually responsible for lease administration. If not the same Leasing Specialist, the individual negotiating the Lease shall be responsible for briefing the new Leasing Specialist on issues that might affect Lease performance and for handing over all information (official lease file and related documents) pertinent to lease administration including:

- Proposal and revised proposal;
- Original signed Lease;
- Correspondence generated during negotiations;
- Approved Lease Case.

7.A.4. Official Post-Award Lease File

The Leasing Specialist shall maintain the post-award section of the official post-award lease file.

7.A.5. SLIMS

SLIMS is an automated system designed specifically to support the lease administration process. It automates lease administration and payment functions to enable the

Leasing Specialist to track changes, ancillary documents, and payments on a daily basis.

SLIMS maintains information on critical dates which the Leasing Specialist shall monitor to ensure all required lease administration functions are performed on a timely basis.

7.A.6. PAV

Payment authorization is made using a Payment Authorization Voucher (PAV). The Leasing Specialist (or designee) shall prepare each PAV for rental payments from SLIMS and obtain the necessary signatures.

7.A.7. Original Notices/Documents

The Leasing Specialist shall date stamp and place all original notices or documents in the official post-award lease file. The Leasing Specialist shall use copies of original notices or documents for day-to-day activities.

7.A.8. Additional Procedures

This chapter contains the general procedures for lease administration. Extensions are covered in LPM Chapter 8, expansions in LPM Chapter 9, and vacating leased space before expiration in LPM Chapter 10.

7.B. ROLES AND RESPONSIBILITIES

7.B.1. Assistant Director, Space Management and Special Services Section

For headquarters and regional office leases, the Assistant Director, Space Management and Special Services Section shall approve and sign:

- Lease Fact Sheets;
- PAVs;
- Vendor Add Forms;
- Estoppel Certificates; and
- Subordination and Non-Disturbance Agreements.

7.B.2. Leasing Specialist

The Leasing Specialist is responsible for lease administration including preparation of Lease Fact Sheets and PAVs.

For field office and warehouse leases, the Leasing Specialist may be the same person as the Facilities Operations Specialist.

7.B.3. Chief, Corporate Services Staff

For field office and warehouse leases, the Chief, Corporate Services Staff, or designee, shall approve and sign:

- The Lease Fact Sheets and PAVs for rent payments;
- The Vendor Add Form; and
- Estoppel Certificates and Subordination and Non-Disturbance Agreements.

7.B.4. Facilities Operations Specialist

The Facilities Operations Specialist, or designee, is responsible for day-to-day operations of the leased space and coordinating any unresolved issues with the Leasing Specialist. The Facilities Operations Specialist shall sign all PAVs for Landlord-provided additional services payments.

7.B.5. Warranted Contracting Officer

Upon request, a Warranted Contracting Officer shall engage auditors to perform reviews of operating costs and real estate taxes.

7.B.6. Oversight Manager

The Oversight Manager for the audit contract shall review the auditor's findings and make recommendations to the Leasing Specialist.

7.B.7. Legal Division

The Legal Division shall:

- Interpret the Lease if the Leasing Specialist has questions;

- Review the Lease for remedies upon request by the Leasing Specialist if Landlord nonperformance issues cannot be resolved;
- Consult with the Leasing Specialist if pre-walkthrough discrepancies exist between FDIC and the Landlord;
- Draft correspondence and provide other services requested by the Leasing Specialist;
- Work with the Oversight Manager for audits to review the auditors findings; and
- Review and provide a legal opinion of no legal objection regarding any documentation provided by Landlord requesting FDIC signature respecting the lease, the work letter, or occupancy of the space, including Estoppel Certificates and Subordination and Non-Disturbance Agreements.

7.B.8. Disbursements Section

The Disbursement Section, DOF, shall process all lease payments based on authorized PAVs.

7.B.9. DIRM

Upon commencement, expiration, or termination of a Lease, DIRM shall coordinate with the Facilities Operations Specialist to install or remove all computers and telecommunication equipment to and from the leased space, as applicable.

7.B.10. FDIC Health, Safety and Environmental Program Manager, DOA

Working with the Leasing Specialist and other applicable DOA personnel, the FDIC Health, Safety and Environmental Program Manager, DOA, shall be responsible for ensuring compliance with FDIC's latest Health, Safety and Environmental Policy Manual relating to occupancy of leased space.

7.B.11. Security Management Section (SMS)

Working with the Leasing Specialist and other applicable DOA personnel, the Security Management Section (or designee) shall perform or coordinate the performances of functions required by FDIC's Security Program relating to occupancy of leased space.

7.C. STARTUP FUNCTIONS

7.C.1. Documents

The Leasing Specialist shall obtain copies of all documentation necessary to administer the Lease.

7.C.2. Initial Data Entry

The Leasing Specialist shall enter pertinent data into SLIMS upon receipt of an executed Lease including property information and lease information, consisting of:

- General information;
- Critical dates;
- Lease terms and conditions and document information;
- Annual budget information; and
- Monthly rent and expenses.

Once data has been entered, the Leasing Specialist shall review the data and print a draft Lease Fact Sheet.

7.C.3. Lease Fact Sheet

The Leasing Specialist shall review the SLIMS-generated draft Lease Fact Sheet to verify that all new lease information is accurate. The Leasing Specialist shall make any necessary corrections and:

- Print a Lease Fact Sheet;
- Sign and date the Lease Fact Sheet; and
- Obtain the signature of the Assistant Director, Space Management and Special Services Section, or Chief, Corporate Services Staff, or designee.

7.C.4. Taxpayer Identification Form

The Leasing Specialist shall verify that the Landlord's taxpayer identification number (TIN) is correct or obtain the correct TIN from the Landlord on the Landlord's letterhead.

7.C.5. Vendor Add Form

The Leasing Specialist shall prepare a Vendor Add Form, including the TIN, proof of the TIN, and proof of an FDIC business relationship with the vendor. The Leasing Specialist shall obtain approval from the Assistant Director, Space Management and Special Services Section, or Chief, Corporate Services Staff, on the Vendor Add Form and:

- Submit the original Vendor Add Form to the Disbursements Section, DOF.
- File a copy of the Vendor Add Form in the official lease file; and

- Attach a copy of the Vendor Add Form to the first Lease Fact Sheet.

7.C.6. Distribution

The Leasing Specialist shall send the following to the Disbursements Section, DOF:

- Original Vendor Add Form;
- Original Lease Fact Sheet; and
- Copy of the Lease.

7.D. RENT PAYMENTS

7.D.1. Payments

The Leasing Specialist shall review the Lease to determine the payment schedule. Generally, rent payments are due monthly, in advance, on the first day of the month.

For payments with a rent due date on the first of the month, the PAV shall be sent to DOF by the 25th of the preceding month. For payments with a rent due date other than the first of the month, the PAV shall be sent to DOF 5 days before the actual due date.

The PAV shall be approved and signed by the Chief, Corporate Services Staff, or designee, or Assistant Director, Space Management and Special Services Section, as applicable.

7.D.2. Prorated Payment

If rent does not begin on the first day of the month, the first month's rent payment may need to be prorated. The Leasing Specialist shall perform the following calculation if the first month's rent requires prorating:

$$\frac{\textbf{Monthly Rate}}{\textbf{Days in Month of Occupancy}} = \textbf{Daily Rate}$$

$$\textbf{Days Occupied} \times \textbf{Daily Rate} = \textbf{Prorated Rent}$$

7.D.3. Applicability of Prompt Payment Act

The standard lease documents may provide for a default interest rate which supersedes the requirements of the Prompt Payment Act. The Leasing Specialist shall determine whether a default interest or late payment fee is included in the Lease and enter the information into SLIMS.

7.E. RENT PAYMENT ADJUSTMENTS

7.E.1. Rent Payment Adjustments

The following rent payment adjustments may occur during the term of the Lease:

- Free rent period;
- Tenant Improvement Allowance rent credits;
- Base rent changes;
- Operating expense adjustments;
- Real estate tax adjustments;
- Index adjustments; and
- One-time payments.

7.E.2. Base Rent Changes

The Leasing Specialist shall determine when regularly scheduled rent changes apply and ensure that the information is entered into SLIMS to trigger the adjusted PAV and new Lease Fact Sheet.

7.E.3. Operating Expense

If the Lease provides for adjustment based on operating expenses, the Leasing Specialist shall review such adjustments by line item (e.g., cleaning, electricity) if the Lease requires the Landlord to provide such detail. The changes requested shall be compared with previous adjustments to determine any inconsistencies. The Leasing Specialist shall discuss any unusual changes with the Landlord and request backup information within the time frame required by the Lease.

7.E.4. Real Estate Taxes

The Landlord should send a copy of the paid tax bill with the notice for a rent adjustment. The Leasing Specialist shall verify rent adjustments based on changes in the real estate taxes paid. If there is a discrepancy, the Leasing Specialist shall ask the Landlord to provide additional documentation.

7.E.5. Index Adjustment

The Leasing Specialist shall confirm all rent adjustments based on indexes (e.g., Consumer Price Index) with the appropriate organization (e.g., Department of Commerce, Department of Labor).

7.E.6. One-Time Payments

For one-time payments, the Leasing Specialist shall verify the amounts due pursuant to the terms and conditions of the Lease. All one-time payments shall be paid promptly.

7.E.7. Concerns

If a serious concern which the Leasing Specialist is unable to resolve arises, and the terms and conditions of the Lease permit, the Assistant Director, Space Management and

Special Services Section, shall request a review of the Landlord's operating expenses and real estate taxes. If the results of the review warrant an audit, the Leasing Specialist shall request an audit through the Assistant Director, Space Management and Special Services Section, or Chief, Corporate Services Staff.

7.E.8. Audits

For headquarters and regional office leases, the Leasing Specialist shall engage an auditor through a Warranted Contracting Officer to audit operating expenses and real estate taxes for the base year, and year 2.

For field office and warehouse leases, the Leasing Specialist may engage an auditor through a Warranted Contracting Officer, to conduct operating expense and real estate tax audits as needed.

Additional audits may be requested as needed. The Leasing Specialist shall assess the necessity to audit the final year of a Lease promptly after receipt of the last operating expense statement.

If there is a change of ownership on the leased space, the Leasing Specialist shall audit the final year of the previous Landlord and the first year and year 2 of the Lease term under the new Landlord.

7.E.9. SLIMS

After verification, the Leasing Specialist shall enter all rent changes into SLIMS.

7.E.10. Lease Fact Sheet

After the changes are entered, the Leasing Specialist shall generate a new Lease Fact Sheet from SLIMS for signature by all parties required as set forth in LPM Section 7.C.3.

7.E.11. Distribution

The Leasing Specialist shall attach the revised Lease Fact Sheet to the PAV for the first month after the change is effective and distribute as set forth in LPM 7.C.6.

7.F. MONITORING

7.F.1. Terms and Conditions of the Lease

SLIMS highlights significant terms and conditions of the Lease for monitoring, including:

- Contraction;
- Expansion;
- Extension;
- Holdover;
- Improvement allowance;
- Landlord insurance coverage;
- Tenant insurance coverage;
- Parking;
- Security deposit;
- Assignment and subletting;
- Tenant remedies; and
- Termination.

The Leasing Specialist shall be familiar with additional Landlord obligations including maintenance and repairs.

7.F.2. Coordination with Facilities

The Facilities Operations Specialist shall notify the Leasing Specialist if unable to resolve problems with building operations. The Facilities Operations Specialist shall document the dispute in writing and forward the documentation to the Leasing Specialist.

The Leasing Specialist shall contact the Landlord to resolve the issue(s).

7.F.3. Parking and Additional Services

The Facilities Operations Specialist shall reconcile charges for parking and other services to verify compliance with the Lease.

The Facilities Operations Specialist shall process payments for parking and other services through SLIMS.

7.G. NONPERFORMANCE ISSUES

7.G.1. Nonperformance

The Facilities Operations Specialist, or designee, shall handle day-to-day nonperformance issues, and maintain written documentation of nonperformance issues.

If unresolved, the Facilities Operations Specialist shall refer the issue(s) to the Leasing Specialist and provide copies of all documentation. The Leasing Specialist shall notify the Landlord in writing.

7.G.2. Coordination With Legal Division

If unresolved issues(s) exist, the Leasing Specialist shall ask the Legal Division to review the Lease to identify available remedies and provide general assistance.

7.G.3. Due Notice

The Leasing Specialist shall prepare a notice to the Landlord describing the problem and providing a deadline for the problem to be rectified, which time period is not less than any time period to cure provided in the Lease. If the problem is complex, the Legal Division shall review the notice before issuance. The Leasing Specialist shall send the notice to the Landlord in accordance with the notice provision of the Lease with a copy to the Legal Division.

7.G.4. Untenantability

If the Facilities Operations Specialist believes that the leased space is untenantable, the Leasing Specialist must be informed immediately. The Leasing Specialist, in consultation with the Legal Division, shall determine if the condition makes the leased space untenantable in accordance with the Lease and, after consultation with the Chief, Corporate Services Section and the Regional Manager, DOA, for field office and warehouse leases, and in all instances with the Assistant Director, Space Management and Special Services Section, take the appropriate action including offsetting rent when such remedy is available under the Lease.

7.H. ADDITIONAL FUNCTIONS

7.H.1. Amendments

All changes to leases shall be documented by an amendment. An amendment may be prepared by either the:

- Legal Division;
- Leasing Specialist; or
- Landlord.

In all cases, the Legal Division shall review the amendment to ensure all changes to the Lease are reflected.

7.H.2. Estoppel Certificates

If the Leasing Specialist receives a request for an Estoppel Certificate, the Leasing Specialist shall review:

- Review the Lease to determine FDIC obligation;
- Complete the Estoppel Certificate;
- Request a review by the Legal Division;
- Obtain the necessary signature from the Assistant Director, Space Management and Special Services Section, or Chief, Corporate Services Staff, or designee; and
- Return the documentation to the Landlord.

7.H.3. Subordination and Non-Disturbance Agreement

If the Leasing Specialist receives a Subordination and Non-Disturbance Agreement, the Leasing Specialist shall:

- Review the Lease to determine FDIC obligation;
- Request a review by the Legal Division;
- Obtain the necessary signature from the Assistant Director, Space Management and Special Services Section, or the Chief, Corporate Services Staff, or designee; and
- Return the documentation to the Landlord.

7.H.4. Changes of Ownership

The Leasing Specialist shall not make any changes in SLIMS regarding ownership of the leased space without the written notification (with appropriate substantiation) of the change from the current landlord, as reviewed and concurred with by the Legal Division. Upon receipt of the notification, the Leasing Specialist shall:

- Complete a Vendor Add Form;

- Obtain a Tax Identification Number (TIN) from the new Landlord;
- Provide a copy of the Vendor Add Form to the SLIMS Administrator to update the SLIMS database; and
- Generate a new Lease Fact Sheet from SLIMS.

For headquarters and regional offices leases, the Leasing Specialist shall:

- Request an operating expense and real estate tax audit for the previous Landlord for the last year of ownership by the previous Landlord; and
- Request an operating expense and real estate tax audit for the first year, and year 2 of the Lease term under the new Landlord.

7.I. EXPIRATION

7.I.1. Expiration Date

A critical date identified in SLIMS is expiration of the initial lease term. The Leasing Specialist shall monitor this date.

7.I.2. Condition of Leased Space

The Leasing Specialist shall review the Lease to determine requirements for the condition of the leased space at expiration.

The Leasing Specialist shall consult with the Legal Division if the Leasing Specialist and the Landlord do not agree on FDIC obligations.

The Facilities Operations Specialist shall coordinate with DIRM to ensure that DIRM removes all computer and telecommunication equipment.

7.I.3. Pre-Walkthrough Inspection of Leased Space

The Leasing Specialist, the Facilities Operations Specialist, and appropriate FDIC onsite personnel shall conduct a pre-walkthrough with the Landlord to determine if any damage has occurred or restoration is required (in accordance with the Lease) before moving from the leased space.

7.I.4. Closing the Office

After vacating the leased space, and immediately preceding the expiration or earlier termination, the Leasing Specialist and Facilities Operations Specialist shall conduct a final walkthrough with the Landlord to confirm repairs have been completed to the satisfaction of the Landlord.

7.I.5. Security

After vacating the leased space, the Facilities Operations Specialist shall ensure that the leased space remains secured.

7.I.6. Release

The Leasing Specialist shall determine the documentation required for expiration.

If the Lease provides for a release, the Leasing Specialist shall contact the Legal Division to draft a release and obtain the Landlord's signature.

If not required by the Lease, the Leasing Specialist shall negotiate with the Landlord to attempt to obtain a release.

7.I.7. Notice

The Leasing Specialist shall send a notice confirming the expiration to the Landlord documenting the conclusion of the Lease and relief from further obligation.

7.J. CLOSEOUT

7.J.1. Request Audit

The Leasing Specialist may request an audit of operating expenses and real estate taxes, if allowable under the Lease. The Leasing Specialist shall make the determination to audit the final year promptly after receipt of the last operating expense statement.

7.J.2. Final Payment

The Leasing Specialist shall ensure final payment has been made in compliance with the time frames defined in the Lease.

7.J.3. Official Lease File

The Leasing Specialist shall review the official lease file to ensure completeness and prepare for storage. The official lease file shall be stored in compliance with FDIC record retention requirements discussed in LPM Section 2.E.

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CHAPTER 8
LEASE RENEWAL AND EXTENSION

8.A. GENERAL

8.A.1. Definition

A lease renewal is an extension of the lease term pursuant to provisions of the Lease for a fixed period of time. The length of the lease renewal shall be the renewal term provided for in the Lease.

An extension is an agreement, not provided for in the Lease, to extend the term of a Lease after expiration of the initial term and all options. An extension may occur:

- If unforeseen circumstances arise, such as delays during the acquisition of new leased space or disapproval of a Lease Case resulting in the need for a new leasing process; or
- If an extension makes good business sense to FDIC and is justified and approved by the Associate Director, CSB (for headquarters and regional office leases) or the Regional Manager, DOA (for field office and warehouse leases).

An extension shall not exceed 6 months for field office and warehouse leases or 5 years for headquarters and regional office leases.

Lease renewal and extension are sometimes known in this LPM as "extension."

Extensions may be for more or less space than covered by the lease being extended.

8.A.2. Non-Conforming Term

Any extension for a term of greater than the limits set forth in 8.A.1., shall be subject to the requirements of the leasing process described in LPM Chapter 4 for headquarters and regional offices and LPM Chapter 6 for field offices and warehouses.

8.A.3. Notification

For all leases, the Leasing Specialist shall notify the Director, DOA, that the Leasing Specialist intends to exercise a renewal or seek an extension.

8.A.4. Holdover

Extending the term by holdover shall not be used unless the holdover terms are more favorable to FDIC than a fixed extension, or a month-to-month Lease, or the Landlord

refuses to enter into a fixed term or month-to-month extension.

If the Leasing Specialist intends to extend the term using holdover terms and conditions in the Lease, the Director, DOA, must be informed immediately.

8.A.5. Lease Document Format

Unless FDIC is extending the term pursuant to the holdover provision, the lease renewal and the extension shall be formalized in an Amendment signed by Landlord and Tenant approved by the Legal Division.

If extending the term pursuant to holdover, the Leasing Specialist shall prepare a letter for approval by the Legal Division.

8.A.6. Expenditure Authority

Expenditure authority shall be obtained to cover the entire period of the lease renewal or extension. If a month-to-month arrangement or holdover is intended, the expenditure authority shall cover the entire period up to the end of the projected revised requirement date. The request for expenditure authority shall be presented in case format to the appropriate delegated authority for approval.

8.A.7. Review of Seismic Requirements

Per RP-6, FDIC may neither extend nor renew an existing lease unless the building satisfies the Seismic Requirements (exempt, excepted, or compliant with construction standards, per RP-6). Therefore, before proceeding with either an extension or a renewal, the Leasing Specialist shall confirm that the building satisfies the Seismic Requirements, as follows:

- If the building is in a “low” Seismic Risk Zone (as determined by the Assistant Director, Space Management and Special Services Section), the building is exempt per RP-6 and the Seismic Requirements are satisfied;

- If the building is in a "moderate" or “high” Seismic Risk Zone, the Leasing Specialist shall consult with the Legal Division regarding whether any RP-6 exemption applies and, if the Associate Director, CSB (for headquarters and regional office leases) or the Regional Manager, DOA (for field office leases) approves of the utilization of that exemption, then the building is exempt per RP-6 and the Seismic Requirements are satisfied;

- If the building is in a "moderate" or "high" Seismic Risk Zone and is not exempt per RP-6, the Leasing Specialist shall obtain from the landlord an RP-6 Evaluation Certificate (LPM Exhibit O) issued by a registered professional engineer and if that engineer certifies that the building meets the "Life-Safety" performance level per RP-6 and attaches the required Checklists, then the building satisfies the Seismic Requirements;

- If the landlord declines to provide an RP-6 Evaluation Certificate, or if an engineer indicates that the building fails to meet the "Life-Safety" performance level per RP-6 under circumstances that lead the Leasing Specialist to believe that a second opinion is warranted, or if the Leasing Specialist has some question about the information on the RP-6 Evaluation Certificate, then the Leasing Specialist shall consult with the Assistant Director, Space Management and Special Services Section and the Associate Director, CSB (for headquarters and regional office leases) or the Regional Manager, DOA (for field office leases), regarding whether it is in FDIC's best interest to procure the services of an engineer per LPM Sections 4.B.6 or 6.B.2 (i) to provide an RP-6 Evaluation Certificate, or (ii) to review the existing RP-6 Evaluation Certificate or (iii) to otherwise advise FDIC or contact the landlord's engineer; if FDIC's engineer ultimately advises FDIC in writing that the building meets the "Life-Safety" performance level per RP-6, that building satisfies the Seismic Requirements for purposes of this LPM and the written advice of FDIC's engineer shall be placed in the lease file or documented in an exhibit to the Lease.

If at the end of the process described in this LPM Section the building does not satisfy the Seismic Requirements (exempt, excepted, or compliant with construction standards, per RP-6), the Leasing Specialist may not renew or extend the existing lease.

8.B. ROLES AND RESPONSIBLITIES

8.B.1. Program Office(s)

If the need for the extension arises from unique Program Office(s) requirements, the Program Office(s) shall prepare a justification of the need for the extension.

The Program Office(s) shall concur on the Lease Case.

8.B.2. Board of Directors

The Board of Directors is the approving authority for extensions requiring expenditure authority in excess of $3,000,000.

8.B.3. Director, DOA

The Director, DOA, shall review and approve the Lease Case in accordance with Delegations of Authority.

In all cases where holdover is necessary, the Director, DOA, shall be notified by the Associate Director, CSB, or the Regional Manager, DOA, to obtain his concurrence on the Lease Case.

8.B.4. Associate Director, CSB

For headquarters and regional office leases, the Associate Director, CSB, shall:

- Notify the Director, DOA, of holdover;
- Approve the Lease Case; and
- Execute amendments documenting extensions in accordance with the Delegations of Authority.

The Associate Director, CSB, shall authorize requesting Fitness and Integrity Policy waivers from the Corporation Ethics Committee.

8.B.5. Regional Manager, DOA

For field office and warehouse leases, the Regional Manager, DOA, shall:

- Notify the Director, DOA, of holdover;
- Approve the Lease Case for extension in accordance with Delegations of Authority; and
- Review the Amendment before the Landlord signs it.

8.B.6. Assistant Director, Space Management and Special Services Section

For headquarters and regional office leases, the Assistant Director, Space Management and Special Services Section, shall:

- Concur or approve the Lease Case; and

- Execute amendments documenting extensions in accordance with the Delegations of Authority.

8.B.7. Leasing Specialist

The Leasing Specialist shall:

- Coordinate determination of building satisfaction of Seismic Requirements (exempt, excepted or compliant with construction standards, per RP-6);
- Coordinate compliance with the FDIC/NTEU Nationwide Bargaining Agreement and the Agreement Related to LPM;
- Prepare the Documentation of Need;
- Conduct a market survey if the length of the extension is greater than 1 year;
- Negotiate with the Landlord;
- Prepare the Lease Case;
- Ensure the Lease Case is approved and the Amendment is prepared and signed;
- Coordinate efforts with Security Management Section (or designee) per FDIC's Physical Security Program; and
- Enter data into SLIMS, generate a new Lease Fact Sheet, and update the official post-award lease file.

8.B.8. Facilities Operations Specialist, Corporate Services

The Facilities Operations Specialist shall notify the Leasing Specialist of a need for extension.

8.B.9. Legal Division

The Legal Division shall:

- Advise the Leasing Specialist regarding the Lease or applicable documents;
- Participate in negotiations of the extension; and
- Draft and/or review the Amendment;
- As applicable under this LPM, the Corporation Ethics Committee shall review requests for waivers of conflicts of interest under the Fitness and Integrity Policy;
- Coordinating efforts with Security Management Section (or designee) per FDIC's Physical Security Program;
- Advise regarding any exemptions or exceptions to Seismic Requirements; and
- Advise the Leasing Specialist and other DOA officials

regarding holdover implications.

8.C. PROCEDURES FOR LEASE RENEWALS

8.C.1. Notification of Need; Seismic Requirements

The Leasing Specialist shall notify the Program Office(s) 6 months before the date that a notice is required to exercise an option to renew, pursuant to the Lease. The Leasing Specialist shall ensure that the building satisfies the Seismic Requirements (exempt, excepted, or compliant with construction standards, per RP-6) prior to proceeding with any renewal.

8.C.2. Documentation of Need

The Leasing Specialist shall prepare the Documentation of Need for the lease renewal as described in LPM Section 3.E. for headquarters and regional office leases and LPM Section 5.E. for field office and warehouse leases. The Documentation of Need may be in the form of a memorandum.

8.C.3. Market Survey

For lease renewals with a term greater than 1 year, the Leasing Specialist shall obtain a market survey as described in LPM Section 3.D.1., for headquarters and regional office leases and LPM Section 5.D., for field office and warehouse leases.

8.C.4. Pricing

The Leasing Specialist shall use the information from the market survey to determine the reasonableness of the rental rate as set forth in the Lease.

8.C.5. Negotiations with the Landlord

The Leasing Specialist shall negotiate the terms of the Amendment documenting the lease renewal with the Landlord, in consultation with the Legal Division. The purpose is not to make material changes to the Lease. However, the Leasing Specialist may address any nonperformance or other problematic issues or address FDIC policies. The lease renewal should be considered an opportunity to renegotiate problematic terms and conditions, but it shall not be deemed to result in a new lease.

8.C.6. Fitness and Integrity

If required by the Fitness and Integrity Policy, the Landlord shall submit a Representation and Certification Form(s) or, subject to LPM Section 2.D.21, an updated confirmatory certification of no change.

8.C.7. Preparation of Lease Case

The Leasing Specialist shall prepare a Lease Case for concurrence by the Program Office(s) and approval in accordance with the Delegations of Authority.

The Lease Case shall consist of:

- Documentation of Need;

- Background information;
- Reasonableness of rental rate;
- Financial information;
- Financial analysis including, if applicable, cost comparison between proposed extension and alternate site configured per the latest Space Utilization Policy;
- Legal issues (as identified and reviewed by the Legal Division), if any;
- Confirmation of compliance with all applicable policies; and
- Documentation of any deviations from policy.

8.C.8. Amendment

The lease renewal shall be documented by an Amendment prepared by either, the:

- Legal Division;
- Leasing Specialist; or
- Landlord.

In all cases, the Legal Division shall review the Amendment to ensure all changes to the Lease are reflected.

8.C.9. Review

The Assistant Director, Space Management and Special Services Section, or Regional Manager, DOA, or designee, shall review the Amendment.

8.C.10. Execution Package

Before the Associate Director, CSB, or Regional Manager, DOA, as appropriate, signs and dates the Amendment, the Leasing Specialist shall prepare the execution package which consists of:

- 4 copies of the Amendment signed and dated by the Landlord;
- Legal opinion of no legal objection;
- Landlord Representations and Certifications Form(s) or abbreviated Fitness and Integrity certifications; and
- Approved Lease Case.

8.C.11. FDIC Signature

The Assistant Director, Space Management and Special Services Section, shall present the execution package to the Associate Director, CSB, for headquarters and regional office leases and the Leasing Specialist shall present the

execution package to the Regional Manager, DOA, for field office and warehouse leases.

The Associate Director, CSB, or Regional Manager, DOA, or designee, shall sign and date the Amendment.

8.C.12. Distribution of Signed Amendment

The Leasing Specialist shall distribute the signed and dated Amendment to:

- Official lease file (1);
- Legal Division (1); and
- The Landlord (2).

A copy of the Amendment shall be distributed to:

- Chief, Corporate Services Staff.

8.C.13. SLIMS

After signature by the Landlord and FDIC, the Leasing Specialist shall enter information from the Amendment into SLIMS. The Leasing Specialist shall generate a new Lease Fact Sheet and obtain the necessary signatures as defined in LPM Section 7.C.3.

8.C.14. Filing

The Leasing Specialist shall ensure that the original Amendment and a copy of the signed Lease Fact Sheet are placed in the official post-award lease file.

8.D. PROCEDURES FOR EXTENSIONS

8.D.1. Notification of Need; Seismic Requirements

The notification of the need to extend the term of the Lease may be the result of:

- Program Office(s) mission need for a specific period of time;
- Business need based on economics of market;
- Delay in completion of new space; or
- Disapproval of a Lease Case.

The Leasing Specialist shall ensure that the building satisfies the Seismic Requirements (exempt, excepted, or compliant with construction standards, per RP-6) prior to proceeding with any extension.

8.D.2. Documentation of Need

The Leasing Specialist shall prepare a Documentation of Need.

Requirements for completion of the Documentation of Need are described in LPM Section 3.E. for headquarters and regional office leases and LPM Section 5.E. for field office and warehouse leases. The Documentation of Need may be in the form of a memorandum.

8.D.3. Market Survey

For extension with a term greater than 1 year, the Leasing Specialist shall obtain a market survey as described in LPM Section 3.D.1 for headquarters and regional office leases.

8.D.4. Pricing

If the option is not priced in the Lease, the Leasing Specialist shall negotiate with the Landlord a rental rate for the option period. The Leasing Specialist shall use the information from the market survey, if conducted, as a benchmark to determine reasonableness during negotiations.

8.D.5. Negotiations With Landlord

The Leasing Specialist shall negotiate the extension (time period and rental rate) with the Landlord, in consultation with the Legal Division. The purpose is not to renegotiate the terms and conditions of the Lease. However, the Leasing Specialist may address any nonperformance or other problematic issues or address FDIC policies. In addition, other terms and conditions may be negotiated, such as change in rental structure (for example, gross rental rate instead of operating expense passthrough, changes in services) or reduced/increased space as appropriate.

The negotiations should focus on a fixed-term or month-to-month extension, whichever is more favorable to FDIC. However, if holdover is economically advantageous, it may be the recommended course of action, after consultation with the Legal Division. If the Landlord invokes the holdover clause of the Lease, the Leasing Specialist shall immediately notify the Legal Division, and the Assistant Director, Space Management and Special Services Section, or Regional Manager, DOA, as applicable.

8.D.6. Fitness and Integrity

If required by the Fitness and Integrity Policy, the Landlord shall submit Representation and Certification Form(s) or, subject to LPM Section 2.D.21, an updated confirmatory certification of no changes.

8.D.7. Preparation of Lease Case

The Leasing Specialist shall prepare a Lease Case for concurrence by the Program Office(s) and approval in accordance with the Delegations of Authority.

The Lease Case shall consist of:

- Background information;
- Financial information;
- Information regarding any use of fixed term extension, month-to-month, or holdover (including notification and concurrence of all authorities);
- Financial analysis (including additional expenses such as additional rent, rent premiums, and penalties associated with changes in moving dates) including, if applicable, cost comparison between proposed extension and alternate site configured based on latest Space Utilization Policy;
- Legal issues (as identified and reviewed by the Legal Division), if any; and
- Confirmation of compliance with all applicable policies; documentation of any deviations from policy.

8.D.8. Amendment

The extension shall be documented by an Amendment prepared by either, the:

- Legal Division;
- Leasing Specialist; or
- Landlord.

In all cases, the Legal Division shall review the Amendment.

8.D.9. Review

The Assistant Director, Space Management and Special

Services Section, or Regional Manager, DOA, or designee, shall review the Amendment as applicable.

8.D.10. Execution Package Copy

Before the Associate Director, CSB, or Regional Manager, DOA, as appropriate, signs and dates the Amendment, the Leasing Specialist shall prepare the execution package which consists of:

- 4 copies of the Amendment signed and dated by the Landlord;
- Legal opinion of no legal objection;
- Landlord Representations and Certifications Form(s); and
- Approved Lease Case.

8.D.11. FDIC Signature

The Assistant Director, Space Management and Special Services Section, shall present the execution package to the Associate Director, CSB, for headquarters and regional office leases and the Leasing Specialist shall present the execution package to the Regional Manager, DOA, for field office and warehouse leases.

The Associate Director, CSB, or Regional Manager, DOA, or designee, shall sign and date the Amendment.

8.D.12. Distribution of Signed Amendments

The Leasing Specialist shall distribute the signed and dated Amendment to:

- Official lease file (1);
- Legal Division (1); and
- The Landlord (2).

A copy of the Amendment shall be distributed to:

- Chief, Corporate Services Staff

8.D.13. SLIMS

After signature by the Landlord and FDIC, the Leasing Specialist shall enter information from the Amendment into SLIMS. The Leasing Specialist shall generate a new Lease Fact Sheet from SLIMS and obtain the necessary signatures, as defined in LPM Section 7.C.3.

8.D.14. Filing

The Leasing Specialist shall ensure that the original Amendment and a copy of the signed Lease Fact Sheet are placed in the official lease file.

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CHAPTER 9
LEASE EXPANSION

9.A. GENERAL

9.A.1. Definition

An expansion is an agreement to increase the amount of square footage in a facility in which FDIC has an existing Lease.

9.A.2. Applicability

An expansion is recommended when an increase in rental space is required and that requirement can be met by additional space in the same facility.

The change in space requirement may result from changes in mission need or changes in the space allocations pursuant to FDIC policy.

9.A.3. Term of Expansion

The term of the expansion shall be coterminus with the existing lease or shorter.

9.B. ROLES AND RESPONSIBILITIES

9.B.1. Program Office(s)

The Program Office(s) shall provide a justification for the expansion to be used in the Documentation of Need and concur on the Lease Case.

9.B.2. Associate Director, CSB

For headquarters and regional office leases, the Associate Director, CSB, shall approve the Lease Case for expansion in accordance with Delegations of Authority.

The Associate Director, CSB, shall authorize requesting Fitness and Integrity waivers from the Corporation Ethics Committee.

9.B.3. Regional Manager, DOA

For field office and warehouse leases, the Regional Manager, DOA, shall approve the Lease Case for expansion in accordance with Delegations of Authority and review the Amendment.

9.B.4. Assistant Director, Space Management and Special Services Section

For headquarters and regional office leases, the Assistant Director, Space Management and Special Section, shall review the Amendment before signature by the Landlord.

9.B.5. Leasing Specialist

The Leasing Specialist shall:

- Prepare the Documentation of Need and obtain the necessary approvals;
- Negotiate with the Landlord;
- Ensure the rental rates and other terms are reasonable;
- Prepare the Lease Case;
- Ensure the Lease Case is approved and the Amendment is prepared and signed; and
- Enter data into SLIMS, generate a new Lease Fact Sheet, and update the official post-award lease file.

9.B.6. Legal Division

The Legal Division shall prepare an opinion of no legal objection on the expansion and prepare or review the Amendment. As applicable under this LPM, the Corporation Ethics Committee shall review requests for waivers of conflicts of interest under the Fitness and Integrity Policy.

9.C. PROCEDURES

9.C.1. Documentation of Need

The Leasing Specialist shall prepare the Documentation of Need for expansion as described in LPM Section 3.E., for headquarters and regional office leases and LPM Section 5.E. for field office and warehouse leases. The Documentation of Need may be in the form of a memorandum.

9.C.2. Review of Lease

The Leasing Specialist and the Legal Division shall review the Lease to identify any specific expansion rights negotiated into the original Lease. The Leasing Specialist may obtain assistance from the Legal Division in completing this review.

9.C.3. Justification of Rental Rate

The Leasing Specialist shall obtain a market survey if the rental rate exceeds the current rental rate by 25% or more.

The purpose of the market survey is to determine the reasonableness of the rental rate by comparing the rental rate for the expansion to:

- Existing rental rate; and
- Neighboring properties.

The market survey may be prepared in-house or by engaging a Broker.

9.C.4. Negotiations With Landlord

The Leasing Specialist shall negotiate the expansion with the Landlord, in consultation with the Legal Division. The purpose is not to make material changes to the terms and conditions of the Lease. However, the Leasing Specialist may address any nonperformance or other problematic issues, at his discretion, or address FDIC policies.

9.C.5. Fitness and Integrity

If required by FDIC's Fitness and Integrity Policy, the Landlord shall submit the Representation and Certification Form(s) or, subject to LPM Section 2.D.21, an updated confirmatory certification of no changes. If included with the original Lease, the Landlord shall resubmit these form(s) to confirm current compliance.

9.C.6. Lease Case

The Leasing Specialist shall prepare a Lease Case for concurrence by the Program Office(s) and approval in accordance with the Delegations of Authority.

The Lease Case shall consist of:

- Documentation of Need;
- Background information;
- Reasonableness of rental rate;
- Financial information;
- Financial analysis;
- Legal issues (as identified and reviewed by the Legal Division), if any; and
- Confirmation of compliance with all applicable policies; documentation of any deviations from policy.

9.C.7. Amendment

The expansion shall be documented by an Amendment prepared by either, the:

- Legal Division;
- Leasing Specialist; or
- Landlord.

In all cases, the Legal Division shall review the Amendment to ensure all changes to the Lease are reflected.

9.C.8. Review

The Assistant Director, Space Management and Special Services Section, or Regional Manager, DOA, or designee, as applicable shall review the Amendment.

9.C.9. Execution Package

Before the Associate Director, CSB, or Regional Manager, DOA, signs and dates the Amendment, the Leasing Specialist shall prepare the execution package which consists of:

- 4 copies of the Amendment signed and dated by the Landlord;
- Legal opinion of no legal objection;
- Landlord Representations and Certifications Form(s) or abbreviated Fitness and Integrity certification; and
- Approved Lease Case.

9.C.10. FDIC Signature

The Assistant Director, Space Management and Special Services Section shall present the execution package to the Associate Director, CSB, for headquarters and regional office leases and the Leasing Specialist shall present the execution package to the Regional Manager, DOA, for field office and warehouse leases.

The Associate Director, CSB, or Regional Manager, DOA, or

designee, shall sign and date the Amendment.

9.C.11. Distribution

The Leasing Specialist shall distribute the signed Amendment to:

- Official lease file (1);
- Legal Division (1); and
- The Landlord (2).

Copies shall be provided to:

- Chief, Corporate Services Staff.

9.C.12. SLIMS

After signature by the Landlord and FDIC, the Leasing Specialist shall enter information from the Amendment into SLIMS. The Leasing Specialist shall generate a new Lease Fact Sheet and obtain the necessary signatures as defined in LPM Section 7.C.3.

9.C.13. Filing

The Leasing Specialist shall ensure that the original Amendment and a copy of the signed Lease Fact Sheet are placed in the official lease file.

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CHAPTER 10
VACATING LEASED SPACE BEFORE EXPIRATION

10.A. GENERAL

10.A.1. Applicability

This chapter shall be used for any instance where FDIC vacates leased space before expiration of the lease term.

FDIC may wish to vacate leased space prior to the expiration of the lease term as a consequence of:

- Corporate objectives;
- Mission need; or
- Landlord failure to comply with the lease terms, particularly with respect to the condition of the leased space.

This chapter does not apply to the situation where there may be a short overlap of the existing Lease and the commencement of a new Lease serving the same requirement.

10.A.2. Scope

This chapter applies to situations where FDIC has a right, under the Lease, to vacate space prior to the expiration of the lease term because of one of the following:

- Early termination option;
- Contraction option;
- Remedy for Landlord default;
- Remedy for leased space untenantability; and
- Where FDIC needs no longer require the leased space but there are no rights existing under the Lease to terminate FDIC's obligation.

10.A.3. Notification

The Associate Director, CSB, or Regional Manager, DOA, shall notify the Director, DOA, of any intention to vacate leased space prior to the expiration of the lease term.

10.A.4. Avoidance of Paying Rent for Vacant Leased Space

FDIC policy is to avoid, to the maximum extent possible, vacating leased space where FDIC must continue to pay rent.

10.A.5. Sublease vs. Buyout

If space is vacated before expiration of the lease term, FDIC shall seek to mitigate losses through a buyout of the Lease, unless a sublease is likely and economically advantageous.

10.A.6. Subleasing

If no other approach can be negotiated with the Landlord, vacant leased space shall be submitted to the Assistant Director, Space Management and Special Services Section, for subleasing.

10.B. ROLES AND RESPONSIBILITIES

10.B.1. Program Office(s)

The Program Office(s) shall:

- Prepare justification if the termination is at their request;
- Confirm that it can vacate leased space in a timely manner when notified of a termination or contraction option by the Leasing Specialist; and
- Concur on the Lease Case.

10.B.2. Director, DOA

The Director, DOA, shall be notified of any intention to vacate leased space prior to expiration of the lease term.

The Director, DOA, shall approve any decision to vacate leased space which may result in continued rent payment on the vacant space which was not contemplated by the original Lease.

10.B.3. Associate Director, CSB

For headquarters and regional office leases, the Associate Director, CSB, shall:

- Notify the Director, DOA, that FDIC intends to vacate leased space before expiration of the lease term and obtain the consent of the Director, DOA, if the vacation will result in paying rent for vacant space;
- Approve the Lease Case to vacate leased space prior to expiration of the lease term; and
- Sign the notification letter of termination for cause, if applicable.

10.B.4. Regional Manager, DOA

For field office and warehouse leases, the Regional Manager, DOA, shall:

- Notify the Director, DOA, that FDIC intends to vacate leased space before expiration of the lease term and obtain the consent of the Director, DOA, if the vacation will result in paying rent for vacant space;
- Approve the Lease Case to vacate leased space prior to expiration of the lease term;
- Sign the notification letter of termination for cause, if applicable; and
- Review the Amendment documenting the termination or contraction.

10.B.5. Assistant Director, Space Management and Special Services Section

For headquarters and regional office leases, the Assistant Director, Space Management and Special Services Section, shall:

- Concur on Lease Case;
- Review Amendments; and
- Notify the Associate Director, CSB, of any termination or contraction which may result in FDIC paying rent for vacant space.

10.B.6. Leasing Specialist

The Leasing Specialist shall:

- Notify the Assistant Director, Space Management and Special Services Section, or Regional Manager, DOA, of any action which may result in FDIC paying rent for vacant space;
- Notify the Program Office(s) of any early termination rights or contraction rights in the Lease;
- Negotiate with the Landlord;
- Obtain a legal opinion of no legal objection;
- Perform a financial analysis;
- Prepare the Lease Case;
- Ensure that the Lease Case is approved and that the Amendment is prepared and signed;
- Enter data into SLIMS, generate a new Lease Fact Sheet, and update the official post-award lease file;
- Engage a Broker to find a subtenant; and
- Notify the Assistant Director, Space Management and Special Services Section, of all requirements for subleasing.

10.B.7. Security Management Section (SMS)

The SMS shall perform a credit and background check on the proposed subtenant and its principals.

10.B.8. Legal Division

The Legal Division shall:

- Advise the Leasing Specialist regarding any proposed termination or contraction;
- Prepare a legal opinion of no legal objection on any intended termination or contraction;
- Participate in all negotiations;
- Review the Amendment if contraction or termination; and
- Prepare the letter for notification of termination for cause.

10.C. CONTRACTION OR TERMINATON PROVIDED FOR IN THE LEASE

10.C.1. Notification to Program Office(s)

The Leasing Specialist shall notify the Program Office(s) 6 months before any notification is to be given to the Landlord of any right to terminate or contract. The notification shall include any associated costs.

The Program Office(s) shall confirm its intent to take advantage of the termination or contraction and that it is able to vacate the space in a timely manner.

10.C.2. Preparation of Lease Case

The Leasing Specialist shall prepare a Lease Case for concurrence by the Program Office(s) and approval in accordance with the Delegations of Authority.

The Lease Case shall consist of:

- Background information;
- Financial analysis;
- Legal issues (as identified and reviewed by the Legal Division), if any; and
- Confirmation of compliance with all applicable policies; documentation of any deviations from policy.

10.C.3. Amendment

The Amendment documenting the termination or contraction may be prepared by either, the:

- Legal Division;
- Leasing Specialist; or
- Landlord.

In all cases, the Legal Division shall review the Amendment.

10.C.4. Review

The Assistant Director, Space Management and Special Services Section, or Regional Manager, DOA, or designee, as applicable, shall review the Amendment.

10.C.5. Execution Package

Before the Associate Director, CSB, or Regional Manager, DOA, signs the Amendment, the Leasing Specialist shall prepare the execution package which consists of:

- 4 copies of the Amendment signed by the Landlord;
- Legal opinion of no legal objection; and
- Approved Lease Case.

10.C.6. FDIC Signature

The Assistant Director, Space Management and Special Services Section, shall present the execution package to the Associate Director, CSB, for headquarters and regional office

leases and the Leasing Specialist shall present the execution package to the Regional Manager, DOA, for field office and warehouse leases.

The Associate Director, CSB, or Regional Manager, DOA, or designee, shall sign and date the Amendment.

10.C.7. Distribution

The Leasing Specialist shall distribute the signed and dated Amendment to:

- Official lease file (1);
- Legal Division (1); and
- Landlord (2).

Copies shall be provided to:

- Chief, Corporate Services Staff.

10.C.8. SLIMS

After signature by the Landlord and FDIC, the Leasing Specialist shall enter information from the Amendment into SLIMS. The Leasing Specialist shall generate a new Lease Fact Sheet and obtain the necessary signatures as defined in LPM Section 7.C.3.

10.C.9. Filing

The Leasing Specialist shall ensure that the original Amendment and a copy of the signed Lease Fact Sheet are placed in the official post-award lease file.

10.D. TERMINATION OR CONTRACTION NOT PROVIDED FOR IN THE LEASE

10.D.1. Decision to Terminate or Contract and No Provision in the Lease

If, as a result of a Program Office(s) mission need, the FDIC does not require leased space for which FDIC is obligated to pay rent, the Program Office(s) shall notify the Leasing Specialist and will:

- Identify specific leased space which is no longer required;
- Specify the reason why the leased space is no longer required; and
- Identify the date on which the Program Office(s) can vacate the leased space.

10.D.2. Legal Division Review

The Leasing Specialist shall notify the Legal Division and the Legal Division shall review the Lease to determine if vacating the space is not a breach under the Lease. The Legal Division shall provide an opinion to be included in the Lease Case.

10.D.3. Negotiation

The Leasing Specialist, together with the Legal Division, shall attempt to negotiate a discounted buyout that, at a minimum, does not exceed the net present value of the remaining obligation.

10.D.4. Preparation of Lease Case

The Leasing Specialist shall prepare a Lease Case for concurrence by the Program Office(s) and approval in accordance with the Delegations of Authority.

The Lease Case shall consist of:

- Background information;
- Financial analysis (comparing costs associated with the buyout, continued payment of the Lease, and any potential revenue generated by subleasing);
- Legal issues (as identified and reviewed by the Legal Division), if any; and
- Confirmation of compliance with all applicable policies; documentation of any deviations from policy.

If the Leasing Specialist is unable to reach an agreement with the Landlord, the Leasing Specialist shall notify the Assistant Director, Space Management and Special Services Section, or Regional Manager, DOA, as applicable, that the Program Office will be vacating leased space on which the FDIC will continue to pay rent.

10.D.5. Amendment

The termination or contraction shall be documented in an Amendment prepared by either, the:

- Legal Division;
- Leasing Specialist; or
- Landlord.

The Legal Division shall review the Amendment.

10.D.6. Review

The Assistant Director, Space Management and Special Services Section, or Regional Manager, DOA, or designee, shall review the Amendment before the Landlord signs it.

10.D.7. Execution Package

Before the Associate Director, CSB, or Regional Manager, DOA, signs and dates the Amendment, the Leasing Specialist shall prepare the execution package which consists of:

- 4 copies of the Amendment signed by the Landlord;
- Legal opinion of no legal objection; and
- Approved Lease Case.

10.D.8. FDIC Signature

The Assistant Director, Space Management and Special Services Section, shall present the execution package to the Associate Director, CSB, for headquarters and regional office leases and the Leasing Specialist shall present the execution package to the Regional Manager, DOA, for field office and warehouse leases.

The Associate Director, CSB, or Regional Manager, DOA, or designee, shall sign and date the Amendment.

10.D.9. Distribution

The Leasing Specialist shall distribute the signed and dated Amendment to:

- Official lease file (1);
- Legal Division (1); and
- Landlord (2).

Copies shall be provided to:

- Chief, Corporate Services Staff.

10.D.10. SLIMS

After signature by the Landlord and FDIC, the Leasing Specialist shall enter information from the Amendment into SLIMS. The Leasing Specialist shall generate a new Lease Fact Sheet and obtain the necessary signatures as defined in LPM Section 7.C.3.

10.D.11. Filing

The Leasing Specialist shall ensure that the original Amendment and a copy of the signed Lease Fact Sheet are placed in the official post-award lease file.

10.E. TERMINATION OR CONTRACTION FOR CAUSE OR UNTENANTABILITY

10.E.1. Termination or Contraction for Cause

Under certain circumstances, FDIC shall have the right to terminate or contract a Lease for cause because of a Landlord breach. If such termination or contraction is considered, the Leasing Specialist shall refer the matter to the Legal Division for an opinion assessing termination or contraction rights and relief under the Lease. The Legal Division shall work with the Leasing Specialist to ensure all necessary notices and prerequisites to termination or contraction have been satisfied.

The Legal Division shall prepare notification of the termination or contraction for cause to the Landlord. The notification shall be signed and dated by the Associate Director, CSB or provided that delegated authority exists, the Regional Manager, DOA.

The Leasing Specialist shall ensure that alternate space is available to relocate the Program Office(s).

10.E.2. Termination for Untenantability

If the Facilities Operations Specialist believes the Leased Space is "untenantable," as defined pursuant to the particular Lease, the Facilities Operations Specialist shall document the untenantability, in writing, and send the Leasing Specialist a copy of its documentation. The Leasing Specialist and the Legal Division, working as needed with FDIC's Health, Safety and Environmental Program Manager and/or other FDIC personnel, shall determine if the referred condition makes the Leased Space "untenantable" pursuant to the Lease.

The Leasing Specialist shall notify the Landlord in writing and set a date for remedy by the Landlord. If the Landlord does not correct the problem, the Legal Division shall assess FDIC rights and remedies.

If termination or contraction is pursued, the Associate Director, CSB, or Regional Manager, DOA, shall notify the Director, DOA, immediately.

10.F. SUBLEASING

10.F.1. Assignment

For all leases where FDIC is vacating leased space prior to expiration of the lease term, and is unable to negotiate an approved buyout with the Landlord, and does not have termination or contraction rights, the Leasing Specialist shall notify the Assistant Director, Space Management and Special Services Section, that the leased space will be available for sublease. The Assistant Director, Space Management and Special Services Section, shall assign the Lease to a Leasing Specialist in the Space Management and Special Services Section to begin the subleasing effort.

Administration of vacated leased space remains with the Leasing Specialist, who, prior to notification of the Space Management and Special Services Section, was performing lease administration until execution of a sublease. Upon execution of a sublease, administration of the sublease will be the responsibility of the Space Management and Special Services Section.

10.F.2. Review of Lease

The Leasing Specialist, Space Management and Special Services Section, in conjunction with the Legal Division, shall review the Lease to determine if there are any terms and conditions of the Lease that affect any proposed sublease.

10.F.3. Continued Negotiations With Landlord

The Leasing Specialist, Space Management and Special Services Section, shall continue to negotiate with the Landlord to obtain a buyout. If initial discussions are not productive, the Leasing Specialist, Space Management and Special Services Section, shall periodically contact the Landlord to determine whether circumstances have changed.

10.F.4. Notification to Related Agencies

The Leasing Specialist, Space Management and Special Services Section, shall contact other financial regulatory agencies, GSA, and the Landlord to determine if they have a need for the space.

10.F.5. Use of Broker

If the Leasing Specialist, Space Management and Special Services Section, is unsuccessful in obtaining a buyout or interest from a related agency, the Leasing Specialist shall engage a Broker to market the leased space.

10.F.6. Background Check

If subtenant(s) are identified, the Leasing Specialist, Space Management and Special Services Section, shall contact SMS to obtain a background and credit check on the proposed subtenant(s) and its principals.

10.F.7. Consent of Landlord

The Leasing Specialist, Space Management and Special Services Section, shall obtain the consent of the Landlord in accordance with the Lease.

10.F.8. Financial Analysis

The Leasing Specialist, Space Management and Special Services Section, shall conduct a financial analysis of the sublease.

10.F.9. Sublease Document

The Legal Division shall prepare a draft sublease document based on the standard document to the greatest extent possible.

10.F.10. Prohibited Clauses

The Leasing Specialist, Space Management and Special Services Section, shall not negotiate any terms and conditions to the sublease that would increase FDIC financial obligation or make FDIC liable for the actions of the Subtenant(s).

10.F.11. Preparation of Sublease Case

The Leasing Specialist, Space Management and Special Services Section, shall prepare a sublease Case for approval in accordance with the Delegations of Authority.

The Lease Case shall consist of:

- Background information;
- Financial analysis (comparing costs associated with the buyout, continued payment of the Lease, and any potential revenue generated by subleasing);
- Legal issues (as identified and reviewed by the Legal Division), if any; and
- Confirmation of compliance with all policies; documentation of any deviations from policy.

10.F.12. Review

The Assistant Director, Space Management and Special Services Section, or Regional Manager, DOA, or designee, shall review the sublease before the Landlord signs and dates it.

10.F.13. Execution Package

Before the Associate Director, CSB, or Regional Manager, DOA, signs the sublease, the Leasing Specialist, Space Management and Special Services Section, shall prepare the execution package which consists of:

- 4 copies of the sublease signed by the Landlord;
- Legal opinion of no legal objection;
- Landlord Representations and Certifications Form(s) or abbreviated Fitness and Integrity certification; and

- Approved sublease Case.

10.F.14. FDIC Signature

The Assistant Director, Space Management and Special Services Section, shall present the execution package to the Associate Director, CSB, for headquarters and regional office leases and the Leasing Specialist shall present the execution package to the Regional Manager, DOA, for field office and warehouse leases.

The Associate Director, CSB, or, provided that delegated authority exists, Regional Manager, DOA, or designee, shall sign and date the Amendment.

10.F.15. Distribution

The Leasing Specialist, Space Management and Special Services Section, shall distribute the signed and dated sublease to:

- Official lease file (1);
- Legal Division (1); and
- Subtenant (2).

Copies shall be provided to:

- Chief, Corporate Services Staff.

10.F.16. SLIMS

The Leasing Specialist shall generate a new Lease Fact Sheet from SLIMS and obtain the necessary signatures as defined in LPM Section 7.C.3.

10.F.17. Filing

The Leasing Specialist shall ensure that the original sublease and a copy of the signed Lease Fact Sheet are placed in the official post-award lease file.

10.F.18. Administration

The Leasing Specialist is responsible for administration of the Lease and sublease, including the verification of receipt of payments.

For field offices, the Corporate Services Staff is responsible for day-to-day facilities management.

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Exhibit A
Delegation of Authority
and
Division of Administration
Redelegations of Authority

FEDERAL DEPOSIT INSURANCE CORPORATION

CERTIFIED COPY OF RESOLUTION OF BOARD OF DIRECTORS

I, Robert E. Feldman, Executive Secretary of the Federal Deposit Insurance Corporation, hereby certify that the attached is a true and correct copy of a resolution (bearing Corporate Seal No. 060985) duly adopted by the Board of Directors of said Corporation, by notational vote, on the 17th day of September, 1996, as amended by a resolution (bearing Corporate Seal No. 061244) duly adopted at a meeting of the Board of Directors of said Corporation regularly called and held on the 29th day of October, 1996, as amended by a resolution (bearing Corporate Seal No. 062371) duly adopted at a meeting of the Board of Directors of said Corporation, regularly called and held on the 6th day of May, 1997, as amended by a resolution (bearing Corporate Seal No. 063808) duly adopted by the Board of Directors of said Corporation, by notational vote, on the 4th day of August, 1997, and as amended by a resolution (bearing Corporate Seal No. 065040) duly adopted at a meeting of the Board of Directors of said Corporation, regularly called and held on the 26th day of May, 1998.

IN WITNESS WHEREOF, I have hereunto subscribed my name and caused the seal of the Corporation to be affixed hereto, in the City of Washington and District of Columbia, this ___ day of _____ 1998.

(SEAL)

Executive Secretary
FEDERAL DEPOSIT INSURANCE CORPORATION

NOTE: This composite resolution is provided solely for information and the convenience of the reader. Please do not cite the Seal number and date of this composite document in any resolutions prepared for adoption by the Board of Directors.

RESOLUTION

WHEREAS, the Board of Directors ("Board") of the Federal Deposit Insurance Corporation ("FDIC" or "Corporation") is responsible for administering the Federal Deposit Insurance Act and the provisions of numerous other laws regarding the insurance, regulation, and supervision of depository institutions; and

WHEREAS, Article IV, section 5, of the Bylaws of the Corporation provides in part that "[w]ithin the limitations of the law, the Board of Directors may delegate any of its specific or incidental powers to any standing or special committee of the Corporation or to any officer or agent of the Corporation upon such terms and conditions as it shall prescribe, except the power to amend these Bylaws or to adopt new bylaws"; and

WHEREAS, on December 15, 1992, by resolution bearing Seal No. 054241, the Board of Directors of the Federal Deposit Insurance Corporation adopted certain delegations of authority entitled "Corporate Delegations of Authority"; and

WHEREAS, the Board subsequently amended resolution bearing Seal No. 054241 on September 28, 1993, and May 16, 1995, by resolutions bearing Seal Nos. 055910 and 058801, respectively; and

WHEREAS, the Board is of the view that the existing Corporate Delegations of Authority established by resolution bearing Seal No. 054241, as amended, are in need of substantial revision in order to fulfill the requirement of the Corporate Operating Plan that delegations of authority be changed in order to reduce processing time, empower employees, and promote accountability; and

WHEREAS, on March 24, 1992, by resolution bearing Seal No. 052581, the Board adopted certain delegations of authority to the General Counsel (or designee) to retain and approve payment of private attorneys or law firms for liquidation matters, professional liability matters, resolution matters, and general matters; and

WHEREAS, on November 10, 1992, by resolution bearing Seal No. 053929, the Board adopted in paragraphs (1) and (2) of section E thereof certain delegations of authority to the Corporation's General Counsel (or designee) to retain and approve payment of private attorneys or law firms for matters concerning the management of the FSLIC Resolution Fund; and

WHEREAS, the Board subsequently amended resolution bearing Seal No. 053929 on November 10, 1992, by resolution bearing Seal No. 053930; and

WHEREAS, the Board is of the view that the existing delegations of authority to the General Counsel established by resolution bearing Seal No. 052581 and paragraphs (1) and (2) of section E of resolution bearing Seal No. 053929, as amended, are also in need of substantial revision in order to fulfill the requirement of the Corporate Operating Plan that delegations of authority be changed in order to reduce processing time, empower employees, and promote accountability; and

WHEREAS, the Corporate Delegations Task Force has recommended that the "Corporate Delegations of Authority" (1) be revised to increase the dollar limits under which the officers of the Corporation can obligate the Corporation exercising delegated authority, to clarify that the delegations are applicable to contracting, leasing, legal services, and non-procurement related expenditures, and to reduce the number of exceptions to the basic delegated authority dollar limits, and (2) be retitled the "Expenditure Delegations for Contracts, Leases, Legal Services, and Non-Procurement Related Expenses"; and

WHEREAS, by resolution bearing Seal No. 59817, the Board, on December 12, 1995, among other things, delegated to Corporation managers and committees the authority the Chief Executive Officer of the Resolution Trust Corporation ("RTC") had, prior to the termination of the RTC on December 31, 1995, delegated to RTC managers pursuant to various sections of the RTC Master Delegations of Authority, as modified, as attached and incorporated into such resolution ("Modified Master Delegations of Authority"); and

WHEREAS, the Board had specifically contemplated in resolution bearing Seal No. 59817 that each section of the Modified Master Delegations of Authority would be effective until such section is specifically revoked by the Board either in amendments to the Corporation's delegations of authority or in any other resolution; and

WHEREAS, adoption of the delegations of authority set out hereinafter will effectively supersede the need for the existence of section VII(C) of the Modified Master Delegations of Authority, entitled "Delegations of Authority Regarding Approval of Outside Counsel, Legal Matter Budgets, and Payment of Legal Bills" and section X of the Modified Master Delegations of authority, entitled "Delegations of Authority -- Contracting."

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors, consistent with the authority in the Federal Deposit Insurance Act and the Bylaws of the Corporation, hereby delegates to various FDIC officials in the manner set out below the authority to approve expenditures of funds associated with contracts, purchase orders, orders under Basic Ordering Agreements and other multiple-order requirements contracts, and all other contractual instruments awarded in the Corporate, receivership, or conservatorship capacities, leases, legal services, and non-procurement related expenses of the Corporation.

BE IT FURTHER RESOLVED, that the Board of Directors hereby authorizes the Director of the Division of Administration (1) to serve as the Corporation's chief contracting officer with the authority to develop contracting policy and to carry out and conduct the contracting function on behalf of the Corporation and (2) to serve as the Corporation's senior leasing official with the authority to manage, supervise, and direct the Corporation's space management function.

BE IT FURTHER RESOLVED, that the Board of Directors hereby authorizes the General Counsel to serve as the Corporation's chief contracting official for legal services with the authority to develop contracting policy for legal services and to carry out and conduct the legal services contracting function on behalf of the Corporation.

BE IT FURTHER RESOLVED, that section VII(C) of the Modified Master Delegations of Authority, entitled "Delegations of Authority Regarding Approval of Outside Counsel, Legal Matter Budgets, and Payment of Legal Bills" and section X of the Modified Master Delegations of Authority, entitled "Delegations of Authority -- Contracting," which the Board had incorporated into resolution bearing Seal No. 59817, are hereby rescinded.

BE IT FURTHER RESOLVED, that resolution bearing Seal No. 052581 and paragraphs (1) and (2) of section E of resolution bearing Seal No. 053929, as amended by resolution bearing Seal No. 053930, are hereby rescinded.

BE IT FURTHER RESOLVED, that to ensure that existing legal referrals made in accordance with the foregoing rescinded resolutions delegating authority to the General Counsel shall be deemed to comply with this Resolution, the Board of Directors hereby determines that such legal referrals shall be deemed to have expenditure approval of the estimated cost to complete the legal referral as may have been set forth in the authority to sue memorandum, approved budget, legal services invoice, or other document authorizing the legal referral, as approved prior to adoption of this resolution.

BE IT FURTHER RESOLVED, that resolution bearing Seal No. 054241, as amended by resolutions bearing Seal Nos. 055910 and 058801, is hereby rescinded, and the following new "Expenditure

Delegations for Contracts, Leases, Legal Services, and Non-Procurement Related Expenses" are hereby adopted and approved:

I. Definitions. In order to clarify the usage of certain words or terms contained herein for the purposes of these delegations of authority, the following definitions are provided:

   a. CFO means the Chief Financial Officer.

   b. Contract means a mutually binding legal relationship that obligates the seller to furnish goods or services of any nature, except legal services as defined herein. Contracts include without limitation purchase orders, orders issued under a Basic Ordering Agreement ("BOA") and other multiple-order requirements contracts, software licensing agreements, and all other contractual instruments used by the Division of Administration to acquire goods and services on behalf of the Corporation or any receivership or conservatorship. All contracts not otherwise mentioned in this definition shall be subject to these delegations unless specifically excepted by these delegations or otherwise by the Board of Directors.

c. Contract Modification means any written change in the terms of a contract involving the specifications, delivery point, rate of delivery, contract period, price quantity, or any other provision. Contract modifications involve either administrative or substantive changes. Administrative modifications are awarded on a unilateral basis and generally do not change or alter the rights of the parties to the contract (e.g., a change in the billing address). Substantive modifications are awarded on a bilateral basis and generally involve changes in the rights of the parties to the contract (e.g., extensions to the period of performance).

d. Contracting Authority means the specific authority held by the Director of the Division of Administration, as the Corporation's chief contracting officer, to develop contracting policy, to solicit proposals, and to enter into, modify, and terminate contracts on behalf of the Corporation or any receivership or conservatorship. The Director of the Division of Administration's contracting authority may be redelegated only to Contracting Officers in the Division of Administration.

e. Contracting Officer means an employee of the Corporation within the Division of Administration with delegated authority to legally bind the Corporation by signing contracts and all modifications issued thereto.

f. COO means the Deputy to the Chairman and Chief Operating Officer or the Chief Operating Officer, as is applicable.

g. Expenditure Authority means the authority to approve planned expenditures associated with contracts, leases, legal services, and non-procurement related expenses. These expenditures include contractor fees, costs, and expenses associated directly with acceptable performance under Corporation contracts or legal referrals in the Corporate, receivership, or conservatorship capacities and non-procurement related expenses as defined herein. For legal services, expenditure authority includes the authority to approve expenditures associated with actions necessary and appropriate to protect the Corporation's interests. For leases and lease amendments, expenditure authority means the authority to approve all payments associated with the occupancy of the leased facility over the lease term, including base rent, tax and operating expense escalations, and the costs associated with the initial occupancy of the leased facility (including initial tenant alterations, cabling, wiring and moving costs).

h. Expenditure Ceiling means a dollar limit on expenditures which have been approved in accordance with these delegations for contracts, legal referrals, and non-procurement related expenses. The total dollar amount approved for (1) a contract shall include the estimated cost for all contractual requirements for the initial period of performance and option periods, if applicable, (2) a BOA or multiple-order requirements contract shall include all orders to be awarded in an aggregate amount, and (3) a legal referral shall include the estimated cost to complete the legal referral. In addition, expenditure ceiling means the total dollar amount approved for a non-procurement related expense.

i. Lease means an agreement between the FDIC and a landlord in which the landlord agrees to convey to the FDIC exclusive possession of real property over a designated period of time in exchange for payment of rent.

j. Lease Amendment means any changes to the terms of a lease including, but not limited to, changes which extend the term of the lease, increase the rentable square footage of the premises leased, or increase the rent paid under the lease.

k. Leasing Authority means the specific authority held by the Director of the Division of Administration, as the Corporation's senior leasing official, to develop leasing policy, to solicit proposals and to enter into, modify, sublease, and terminate leases on behalf of the Corporation or any receivership or conservatorship.

l. Leasing Official means an employee of the Corporation within the Division of Administration to whom the Director of the Division of Administration has delegated authority to solicit proposals and to enter into, modify, sublease and terminate leases.

m. Legal Referral Authority means the specific authority held by the General Counsel as the Corporation's chief contracting official for legal services to enter into, modify, and terminate legal referrals on behalf of the Corporation or any receivership or conservatorship. The Legal Division shall have sole authority to develop contracting policy for legal services and to solicit proposals for legal services. The General Counsel's legal referral authority may be redelegated only to senior lawyers ("Senior Legal Staff") in the Legal Division.

n. Legal Referral means a binding legal relationship that obligates the legal services provider to furnish legal services. Legal referrals include referral letters, task order agreements, task orders, joint referrals, and all other agreements used by the General Counsel to acquire legal services on behalf of the Corporation or any receivership or conservatorship. All legal referrals not otherwise mentioned in this definition shall be subject to these delegations unless specifically excepted by these delegations or otherwise by the Board of Directors.

o. Legal Referral Modification means any written change in the terms of a legal referral.

p. Legal Services mean professional services provided by private attorneys or law firms, including services of non-lawyers in their employ, outside neutrals for alternative disputes resolution, including evaluators, mediators, and arbitrators, and supporting services provided by others outside the legal profession to support the professional services of private attorneys, law firms, or Legal Division lawyers.

q. Noncompetitive Procurement means the acquisition of goods or services, except legal services, when only one source is solicited or when the goods or services can only be provided by a single source, according to policies and procedures developed by the Division of Administration. For legal services, a noncompetitive procurement means the award of a legal referral when only one private attorney, law firm or service provider is considered.

r. Non-procurement Related Expenses mean expenses that will result in payments by the Corporation or receiverships using approved methods and procedures other than contracts awarded by the Division of Administration or legal referrals awarded by the Legal Division. Such methods include, but are not limited to, Payment Authorization Vouchers issued in accordance with Corporate policies and procedures, Petty Cash vouchers, training reimbursements under form SF-182, Travel Authorizations/Notices of Relocation Authorization, Memoranda of Understanding, and Interagency Agreements.

s. Senior Legal Staff means senior lawyers within the Legal Division with delegated authority to legally bind the Corporation by signing referral letters and modifications thereto.

II. General

a. No official or employee of the Corporation may enter into a contract, lease, or legal referral or authorize an expenditure of funds for a contract, lease, legal referral, or non-procurement related expense in excess of the amount available in the program office's annual Budget without prior approval of the CFO. The Budget includes approved estimates of expenditures required to support Corporate objectives. However, it does not automatically constitute authority to enter into contracts or legal referrals or authorize the payment of non-procurement related expenses. All planned expenditures shall be reviewed and approved prior to procurement, execution of legal referral, or payment of non-procurement related expenses in accordance with delegated authority, subject to these Delegations.

b. Expenditure authority for competitive and noncompetitive contracting or legal referrals or for authorizing payments of non-procurement related expenses is a program office responsibility. It relates to the process of approving the use of funds prior to the award of contracts, execution of legal referrals, or payment of non-procurement related expenses. Expenditure authority does not give the program office the approval to conduct and solicit contract actions or to execute contracts or legal referrals. These responsibilities belong solely to Contracting Officers in the Division of Administration with proper delegated authority and Senior Legal Staff in the Legal Division with proper delegated authority for legal services, respectively.

c. For non-procurement related expenses, expenditure authority must be obtained prior to binding the Corporation to making payments thereunder. For contracts, expenditure authority must be obtained prior to issuance of the solicitation. Under unique circumstances, the Director of the Division of Administration may approve the issuance of a solicitation prior to obtaining expenditure approval.

d. The Division of Administration is responsible for obtaining approval for leases and lease amendments.

e. Notwithstanding any other provision of this resolution, the Vice Chairman and the Director (Appointive) may approve Petty Cash vouchers, training reimbursements under form SF-182, Travel Authorizations, and Travel Vouchers associated with the operations of their respective offices in accordance with applicable Corporation administrative policies and procedures.

III. Basic Delegations. Expenditure authority for contracts, legal services, and non-procurement related expenses, in the Corporate, receivership, or conservatorship capacities, is delegated according to the dollar amounts set forth below and is subject to the Exceptions and the Limitations contained in sections IV and IX, respectively, of these Delegations. The authority delegated to a division or office director who reports to the Deputy to the Chairperson and Chief Operating Officer or the Chief Financial Officer is effective only when confirmed in writing by such official, as appropriate.

Level of Authority	**Dollar Limits**
Office Directors	Up to $1,000,000
Inspector General	Up to $2,000,000
Division Directors	Up to $2,000,000
Deputies to the Chairperson	Up to $3,000,000
COO and CFO jointly	Up to $5,000,000
Chairperson	Up to $5,000,000
Board of Directors	Over $5,000,000

IV. Exceptions to the Basic Delegations. The following exceptions apply to the Basic Delegations stated in section III.

a. Noncompetitive Procurements. Expenditure authority with respect to noncompetitive procurements is delegated according to the dollar amounts set forth below. The authority delegated to a division or office director who reports to the Deputy to the Chairperson and Chief Operating Officer or the Chief Financial Officer is effective only when confirmed in writing by such official, as appropriate. Noncompetitive expenditure authority is calculated based on the total value of the specific noncompetitive requirement being considered for execution. This section shall not apply to contracts and legal referrals of $5,000 or less in aggregate value. Contracts and legal referrals below this threshold shall be subject to and governed by

contracting policies and procedures issued by the Director of the Division of Administration and by the General Counsel for the Legal Division, respectively.

Level of Authority	**Dollar Limits**
Division Directors/ Office Directors/ Inspector General	Up to $50,000
COO and CFO jointly	Up to $250,000
Chairperson	Up to $250,000
Board of Directors	Over $250,000

b. Receivership Expenses. Receivership expenses, other than those arising under contracts for goods or services awarded by the Corporation as receiver, shall be approved and paid in accordance with applicable delegations of authority granted by the Board of Directors to employees of the Division of Resolutions and Receiverships. Those expenses include but are not limited to funding loan commitments, purchasing and selling assets, paying off secured borrowings, paying any Federal Reserve debt, paying insured deposits, and paying administrative expenses of the receiver, as that term is used in section 360.4 of the Corporation's regulations; provided, however, that such administrative expenses must not be in connection with contracts for goods or for services awarded by the Corporation as receiver following the failure of the institution for which it is acting as receiver.

V. Approval Level Needed to Lease Space and Enter into Lease Amendments

a. New Leases. The approval level needed for new leases is stated below in paragraph b. Receipt of approval to lease space from the appropriate authority shall constitute approval to make rental payments over the entire term of the lease. All leases are subject to review by the Legal Division with respect to form and content.

b. Level of Authority to Approve New Leases. The Board of Directors retains the authority to approve leases for multi-division offices (including Field Service Centers and Regional Offices); and leases for single division offices when the lease term is three (3) years or more. The Director of the Division of Administration is hereby delegated the authority to approve all other leases including, but not limited to, single division offices when the lease term is less than three (3) years; leases for warehouse space; and leases for Field Offices for the Division of Supervision and/or the Division of Compliance and Consumer Affairs.

c. Lease Amendments. The approval level required for lease amendments is delegated according to the dollar amounts set forth below in paragraph d. Approval is required for the estimated amount of the specific lease amendment being considered for execution including base rent, tax, and operating expense escalations over the remaining term of the lease. The authority delegated to the Director of the Division of Administration is effective only when confirmed in writing by the Deputy to the Chairman and Chief Operating Officer. All amendments to leases are subject to review by the Legal Division with respect to form and content.

d. Level of Authority to Approve Lease Amendments. The following levels of authority shall be used to approve all lease amendments:

Level of Authority	**Dollar Limits**
Director, Division of Administration	Up to $3,000,000
Board of Directors	Over $3,000,000

VI. Expenditure Ceiling. The following describes how to determine the dollar amount of a planned expenditure so that proper approval may be obtained.

a. Contracts. The expenditure ceiling for a contract shall include the aggregate dollar amount necessary for complete performance.

b. Contract Modifications. Expenditure authority for contract modifications shall be based on the cumulative value of the contract plus modification. However, when a contract is awarded on a competitive basis and the modification is noncompetitive, then expenditure authority is only required for the value of the noncompetitive modification being considered for execution. Expenditure authority for multiple noncompetitive modifications under the same contract must be obtained on a cumulative value basis.

c. Contracts with Options. If options are to be included in the proposed contract at the time of award, then the expenditure ceiling for the basic period of performance and all options shall be included in the approved expenditure authority.

d. Orders Awarded Under Basic Ordering Agreements Multiple-Order Requirements Contracts. For all BOAs and multiple-order requirements contracts, the expenditure ceiling shall include the total cumulative dollar amount of all orders to be awarded thereunder during the basic term and, if applicable, all option terms. Expenditure authority for individual orders to be awarded under BOAs and multiple-order requirements contracts is not required as long as the cumulative amount of the orders does not exceed the expenditure ceiling. However, orders under BOAs or multiple-order requirements contracts shall be approved by the appropriate division or office director or designee.

e. Legal Referral. The expenditure ceiling for a legal referral shall include the aggregate dollar amount necessary for complete performance of the legal referral, including any modifications thereto.

f. Budget Approval. Expenditure authority shall always be obtained in the total cumulative amount for all contracts and legal referrals. Although expenditure authorization may be approved on a multi-year basis, Budget approval must still be obtained on an annual basis. With respect to existing multi-year leases which received approval from the required authority prior to execution of the lease or lease amendment, the Division of Administration shall provide, as part of the Budget preparation process, the anticipated rental amounts to be paid during the Budget year for all such leases which will be in effect at the beginning of the Budget year, and such rental amounts will be included in the Budget.

VII. Functional Concurrence Requirements. The Corporation has established, and will continue to establish from time to time, policies and procedures associated with the acquisition of certain types of goods and services. These policies and procedures generally establish a single division with functional responsibility for specific goods and services and, among other things, require that division's concurrence prior to contract award. The following goods and services shall require concurrence from the Division designated below prior to awarding any contract:

Expenditure	**Concurring Division**
Temporary help, furniture and equipment, facilities, and corporate goods and services.	Division of Administration
Information Resources Management goods and services	Division of Information Resources Management
Travel and Relocation	Division of Finance

VIII. Functional Concurrences Requirements for Legal Services. The Corporation has established, and will continue to establish from time to time, policies and procedures associated with the procurement of legal services. These policies and procedures generally establish the requirement that the division for whom the legal services are performed concur in the expenditure of funds for certain legal referrals. The Legal Division shall obtain the concurrence of the division for whom the legal services are performed when the expenditure ceiling for a legal referral, including modifications, exceeds $2,000,000.

IX. Limitations to the Basic Delegations - Prohibited Contracts/Legal Referrals. Contracts for services and legal referrals that establish an employer-employee relationship between the Corporation and the contractor's employees are designated as personal services contracts and are prohibited. The Director of the Division of Administration and the General Counsel shall be responsible for developing policies and procedures that will enforce this prohibition for their respective areas of contracting responsibility.

X. Contracting Authority

a. Director of the Division of Administration. The Director of the Division of Administration is authorized to serve as the Corporation's chief Contracting Officer with the authority to develop policies and procedures with respect to contracting and to sign and award contracts on behalf of the Corporation, when such contracts have been approved under the appropriate expenditure authority cited herein. The Director is also authorized to take other action necessary and appropriate to perform the contracting and procurement functions as assigned to the Division of Administration by the Corporation's Bylaws.

b. The authority to develop policies and procedures with respect to contracting and to solicit proposals and to enter into, modify, and terminate contracts may be delegated from the Director of the Division of Administration to Contracting Officers within the Division of Administration. Any Corporation employees without the delegated contracting authority to solicit proposals or enter into, modify, and terminate contracts are acting outside the scope of their authority.

c. General Counsel. The General Counsel is authorized to serve as the Corporation's chief contracting official for legal services with authority to develop policies and procedures with respect to contracting for legal services and to sign and award legal referrals on behalf of the Corporation, when such legal referrals have been approved under the appropriate expenditure authority cited herein. The General Counsel is also authorized to take other action necessary and appropriate to protect the Corporation's interests and to perform the legal services contracting function as assigned to the Legal Division by the Corporation's Bylaws.

d. The authority to develop policies and procedures with respect to legal services contracting and to enter into, modify, amend, and terminate legal referrals may be delegated from the General Counsel to Senior Legal Staff within the Legal Division. Any Corporation employees who enter into, modify, amend, and terminate legal referrals, without delegated legal referral authority, are acting outside the scope of their authority.

XI. Leasing Authority. The Director of the Division of Administration is authorized to develop policies and procedures with respect to leasing space and to enter into leases and lease amendments on behalf of the Corporation when such agreements have been approved in accordance with this Delegation. The Director is also authorized to take other action necessary and appropriate to acquire space for the Corporation as assigned to the Division of Administration by the Corporation's Bylaws. Any employees who solicit proposals or enter into, amend, sublease, or terminate leases without authority to do so are acting outside the scope of their authority. Notwithstanding the foregoing, the Director of the Division of Resolutions and Receiverships or his or her designee may, pursuant to paragraph C(35) of resolution bearing Seal No. 062371, dated May 6, 1997, lease temporary space for a period

not to exceed 24 months for field liquidation operations based on prevailing market rates in the area, provided that any such lease is in connection with the failure of an institution for which it is acting as receiver.

XII. Funding Authority. The Director of the Division of Finance is authorized to fund actions approved by appropriate authorities under this and other Corporation resolutions and the Rules and Regulations of the Corporation, unless prohibited by law. The Director of the Division of Finance is also authorized to take other actions necessary and appropriate to carry out the budgeting, funding, and accounting functions of the Division of Finance as set out in the Bylaws of the Corporation (to integrate budget execution and accounting functions in order to monitor the financial execution of the Corporation's Budget; to receive, deposit, disburse, manage, safely keep and account for all funds of the Corporation; and maintain all accounting records of the Corporation). This includes authority for write-off of miscellaneous Corporate receivables deemed to be uncollectible or for which the cost of collection is not justified, with the concurrence of the Director of the appropriate program office.

XIII. Miscellaneous Provisions

a. Redelegation of Approval Authority. Any of the authorities delegated herein including but not limited to the Basic Delegations (section III) or in the Exceptions to the Basic Delegations (section IV), may be redelegated to responsible subordinate staff members in accordance with applicable procedures. Copies of any such redelegations shall be provided to the Director of the Division of Finance, the Director of the Division of Administration, and the Executive Secretary, and shall identify the staff member(s) to whom authority has been redelegated, state the specific authority redelegated, and be signed by the redelegating official or, in the case of a redelegation by the Board, by the Executive Secretary.

b. Consistency with Applicable Laws and Regulations. These Delegations set out applicable delegated authority limits unless otherwise prohibited by law or by the Corporation's Rules and Regulations.

c. Approval Consistent with Corporation Administrative Policy and Procedures. It is the responsibility of the approving authority to ensure that actions approved under these Delegations are approved in accordance with published Corporation administrative policies and procedures.

d. Expenditure Decisions Affecting Corporation Policy. Expenditure authority delegated or redelegated pursuant to this resolution shall not be exercised when a potential expenditure decision could affect Corporation policy or attract unusual attention or publicity. The authority to make expenditure decisions in such circumstances is reserved to the Board of Directors.

WHEREAS, the Board of Directors ("Board") of the Federal Deposit Insurance Corporation ("FDIC" or "Corporation") is responsible for administering the Federal Deposit Insurance Act and the provisions of numerous other laws regarding insurance, regulation, and supervision of depository institutions; and

WHEREAS, Article IV, section 5, of the Bylaws of the Corporation provides in part that "[w]ithin the limitations of the law, the Board of Directors may delegate any of its specific or incidental powers to any standing or special committee of the Corporation or to any officer or agent of the Corporation upon such terms and conditions as it shall prescribe, except the power to amend these Bylaws or to adopt new bylaws"; and

WHEREAS, on December 11, 1996, and by resolution bearing seal No. 061427, the Board established the Corporation's Standing Committee structure and delegated to those committees authority either to act on certain matters or to make recommendations to the Board on various matters presented to it; and

WHEREAS, section I of that resolution established the Case Review Committee and subparagraph (4) of paragraph B thereof states that the Case Review Committee shall, with respect to the Contract Dispute Resolution Process regarding contracts transferred to the Corporation in connection with the termination of the Resolution Trust Corporation ("RTC"), hear and decide appeals of certain RTC contract claims in dispute; and

WHEREAS, a total of 726 RTC contracts were transitioned to the FDIC for continued support, with only 24 such contracts remaining active and no appeal on an RTC contract claim has been received since November 1996; and

WHEREAS, FDIC contract claims are considered under procedures set forth in the Acquisition Policy Manual, with the final decision in such claims made by the Division of Administration; and

WHEREAS, both processes provide a fair and administratively sound approach to claims settlement, but the process for resolving RTC contract claims is more labor-intensive and costly than the process for resolving FDIC contract claims; and

WHEREAS, the Board has determined that the process for resolving FDIC contract claims provides a sufficient level of administrative control and diligence in reaching resolution for any residual RTC contract claims that may be received and that its utilization will streamline the administrative processes, result in cost savings to the Corporation, and increase responsiveness to clients.

NOW, THEREFORE, BE IT RESOLVED, that resolution bearing seal No. 061427, dated December 11, 1996, as amended by resolution bearing Seal No. 063808, dated August 4, 1997, is further amended by deleting subparagraph (4) of paragraph B of section I and by renumbering subparagraphs (5) and (6) and subparagraphs (4) and (5), respectively.

BE IT FURTHER RESOLVED, that the Board of Directors hereby

delegates to the Director, Division of Administration, the authority to resolve all contract claims or disputes under the procedures established in the Acquisition Policy Manual, whether those claims or disputes arise out of FDIC contracts or RTC contracts transitioned to the FDIC.

Resolution No. I (Corporate Seal No 065040):

WHEREAS, the Board of Directors ("Board") of the Federal Deposit Insurance Corporation ("FDIC" or "Corporation") is responsible for administering the Federal Deposit Insurance Act and the provisions of numerous other laws regarding insurance, regulation, and supervision of depository institutions; and

WHEREAS, Article IV, section 5, of the Bylaws of the Corporation provides in part that "[w]ithin the limitations of the law, the Board of Directors may delegate any of its specific or incidental powers to any standing or special committee of the Corporation or to any officer or agent of the Corporation upon such terms and conditions as it shall prescribe, except the power to amend these Bylaws or to adopt new bylaws"; and

WHEREAS, on September 17, 1996, and by resolution bearing Seal No. 060985, the Board delegated to various FDIC officials the authority to approve expenditures of funds associated with contracts, purchase orders, orders under Basic Ordering Agreements and other multiple-order requirements contracts, and all other contractual instruments awarded in the Corporate, receivership, or conservatorship capacities, leases, legal services, and non-procurement related expenses of the Corporation, which resolution was entitled "Expenditure Delegations for Contracts, Leases, Legal Services, and Non-Procurement Related Expenses" ("Expenditure Delegations"); and

WHEREAS, paragraph a. of section IV of the Expenditure Delegations establishes provisions governing delegated authority actions with respect to noncompetitive procurements except for noncompetitive contracts and legal referrals of $2,500 or less in aggregate value, which are subject to and governed by contracting policies and procedures issued by the Director of the Division of Administration and the General Counsel, respectively; and

WHEREAS, because purchases of goods and services readily available in the marketplace are simple in nature and the availability of market price information assures a fair price, the Board has determined that increasing the aggregate value threshold for noncompetitive contracts and legal referrals from $2,500 to $5,000 would increase administrative efficiency but would not subject the Corporation to risks of higher costs for goods and services; and

WHEREAS, the Expenditure Delegations require further amendment to correct omissions in connection with an August 4, 1997, amendment thereto.

NOW, THEREFORE, BE IT RESOLVED, that resolution bearing seal No. 060985, dated September 17, 1996, as amended by resolutions bearing Seal Nos. 061244, 062371, and 063808, dated respectively, October 29, 1996, May 6, 1997, and August 4, 1997, is further amended by —-

- in section III thereof, removing the words "Deputies to the Chairperson" and inserting in their place the words "Deputy to the Chairperson and COO"; and

- in paragraph a. of section IV thereof, removing the figure "$2,500"

and inserting “$5,000” in its place; and

- removing the words “a deputy to the Chairperson is effective only when confirmed in writing by such deputy to the Chairperson” wherever they appear and inserting in their place the words “the Deputy to the Chairperson and Chief Operating Officer or the Chief Financial Officer is effective only when confirmed in writing by such official, as appropriate.”

Resolution No. II (Corporate Seal No. 065041):

WHEREAS, the Board of Directors (“Board”) of the Federal Deposit Insurance Corporation (“FDIC” or “Corporation”) is responsible for administering the Federal Deposit Insurance Act and the provisions of numerous other laws regarding insurance, regulation, and supervision of depository institutions; and

WHEREAS, Article IV, section 5, of the Bylaws of the Corporation provides in part that “[w]ithin the limitations of the law, the Board of Directors may delegate any of its specific or incidental powers to any standing or special committee of the Corporation or to any officer or agent of the Corporation upon such terms and conditions as it shall prescribe, except the power to amend these Bylaws or to adopt new bylaws”; and

WHEREAS, on December 11, 1996, and by resolution bearing seal No. 061427, the Board established the Corporation’s Standing Committee structure and delegated to those committees authority either to act on certain matters or to make recommendations to the Board on various matters presented to it; and

WHEREAS, section I of that resolution established the Case Review Committee and subparagraph (4) of paragraph B thereof states that the Case Review Committee shall, with respect to the Contract Dispute Resolution Process regarding contracts transferred to the Corporation in connection with the termination of the Resolution Trust Corporation (“RTC”), hear and decide appeals of certain RTC contract claims in dispute; and

WHEREAS, a total of 726 RTC contracts were transitioned to the FDIC for continued support, with only 24 such contracts remaining active and no appeal on an RTC contract claim has been received since November 1996; and

WHEREAS, FDIC contract claims are considered under procedures set forth in the Acquisition Policy Manual, with the final decision in such claims made by the Division of Administration; and

WHEREAS, both processes provide a fair and administratively sound approach to claims settlement, but the process for resolving RTC contract claims is more labor-intensive and costly than the process for resolving FDIC contract claims; and

WHEREAS, the Board has determined that the process for resolving FDIC contract claims provides a sufficient level of administrative control and diligence in reaching resolution for any residual RTC contract claims that may be received and

that its utilization will streamline the administrative processes, result in cost savings to the Corporation, and increase responsiveness to clients.

NOW, THEREFORE, BE IT RESOLVED, that resolution bearing seal No. 061427, dated December 11, 1996, as amended by resolution bearing Seal No. 063808, dated August 4, 1997, is further amended by deleting subparagraph (4) of paragraph B of section I and by renumbering subparagraphs (5) and (6) and subparagraphs (4) and (5), respectively.

BE IT FURTHER RESOLVED, that the Board of Directors hereby delegates to the Director, Division of Administration, the authority to resolve all contract claims or disputes under the procedures established in the Acquisition Policy Manual, whether those claims or disputes arise out of FDIC contracts or RTC contracts transitioned to the FDIC.

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DIVISION OF ADMINISTRATION
REDELEGATIONS OF AUTHORITY ASSOCIATED WITH REAL PROPERTY LEASES

Consistent with the authorities delegated by the Board of Directors of the Federal Deposit Insurance Corporation in the Resolution bearing Seal Number 060985, entitled "Expenditure Delegations for Contracts, Leases, Legal Services, and Non-Procurement Related Expenses" (the "Expenditure Delegations"), the Director of the Division of Administration redelegates the authorities described below to various officials within the division. The Director's authority to make these redelegations is at paragraph XIII.a. of the Expenditure Delegations.

The specific authorities delegated herein are listed below in numbered paragraphs, which correspond to the numbered rows in the attached matrix. As stated in section V. of the Expenditure Delegations, all leases and all amendments to leases are subject to review by the Legal Division with respect to form and content.

Specific Leasing Authorities Delegated Herein:

(1) Authority to Approve New Multi-Division Office Leases and New Long-Term Single Division Office Leases -- The authority to approve new leases for multi-division offices (including Regional Offices), and for single division offices with lease terms of 3 years or more is retained by the Board of Directors (see Expenditure Delegations, paragraph V.a.).

(2) Authority to Approve Other New Leases -- This authorizes selected management officials who are associated with the facility leasing activity to approve all other leases including, but not limited to, single division offices when the lease term is less than three years; leases for warehouse space; and leases for field offices for the Division of Supervision and Consumer Protection (see Expenditure Delegations, paragraph V.b.).

(3) Authority to Approve Amendments to Leases -- This authorizes selected management officials who are associated with the facility leasing activity to approve amendments to leases based on the estimated dollar amount of the specific lease amendment being considered for execution, including base rent, and tax and operating expense escalations, over the remaining term of the lease (see Expenditure Delegations, paragraphs V.c. and d.).

For purposes of these redelegations, a holdover tenancy is considered to be a lease amendment; in a holdover situation, holdover rent can not be paid until the holdover period has been approved by the official with the proper level of delegated authority, as

shown for item 3. on the attached matrix. In addition, facility leasing officials at both Headquarters and in the field shall coordinate with the Legal Division whenever it is anticipated that a lease will go into holdover.

(4) Leasing Authority -- This authority, set forth at section XI. of the Expenditure Delegations, and defined at paragraph I.k., is comprised of: a.) the authority to solicit proposals for leased space; b.) the authority to enter into (e.g. sign) leases and lease amendments on behalf of the Corporation; c.) the authority to sign lease termination and contraction letters; and d.) the authority to sublease FDIC leased space to other parties. In accordance with section XI., these authorities may not be exercised until the planned expenditures for such actions have been approved by the appropriate level of authority, as indicated in items 1., 2. or 3. of the attached matrix. The individual components of "Leasing Authority" have been redelegated to selected officials associated with the facility leasing activity, as shown on the attached matrix.

(5) Authority to Authorize Rent Payments After Lease Has Been Signed -- This authorizes selected officials associated with the facility leasing activity to approve documents authorizing the Division of Finance to make rent payments, including both base rent and pass throughs for operating expense and tax increases, as set forth in leases and amendments to leases which have been approved and signed in accordance with the Expenditure Delegations, over the entire term of the lease (see Expenditure Delegations, paragraph V.a.). The dollar amounts listed on the attached matrix refer to the amount of rent payable per lease per month, in accordance with the lease terms and conditions. This includes the authorization of rent payments in a holdover situation, provided that the planned expenditure for holdover rent has been approved by the appropriate level of authority indicated in item 3. of the attached matrix.

DIVISION OF ADMINISTRATION
REDELEGATIONS OF AUTHORITY ASSOCIATED WITH REAL PROPERTY LEASES

	Type of Authority	Director	Deputy Director	Associate Director, CSB	Other Associate Directors and Assistant Director, MSB	Assistant Director, Space Management and Special Services Section, CSB	Regional Managers
1.	Approval of New Multi-Division Office leases & new Long-Term Single Division Office Leases1	No	No	No	No	No	No
2.	Approval of Other New Leases	Yes	Yes	Yes	No	No	Yes ♣
3.	Approval of Amendments to Leases	Yes - up to $3,000,000	Yes - up to $3,000,000	Yes - up to $3,000,000	No	Yes - up to & including $100,000→	Yes - for up to $500,000♣
4.	Leasing Authority:						
a.	Solicit proposals for leased space	Yes - unlimited	Yes - unlimited	Yes - unlimited	No	Yes – unlimited→	Yes ♣
b.	Sign leases & lease amendments	Yes - unlimited	Yes - unlimited	Yes - unlimited	No	Yes - for rent of up to $500,000 over lease term→	Yes ♣
c.	Sign lease termination and contraction letters	Yes - unlimited	Yes - unlimited	Yes - unlimited	No	Yes - unlimited→	No
d.	Sublease FDIC leased space to other parties	Yes - unlimited	Yes - unlimited	Yes - unlimited	No	Yes - unlimited→	No
5.	Authorize rent payments after lease has been signed	Yes - unlimited	Yes - unlimited	Yes - unlimited	No	Yes, up to $1,000,000 per rent payment→	Yes ♣

♣ For single division offices when the lease term is less than 3 years; leases for warehouse space; and leases for field offices for DSC.

→ Not redelegable

1 This authority has been retained by the Board of Directors.

Exhibit B
Abbreviated Fitness and Integrity Certification

Fitness and Integrity – Short Form Certification
(Revised 2-2007)

Instructions: This form must be executed by Landlord or an authorized signatory for Landlord. It shall not be executed by real estate agents or other persons. Explanations, if any, should be attached to this form.

To the best of Landlord's knowledge:

Has the Landlord or any general partner or beneficial owner of a 25% or greater equity interest in Landlord, been convicted of a fraud offence or conspiring to commit a fraud offence affecting any insured depository institution?

[ ] Yes [ ] No (If yes, explain.)

Has the Landlord, or any general partner or beneficial owner of a 25% or greater equity interest in Landlord, been removed from or prohibited from participating in the affairs of an insured depository institution by the financial institution's regulatory group?

[ ] Yes [ ] No (If yes, explain.)

Has the Landlord, or any general partner or beneficial owner of a 25% or greater equity interest in Landlord, demonstrated a pattern or practice of defalcation with respect to obligations?

[ ] Yes [ ] No (If yes, explain.)

Definition of Terms.

Insured depository institution means any bank or savings association the deposits of which are insured by the FDIC.

Fraud offence means any felony offense under the sections of title 18 U.S. Code listed below (or similar offenses under state laws):

A. Bribery of Public Officials (18 U.S.C. 201).
B. Offer of a loan or gratuity to bank examiners (18 U.S.C. 212).
C. Continuing financial crimes enterprise (18 U.S.C. 225).
D. Taking or using papers relating to claims (18 U.S.C. 285).
E. Conspiracy to defraud the Government with respect to claims (18 U.S.C. 286).
F. False, fictitious, or fraudulent claims (18 U.S.C. 287).
G. Bonds and obligations or certain lending agencies (18 U.S.C. 493).
H. Contractors' bonds, bids, and public records (18 U.S.C. 494).
I. Contracts, deeds, and powers of attorney (18 U.S.C. 495).
J. Chapter 31 Embezzlement and Theft (18 U.S.C. 642 through 668).
K. Statements or entries generally (18 U.S.C. 1001).
L. Possession of false papers to defraud the United States (18 U.S.C. 1002).
M. Bank entries, reports, and transactions (18 U.S.C. 1005).

Pattern or Practice of Defalcation regarding obligations means two or more instances in which:

(1) A loan or advance from an insured depository institution is in default for ninety (90) or more days as to payment of principal, interest, or a combination thereof and there remains a legal obligation to pay an amount in excess of $50,000; or

(2) A loan or advance from an insured depository institution where there has been a failure to comply with the terms to such an extent that the collateral securing the loan or advance was foreclosed upon, resulting in a loss in excess of $50,000 to the insured depository institution.

LANDLORD:

_____

By: _____

Date: _____

Exhibit C
FDIC Leasing Representations and Certifications

Fitness and Integrity Policy

FDIC Leasing Representations and Certifications

FDIC LEASING REPRESENTATIONS AND CERTIFICATIONS

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ESTIMATED REPORTING BURDEN

Public reporting burden for this collection of information is estimated to average one-hour per response, including the time for reviewing the instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Assistant Executive Secretary (Administration), OES, Room F-4001, FDIC, Washington, D.C. 20429; and to the Office of Management and Budget, Paperwork Reduction Project (3064-0072), Washington, D.C. 20503.

PRIVACY ACT STATEMENT

Collection of this information is authorized by the Federal Deposit Insurance Act, 12 U.S.C. §§ 1819, 1821, and Executive Order 9397. This information will be primarily used to review a potential lessor for fitness and integrity and the information provided may be disclosed to licensing authorities by the FDIC in making a determination of fitness and integrity.

Information may also be disclosed to appropriate Federal, state, or local agencies for law enforcement purposes when a violation or possible violation of a civil or criminal law is apparent; to individuals involved in judicial or administrative proceedings; and to a Congressional office in response to an inquiry made at the individual's request. Information may also be disclosed in accordance with the other routine uses set forth in the FDIC's Financial Information System 30-64-0012. Furnishing the requested information, including your Social Security Number, is voluntary. However, failure to furnish all requested information may preclude your property from being leased by the FDIC.

FDIC LEASING REPRESENTATIONS AND CERTIFICATIONS

INSTRUCTIONS TO LESSORS

This FDIC Leasing Representations and Certifications form (the "Certifications") is comprised of two parts:
Part I – Certifications Concerning the Premises and the Building, and Part II – Lessor Fitness and Integrity Certifications.
The FDIC requires that all Lessors complete both Parts of the Certifications and submit them as part of any Offer to enter into a Lease or a Lease Agreement. The Certifications shall be executed by an official authorized to bind the Lessor, and they shall be attached to and made a part of any Lease or Lease Amendment. For purposes of the Certifications, the FDIC is considered an agency of the United States with respect to its rights and remedies under Title 18 of the United States Code. **The Certifications concern matters within the jurisdiction of an agency of the United States, and the making of a false, fictitious, or fraudulent certification may render the maker subject to prosecution under 18 U.S.C. §§ 1001, 1007, and 1014.**

Pursuant to paragraph IV.A. of the FDIC's Policy Statement on the Fitness and Integrity of Lessors of Real Property to the FDIC (the "Policy Statement"), dated February 6, 1996 (published in the Federal Registrar on February 13, 1996, and amended in the Federal Registrar on April 26, 1996), a copy of which is attached hereto as **Schedule A**, the FDIC will not consider Offers from Lessors, award Leases to Lessors, or enter into Lease Amendments with Lessors that either (a) fail to provide any of the information required by the Policy Statement, or (b) have Conflicts of Interest, unless such Conflicts of Interest are eliminated by the Lessor or waived by the FDIC.

All items within the Certifications must be completed. If the Lessor cannot certify "True" to an entire statement, or if a statement is partly "True" and partly "False" for the Lessor, the "False" box must be checked. Whenever the "False" box is checked, the Lessor must attach a detailed description of the particular defect or situation and, if applicable, a description of the Lessor's plans to remedy or eliminate the defect or situation.

If at any time prior to the award of the Lease or Lease Amendment, or during the term of the Lease, the Lessor learns that one or more of the representations or certifications made herein was erroneous when submitted or has become erroneous, the Lessor shall notify the FDIC within five business days.

All capitalized terms not otherwise defined within the Certifications shall have the meaning set forth in the Policy Statement, which is attached as Schedule A, unless noted otherwise within the Certifications.

In connection with its Offer to lease certain space (the "Premises") to the FDIC, in the building (the "Building"), at the following address: _____, the

undersigned Lessor, _____,
certifies as follows:

FDIC LEASING REPRESENTATIONS AND CERTIFICATIONS

PART I – CERTIFICATIONS CONCERNING THE PREMISES AND THE BUILDING

NOTE: *If a "False" box is checked regarding any of the following statements, the Lessor must describe the situation and delineate the steps that will be taken to address the situation.*

1. Compliance with Laws

a. The Premises and the Building are in compliance with all existing health, safety, fire, zoning, building, and environmental laws, rules and regulations applicable to the Premises and the Building.

[ ] True [ ] False

b. The Premises and the Building comply with the provisions of the Americans with Disabilities Act, 42 U.S.C. 1201 et. seq. and any local enactment thereof.

[ ] True [ ] False

2. Environmental Condition

a. The Premises and the Building, including the air and water therein, do not contain any hazardous substances ("Hazardous Substances") (with the exception of normal amounts of customary solvents or other materials used in cleaning and maintenance of the Premises or the Building, in amounts that would not be in violation of Hazardous Substances Laws, as defined below) including: asbestos; Asbestos-Containing Materials (as defined below); lead; polychlorinated biphenyls ("PCB's"); chlorofluorocarbons ("CFC's"); and hazardous, ignitable, reactive, corrosive, or toxic substances; materials or waste that are subject to any Hazardous Substance Laws; or any other substances defined or listed as Hazardous Substances from time to time by the Federal Environmental Protection Agency or any agency having jurisdiction to establish such definition or listing. The term "Hazardous Substances Laws" includes the Comprehensive Environmental Response, Compensation and Liability Act, as amended by the Superfund Amendments and Reauthorization Act, 42 U.S.C. 9602 et. seq., and other Federal, state, and local laws, rules, regulations and ordinances relating to Hazardous Substances. The term "Asbestos-Containing Materials" is defined as any materials with a concentration of one percent greater by dry weight asbestos fibers.

[ ] True [ ] False

b. There are no underground storage tanks, either active or abandoned, beneath the Building.

[ ] True [ ] False

c. There are no above-ground storage tanks, either active or abandoned, located at the Building.

[ ] True [ ] False

d. There is no investigation, administrative order, settlement, consent order, agreement or litigation with respect to any Hazardous Substance proposed, threatened, anticipated, or in existence with respect to the Premises or the Building.

[ ] True [ ] False

FDIC LEASING REPRESENTATIONS AND CERTIFICATIONS

e. Neither the Lessor, nor any predecessor property owner has received any notice, demand, claim, citation, complaint, summons, request for information, or similar communication from any entity, governmental body, or individual with respect to Hazardous Substances associated with the Premises or the Building.

[ ] True [ ] False

f. There are no Asbestos-Containing Materials in the Premises; spaces above suspended ceilings in the Premises; are plenums elsewhere in the Building which service the Premises; engineering spaces in the same ventilation zones as the Premises; or in public spaces or common use space (e.g., lobbies, hallways) serving the Premises.

[ ] True [ ] False

g. The Heating, Ventilation and Air Conditioning system serving the Premises and the Building (a) is in compliance with the Clean Air Act; and (b) is free of CFC and Hydrochloroflurocarbon compounds.

[ ] True [ ] False

h. The Lessor has not received any complaints regarding, and is not aware of any problems with, the indoor air quality within the Premises and the Building.

[ ] True [ ] False

i. The drinking water available from all existing fountains, sinks, or other sources on the Premises, does not contain lead in excess of levels permitted by law applicable to the Building or the Premises.

[ ] True [ ] False

j. Attached hereto, and in support of the foregoing responses, are copies of all Environmental Information (which term includes, without limitation, all inspections, reports, examinations, surveys, tests, samples, reviews, inquiries, requests, investigations, and studies), if any, received by, or prepared for the Lessor with respect to the Premises and/or the Building.

[ ] True [ ] False

2. <u>Building Condition</u>

a. There are no structural defects in the Building.

[ ] True [ ] False

b. There are no electrical system defects in the Building.

[ ] True [ ] False

c. There are no mechanical system defects in the Building.

[ ] True [ ] False

d. There are no sewer system defects in the Building.

[ ] True [ ] False

e. There are no plumbing defects in the Building.

[ ] True [ ] False

f. The Building (including the systems listed in items a. through e. immediately above), has not been in any way affected or damaged by seismic activity.

[ ] True [ ] False

PART II – LESSOR FITNESS AND INTEGRITY CERTIFICATIONS

1. Conflicts of Interest

Important Note: *The following pertain to this Conflict of Interest certification only.*

- *The word "Lessor" encompasses both Lessors and Lessor's Affiliates, as defined in the Policy Statement, Schedule A.*
- ***A check in any "False" box for 1.a. through e. below indicates that the Lessor has a Conflict of Interest, as defined at Section III.B.(1) through (5) of the Policy Statement.*** *In accordance with Section V.A.(1)(b) of the Policy Statement, a Lessor with a Conflict of Interest shall, with its Offer, request that the Conflict of Interest be waived or propose how the Conflict of Interest will be eliminated.*

a. The Lessor is not adverse to the FDIC, RTC, Federal Savings and Loan Insurance Corporation, or their successors in a lawsuit.

[ ] True [ ] False

b. The Lessor has not caused a Substantial Loss to Federal Deposit Insurance Funds within the ten year period preceding the date of this certification.

[ ] True [ ] False

c. The Lessor has never been convicted of a Fraud Offense or of conspiring to commit a Fraud Offense, affecting any Insured Depository Institution.

[ ] True [ ] False

d. The Lessor has not Defaulted on a Material Obligation within the last five years.

[ ] True [ ] False

e. The Lessor has never been removed from, or prohibited from participating in the affairs of any Insured Depository Institution pursuant to any final enforcement action of the Office of the Comptroller of the Currency, the Office of Thrift Supervision, the Board of Governors of the Federal Reserve System, or the FDIC or their successors.

[ ] True [ ] False

FDIC LEASING REPRESENTATIONS AND CERTIFICATIONS

2. Releases for Less than Full Amount Due

The Lessor has never been released from any commitment to pay $50,000 or more to an Insurer for which the Insurer received less than 100% (including interest, late charges, and other costs of collection) of the amount due.

[ ] True [ ] False

3. Prohibited Communication with FDIC Employees

Neither the Lessor, nor any employee of the Lessor, nor any entity which will be awarded a subcontract as a result of the award of the Lease or Lease Agreement, have at any time since the first public notification of the FDIC space requirement described in the FDIC's Request for Proposal associated with the Certifications, or at any time after becoming aware of this pending Lease acquisition (if such awareness preceded public notification), (a) directly or indirectly offered any promise of future employment or business opportunities to, or engaged in any discussion of future employment or business opportunities with, any FDIC personnel responsible for this Lease acquisition; or (b) directly or indirectly solicited any information concerning the FDIC space requirement described in the Request for Proposal associated with the Certifications, other than information available to the general public.

[ ] True [ ] False

4. Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions

a. To the best of Lessor's knowledge, no Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress on its behalf in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (collectively, "covered Federal actions").

[ ] True [ ] False

b. To the best of Lessor's knowledge, no nonappropriated funds (including profit or fee received under a covered Federal action) have been paid, or will be paid, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress on his or her behalf in connection with the Request for Proposal associated with this certification.

[ ] True [ ] False *(If "False," Lessor must complete and submit with its offer, an OMB Standard Form LLL "Disclosure of Lobbying Activities" (available upon request).*

NOTE: The Lessor must include the language of 4.a. and b. of this Certification and Disclosure in all subcontract awards relating to the Offer or the Lease or the Building, at any tier, and require that all recipients of subcontract awards in excess of $100,000 shall certify and disclose accordingly. Submission of this Certification and Disclosure, and when required, a completed Standard Form LLL is a prerequisite for making or entering into this Lease imposed by 31 U.S.C. § 1352.

FDIC LEASING REPRESENTATIONS AND CERTIFICATIONS

5. Certificate of Independent Price Determination

a. The prices in this Offer (or proposed for the Lease Amendment) have been arrived at independently, without, for the purposes of restricting competition, any consultation, communication, or agreement with any Lessor or competitor relating to (a) those prices, (b) the intention to submit an Offer, or (c) the methods or factors used to calculate the prices offered.

[ ] True [ ] False

b. The prices in this Offer have not been and will not be knowingly disclosed by the Lessor, directly or indirectly, to any other lessor or competitor before award of the Lease or Lease Amendment unless otherwise required by law.

[ ] True [ ] False

c. No attempt has been made or will be made by the Lessor to induce any other individual or Company to submit or not to submit an Offer for the purpose of restricting competition.

[ ] True [ ] False

6. Lessor Identification and Information

a. List the name, address, and Federal Taxpayer Identification Number of (1) the Lessor and, (2) if different, the record owner of the Building:

NAME OF LESSOR *(Please print or type)*		TAXPAYER IDENTIFICATION NUMBER (TIN)
STREET ADDRESS		
CITY	STATE	ZIP CODE

NAME OF RECORD OWNER *(Please print or type)*		TAXPAYER IDENTIFICATION NUMBER (TIN)
STREET ADDRESS		
CITY	STATE	ZIP CODE

b. ***Check one:*** Lessor operates as [ ] an individual, [ ] a State or local agency, or [ ] a Company.

c. Identify the following (If additional room is needed, please complete on 8-1/2 x 11-inch paper and attach it to the Certifications.)

1. If the Lessor is a Company provide:

(a) The state in which the Corporation or other organization is registered or organized:

_____

FDIC LEASING REPRESENTATIONS AND CERTIFICATIONS

(b) The name, addresses, and Federal Taxpayer ID Numbers of all **general partners** and/or all **beneficial owners of a 25% or greater equity interest** in the Lessor. In addition, for those **general partners** and **beneficial owners** who are individuals, provide the Social Security Number, birth date, and Birthplace (City, State, Country):

_____
_____
_____
_____
_____
_____
_____

2. The names, addresses, Federal Taxpayer ID Numbers, and state of incorporation or organization of any Companies of which the Lessor is either the **general partner** or a **beneficial owner** of a 25% or greater equity interest:

_____
_____
_____
_____
_____
_____

3. If the Lessor is an individual, list the name, address, Social Security Number, birth date, and Birthplace (City, State, Country) of any Family Member:

_____
_____
_____
_____
_____
_____

By signature hereto, the undersigned certifies that he or she has full right, power and authority to execute these Certifications on behalf of the Lessor without the consent of any other entity or individual and makes these Certifications with the knowledge that the FDIC shall rely upon them. The undersigned also certifies that all of the foregoing representations and certifications are true, complete, and accurate, and that he or she is aware of the penalty prescribed in 18 U.S.C. § 1001 for making false statements to an agency of the United States government. Further, the undersigned by signature hereto gives express authorization and consent to the FDIC for the FDIC to release information contained herein to licensing authorities in making a determination of the lessor's fitness and integrity.

NOTE: THE SIGNATURE OF AN AGENT IS NOT ACCEPTABLE

NAME *(Please print or type)*	
TITLE	
NAME OF LESSOR	TAXPAYER IDENTIFICATION NUMBER (TIN)
SIGNATURE	DATE

Attachment (1): Schedule A, Policy Statement

SCHEDULE A

POLICY STATEMENT ON THE FITNESS AND INTEGRITY OF LESSORS OF REAL PROPERTY TO THE FDIC

I. ***Purpose.*** To establish:

A. Minimum standards governing Conflicts of Interest and ethical responsibilities for Lessors who have entered into Leases with the FDIC, or who seek to lease real property to the FDIC; and

B. Official written guidance for FDIC personnel including, without limitation, personnel in the Division of Administration, the Division of Supervision, and the Office of the Executive Secretary, on the implementation of those minimum standards.

II. ***Applicability.*** This policy will apply to:

A. All Leases of 10, 000 square feet or more awarded as a result of Requests for Proposals issued after the date of this policy; and

B. All Lease Amendments entered into after the date of this policy to (1) existing leases of 10,000 square feet or more, or (2) existing Leases of less than 10,000 square feet where the total square footage of the Lease will be 10,000 square feet or more if the Lease Amendment is executed.

III. ***Definitions.*** As used in this policy statement:

A. ***Company*** means any corporation, firm, partnership, society, joint venture, business trust, association, or similar organization, or any other trust, or any other organization or institution.

B. ***Conflict of Interest*** means a situation in which:

(1) A Lessor or a Lessor's Affiliate is adverse to the FDIC, RTC, Federal Savings and Loan Insurance Corporation (FSLIC), or their successors in a lawsuit, for which no final adjudication or settlement has occurred; or

(2) A Lessor or a Lessor's Affiliate has caused a Substantial Loss to Federal Deposit Insurance Funds within the ten year period preceding the submission of its offer; or

(3) A Lessor or a Lessor's Affiliate has been convicted of a Fraud Offense or of conspiring to commit a Fraud Offence affecting any Insured Depository Institution; or

(4) A Lessor or a Lessor's Affiliate has Defaulted on a Material Obligation within the last five years; or

(5) A Lessor or a Lessor's Affiliate has been removed from, or prohibited from participating in the affairs of any Insured Depository Institution pursuant to any final enforcement action by the Office of the Comptroller of the Currency, the Office of Thrift Supervision, the Board of Governors of the Federal Reserve System, or the FDIC or their successors; or

(6) A situation in which the FDIC determines, in its sole discretion, that the FDIC's award of a Lease to a Lessor could cause a reasonable person to question the integrity of the FDIC's operations. An example (without limitation) of a Conflict of Interest determined by the FDIC is a situation in which an individual who is not a Lessor's Affiliate, but has a direct or indirect equity interest in the Lessor, or directly or indirectly controls the Lessor, has been convicted of a Fraud Offense.

C. ***Default on a Material Obligation*** means a loan or advance from an Insured Depository Institution which has been delinquent for 90 or more days as to payment of principal or interest, or a combination thereof, with a remaining balance of principal, and accrued interest on the ninetieth day, or any time thereafter, in an amount in excess of $1,000,000.

D. ***Family Member*** means the Lessor's spouse or dependent child.

E. ***FDIC*** means the Federal Deposit Insurance Corporation in its receivership and corporate capacities. It does not mean the FDIC in its conservatorship capacity or when it is operating a bridge bank.

F. ***Fraud Offense*** means any felony offense under the sections of title 18 U.S. Code as listed in Part IX, or similar offenses under state laws.

G. ***Insured Depository Institution*** means any bank or savings association the deposits of which are insured by the FDIC.

H. ***Insurer*** means the FDIC, RTC, FSLIC or their successors; or the Bank Insurance Fund, the Savings and Association Insurance Fund, the FSLIC Resolution Fund, or funds maintained by the RTC for the benefit of insured depositors.

I. ***Lease*** means a lease or sublease of real property for the use of the FDIC (including its contractors) as tenant, including but not limited to warehouse, office and retail space. As used herein, "Lease" does not include contracts for storage services.

J. ***Lease Amendment*** means any change to a Lease which extends the term of a Lease, increases the rentable square footage of the premises leased, or increases the rent paid under the Lease. As used herein, however, "Lease Amendment" does not refer to the exercise of a priced renewal option or an expansion option at a predetermined rental rate under any Lease entered into prior to the date of the policy.

K. ***Lessor*** means an individual or a Company which intends to or has submitted an Offer to lease or sublease real property to the FDIC, or which has entered into a Lease or a sublease with the FDIC.

L. ***Lessor's Affiliate*** means:

(1) If the Lessor is a Company, (a) any general partner of the Lessor, or (b) any beneficial owner of a 25% or greater equity interest in the Lessor; or

(2) Any Company of which the Lessor is (a) a general partner, or (b) in which the Lessor is the beneficial owner of a 25% or greater equity interest; or

(3) If the Lessor is an individual, any Family Member of the Lessor.

A Lessor's Affiliate may be either an individual or a Company.

M. ***Obligation*** means a commitment to pay money to an Insurer, that is currently owing to, and held by, an Insurer, and which currently is not performing in accordance with the terms thereof (including any modifications thereto), including, without limitation, (1) any unsatisfied final judgment, and (2) any guarantee of any Obligation.

N. ***Offer*** means a proposal to enter into a Lease.

O. ***RTC*** means the Resolution Trust Corporation in any of its capacities.

P. ***Substantial Loss to Federal Deposit Insurance Corporation Insurance Funds*** means: An Obligation that is or has been delinquent for 90 or more days as to payment of principal, interest, or a combination thereof and on which there remains a legal duty to pay an amount in excess of $50,000. A Substantial Loss to Federal Deposit Insurance Funds does **NOT** include situations where the Obligation (1) has been fully resolved and the debtor has been released in full by the applicable Insurer, or (2) has been sold or transferred by the applicable Insurer and Insurer retains no interest therein.

IV. Policy

A. ***General.*** The FDIC will not consider Offers from Lessors, award Leases to Lessors, or enter into Lease Amendments with Lessors that either (a) fail to provide any of the information required by this policy; or (b) have Conflicts of Interest, unless such Conflicts of Interest are eliminated by the Lessor or waived by the FDIC.

B. ***Waivers.*** Waivers of Conflicts of Interest will be granted only when, in light of all relevant circumstances, the Executive Secretary, or the designee of the Executive Secretary determines in his or her discretion that the interests of the FDIC in entering into a Lease or a Lease Amendment with the Lessor outweigh the concern that a reasonable person may question the integrity of the FDIC's operations.

V. Procedures

A. ***Conflicts of Interest***

(1) ***Conflicts of Interest in existence prior to submission of an Offer:***

(a) A Lessor shall provide all information and certifications required in paragraph V.B. hereof at the time it makes an Offer to the FDIC.

(b) A Lessor that has a Conflict of Interest as defined at paragraph III.B.(1) through (5) of this policy statement shall, with its Offer, request that the Conflict of Interest be waived in accordance with paragraph IV.B., or propose how the Lessor will eliminate the Conflict of Interest.

(c) The Executive Secretary or designee, at his or her discretion, may waive the Conflict of Interest in accordance with paragraph IV.B., or may approve in writing a Lessor's proposal to eliminate the Conflict of Interest for purposes of the specific Lease.

(2) ***Conflicts of Interest arising after submission of an Offer but prior to entering into a Lease:***

(a) If, after submitting its Offer, but prior to entering into a Lease, a Lessor discovers that it has a Conflict of Interest, it must notify the FDIC in writing within five business days of such discovery. The Lessor shall include with such notification a detailed description of the Conflict of Interest, and (i) a statement of how it intends to eliminate the Conflict of Interest; or (ii) a request for a waiver of the Conflict of Interest.

(b) The Executive Secretary or designee, at his or her discretion, may waive the Conflict of Interest in accordance with paragraph IV.B., or may approve in writing a Lessor's proposal to eliminate the Conflict of Interest for purposes of the specific Lease.

(3) ***Conflicts of Interest that arise after entering into a Lease.*** FDIC Lease agreements shall require that the Lessor notify the FDIC in writing within five business days after discovering a Conflict of Interest that arises after the Lessor and the FDIC have entered into a Lease. The Lessor shall include with such notification a detailed description of the Conflict of Interest, and either (i) a statement of how it intends to eliminate the Conflict of Interest; or (ii) a request for a waiver of the Conflict of Interest. After receipt of such notice from the Lessor, the FDIC shall take such action as it determines is in the FDIC's best interests, including:

(a) The FDIC shall notify the Lessor in writing of its findings as to whether a Conflict of Interest exists. If the FDIC finds that a Conflict of Interest exists, the FDIC shall also notify the Lessor in writing of the basis for such determination, and when applicable:

(i) whether a waiver will be granted, and if so, the terms and conditions of such waiver; or

(ii) a description of the corrective actions, if any, that the Lessor will take in order to eliminate the Conflict of Interest. Corrective actions must be completed by the Lessor not later than 30 days after notification is mailed by the FDIC unless the FDIC, in its sole discretion, determines that it is in the best interests of the FDIC to grant the Lessor an extension in which to complete such corrective action.

(b) Unless the FDIC waives the Conflict of Interest or the Lessor eliminates the Conflict of Interest, the FDIC shall not enter into any Lease Amendments with the Lessor.

(4) ***Conflicts of Interest discovered by the FDIC.*** The FDIC will review all information provided by the Lessor with its Offer, as well as information from other sources that the FDIC determines is relevant. If the FDIC, in its sole discretion determines, based on such reviews, that a Conflict of Interest exists, an FDIC representative shall notify the Lessor of the basis for such determination.

(a) If the FDIC discovers a Conflict of Interest after submission of an Offer, but prior to entering into a Lease:

(i) The Lessor must respond to the FDIC in writing, within five business days of the FDIC's notification of its determination in one of the following ways.

[1] stating how it intends to eliminate the Conflict of Interest; or
[2] requesting that the FDIC waive the Conflict of Interest; or
[3] if the FDIC's determination was based solely on information from a source other than the Lessor, and the Lessor can demonstrate that such information was incomplete or incorrect, the Lessor may provide additional or corrected facts and request that the FDIC consider such facts and reevaluate its determination that a Conflict of Interest exists. After reviewing the Lessor's additional or corrected information, the FDIC will notify the Lessor promptly whether it confirms its determination that a Conflict of Interest exists.

(ii) If the Lessor does not respond in writing to the FDIC within five business days, the FDIC shall deem the Lessor's Offer to have been withdrawn.

(b) If the FDIC discovers a Conflict of Interest after entering into a Lease, the FDIC shall take such action as it determines is in the FDIC's best interest, including the actions described in V.A.(3)(a) and (b). As detailed at V.A.(4)(a)(i)[3], the Lessor can request that the FDIC reevaluate its determination if the FDIC's determination was based soley on information from a source other than the Lessor, and the Lessor can demonstrate that such information was incomplete or incorrect. After reviewing the Lessor's additional or corrected information, the FDIC will notify the Lessor promptly whether or not it will reverse its determination that a Conflict of Interest exists.

(5) ***Reconsideration of decisions***. The Lessor may request that the chairman or designee(s) reconsider FDIC decisions regarding acceptance of a Lessor's proposal for the elimination of a Conflict of Interest, or the issuance of a requested waiver to a Conflict of Interest. Such requests must be in writing and contain the reasons for the request. The Chairman or designee(s) shall have the right to decline reconsideration.

B. ***Information required to be submitted:***

(1) ***Initial Submission***. Every Lessor shall submit a completed "FDIC Leasing Representations and Certifications" form, including Part II, "Lessor Fitness and Integrity Certifications" and such other information as the FDIC may deem appropriate to permit it to make a determination with respect to Conflicts of Interest at the time the Lessor submits an Offer and prior to entering into any Lease Amendment. Among other items, the form shall require that the Lessor provide the following:

(a) Certifications that no Conflict of Interest, as defined in paragraph III.B(1) through (5) exists, or;

(b) In the event that one or more Conflicts of Interest exist, the following information:

(i) When applicable, a description of any lawsuit in which the Lessor or any Lessor's Affiliate is adverse to the FDIC, RTC, FSLIC, or their successors and for which no final adjudication or settlement has occurred;

(ii) When applicable, a list and description of any instance during the five years preceding the submission of the Offer in which the Lessor or any Lessor's Affiliate has caused a Substantial Loss to Federal Deposit Insurance Funds;

(iii) When applicable, a list and description of any Fraud Offense of which the Lessor or any Lessor's Affiliate has been convicted;

(iv) When applicable, a list and description of any instance during the five years preceding the submission of the Offer in which the Lessor or any Lessor's Affiliate has Defaulted on a Material Obligation;

(v) When applicable, a list and description of any instances in which the Lessor or any Lessor's Affiliate has been removed from or prohibited from participating in the affairs of any Insured Depository Institution pursuant to any final enforcement action by the Office of the Comptroller of the Currency, the Office of Thrift Supervision, the Board of Governors of the Federal Reserve System, or the FDIC or their successors; and

(vi) The Lessor's request for waiver of such Conflicts of Interest or proposal for elimination of such Conflicts of Interest.

(c) A description of any commitment to pay $50,000 or more to an Insurer that has been fully released by the Insurer, but for which the Insurer received less then 100% (including interest, late charges, and other costs of collection) of the amount due; and

(d) Any other information which the FDIC may deem appropriate.

(2) ***Subsequent Submissions.*** FDIC Lease agreements shall require that during the term of the Lease, the Lessor shall:

(a) Immediately notify the FDIC if any of the information submitted pursuant to this policy was incorrect at the time of submission or has subsequently become incorrect; and

(b) At any time, submit such information as the FDIC requests in order to permit the FDIC to determine if a Conflict of Interest exists.

(3) ***Failure to provide information.*** Any Lessor who fails to provide any of the information required by this policy will neither be considered for, nor eligible for, the award of a Lease or a Lease Amendment.

(4) ***Misstatement of Material Fact.*** Any Lessor who misstates or fails to disclose to the FDIC a material fact or any Conflict of Interest, as defined in paragraph III.B.(1) through (5), whether prior to or during the term of the Lease, will not be considered eligible for the award of any Lease or Lease Amendment.

VI. Lease agreement requirements.

A. ***Retention of information.*** FDIC Lease agreements shall specify that the Lessor shall retain the information upon which it relied in preparing its certification(s) during the term of the Lease and for a period of three years following the termination or expiration of the Lease or any extension thereof, and shall make such information available for review by the FDIC upon request.

B. ***Response to requests for additional information***. FDIC Lease agreements shall specify that any Lessor who fails to respond to a request for information made by the FDIC pursuant to Section V.B.2.(b) of this policy, shall be in default under the Lease for which such information was requested.

C. ***Additional Lease agreement provisions.*** In addition to the provisions of this policy, the FDIC may include in its Lease agreements such provisions, conditions, and limitations as the FDIC deems necessary, including additional standards for Lessor fitness and integrity, and minimum standards of ethical responsibility for Lessors.

VII. Delayed compliance in emergencies. In emergencies, when unforeseeable circumstances make it necessary to enter into a Lease immediately in order to protect FDIC personnel or property, the FDIC may delay compliance with this policy.

VIII. Finality of determination. Any determination made by the FDIC pursuant to this policy shall be in the FDIC's sole discretion and shall not be subject to further review, except as otherwise provided pursuant to a specific Lease agreement.

IX. General. Felony offenses as used in the standards set forth in this statement of policy mean the following statutes that establish standards to which a Lessor's conduct must conform and which shall not have been violated. The list is as follows:

A. Bribery of Public Officials (18 U.S.C. 201).
B. Offer of a loan or gratuity to bank examiners (18 U.S.C. 212).
C. Continuing financial crimes enterprise (18 U.S.C. 225).
D. Taking or using papers relating to claims (18 U.S.C. 285).
E. Conspiracy to defraud the Government with respect to claims (18 U.S.C. 286).
F. False, fictitious, or fraudulent claims (18 U.S.C. 287).
G. Bonds and obligations or certain lending agencies (18 U.S.C. 493).
H. Contractors' bonds, bids, and public records (18 U.S.C. 494).
I. Contracts, deeds, and powers of attorney (18 U.S.C. 495).
J. Chapter 31 Embezzlement and Theft (18 U.S.C. 642 through 668).
K. Statements or entries generally (18 U.S.C. 1001).
L. Possession of false papers to defraud the United States (18 U.S.C. 1002).
M. Bank entries, reports, and transactions (18 U.S.C. 1005).

N. Federal credit institution entries, reports and transactions (18 U.S.C. 1006).
O. Federal Deposit Insurance Corporation transactions (18 U.S.C. 1007).
P. Loans and credit applications generally (18 U.S.C. 1014).
Q. Concealment of assets from a conservator, receiver, or liquidating agent of financial institution (18 U.S.C. 1032).
R. Chapter 63 Mail Fraud (18 U.S.C. 1341 through 1344).
S. Laundering of monetary instruments (18 U.S.C. 1956).

By order of the Board of Directors, dated at Washington, D.C., this 6th day of February 1996.

[Source: 61 Fed. Reg. 5554, February 13, 1996, effective February 6, 1996; 61 Fed. Reg. 19939, April 26, 1996]

Exhibit D
Sample
Documentation of Need for Headquarters and Regional Office Leases

Federal Deposit Insurance Corporation

DOCUMENTATION OF NEED

SECTION I – LEASE INFORMATION

LEASING SPECIALIST NAME	TELEPHONE NUMBER ( )	FAX NUMBER ( )
GEOGRAPHIC BOUNDARIES	RECOMMENDED TERM	DATE OF OCCUPANCY
CURRENT LOCATION		
LANDLORD	LEASE EXPIRATION DATE	RELOCATION REQUESTED ☐ YES ☐ NO

SECTION II – WORKSHEET SUMMARY *(See Page 2 for worksheet detail)*

TOTAL SPACE BY DIVISION					APPROVAL		
DIVISION/OFFICE	TOTAL PRIVATE OFFICE	TOTAL OPEN SPACE	TOTAL PROGRAM-SPECIFIC SPECIAL PURPOSE	TOTAL REQUIREMENT	NAME	SIGNATURE	DATE

TOTAL SPECIAL PURPOSE: _____

TOTAL SQUARE FEET _____

WITH CIRCULATION FACTOR (25%): Total Square Feet 0.75 = _____ (A)

WITH LAYOUT FACTOR (5%): A 0.95 = _____ (B)

WITH LOSS FACTOR (10%): B 0.90 = _____ (C)

TOTAL REQUIREMENT _____

SECTION III – MARKET SURVEY SUMMARY

MARKET SURVEY SUMMARY *(Include current rental rates, vacancy rates, number of available locations)*

SECTION IV – REVIEW AND APPROVALS

NAME	TITLE	SIGNATURE	DATE

SECTION V – CALCULATION OF SQUARE FOOTAGE BY DIVISION/OFFICE

Division/Offices may include any or all of the following: DOS, DCA, DIRM, OICM, LEGAL, OIG, DRR, DOI, DOF, DOA, DRS, OES, ODEO, OLA, OO, OPD

PRIVATE OFFICE CALCULATION *(Number of employees)*

DIVISION/OFFICE	E-II AND ABOVE (300 SF)	E-I AND SUPERVISORY 15 (225 SF)	NON-SUPERVISORY 15 (150 SF)	SUPERVISORY AND NON-SUPERVISORY 14-12 (150 SF)	TOTAL

TOTAL NUMBER OF EMPLOYEES _____ TOTAL NUMBER OF OFFICES _____ PRIVATE OFFICE SUBTOTAL _____

OPEN SPACE OFFICE CALCULATION *(Number of employees)*

DIVISION/OFFICE	GRADE 9-11		GRADE 8 AND BELOW/CONTRACTORS/EXAMINERS/DETAILEES/OTHER				TOTAL
	80 SF	100 SF	36 SF	42 SF	56 SF	64 SF	

TOTAL NUMBER OF EMPLOYEES _____ TOTAL NUMBER OF WORK STATIONS _____ OPEN SPACE OFFICE SUBTOTAL _____

PROGRAM-SPECIFIC SPECIAL PURPOSE AREAS

DIVISION/OFFICE	CONFERENCE ROOM	LIBRARY	TRAINING ROOM	OTHER	TOTAL

TOTAL NUMBER OF EMPLOYEES _____ PROGRAM-SPECIFIC SPECIAL PURPOSE SUBTOTAL _____

SPECIAL PURPOSE AREAS *(If multiple rooms, list number of rooms and total square footage)*

Secure Storage	_____	Fax/Printer Area	_____	Reception Area	_____	Copy Area(s)	_____
Supply Room	_____	Lunch Room	_____	Telephone Switch Room(s)	_____	Help Desk	_____
LAN Operations	_____	Mail Room	_____	Video Tele-Conf. Room(s)	_____	Coffee Station(s)	_____
Document Processing Office	_____	Health Unit	_____	Fitness Center	_____	Wire Closet(s)	_____
Server Room(s)	_____	Copy Center	_____	Other *(List)*	_____		

TOTAL SPECIAL PURPOSE _____

Exhibit E
Sample Format for
Building Elimination Matrix

Sample Building Elimination Matrix

Number	Building	Submarket	Response to RFP	Request for Revised Proposal	Received Revised proposal	Reason Not Considered
1.	622 Third Avenue	Midtown	A letter (not a formal response) was received on May 14, 1998			• Landlord refused to complete representations and certifications • Landlord clearly indicated that FDIC's standard lease would not be used in a proposed lease • Landlord did not respond in detail to request for proposal including issues relating to possession, financial terms of a proposed lease, occupancy, etc. • Building does not satisfy Seismic Requirements • Landlord did not provide complete RP-6 Evaluation Certificate (with required Checklists)
2.	633 Third Avenue	Midtown	May 14, 1998	June 10, 1998	June 16, 1998	
3.	666 Third Avenue	Midtown	May 14, 1998	June 10, 1998	June 17, 1998	• Landlord could not deliver contiguous block of space within FDIC's timeline due to building renovations
4.	685 Third Avenue	Midtown	May 14, 1998	June 10, 1998	June 17, 1998	• Building made short-lists; however, Landlord was not financially competitive at final round
5.	405 Lexington Avenue	Midtown	May 14, 1998			• Landlord could not deliver contiguous block of space within FDIC's timeline due to building renovations
6.	1 Park Avenue	Midtown	May 14, 1998			• Landlord did not respond to RFP
7.	99 Park Avenue	Midtown	May 14, 1998	June 10, 1998	June 17, 1998	• Building made short-list; however, Landlord was not financially competitive at final round

Exhibit F
Sample RFP for Headquarters and Regional Office Leases

REGIONAL OFFICE REQUEST FOR PROPOSAL (RFP)

[Date]

[Insert Name and Address of Owner]

re: **[Insert address of specific proposed building]**
("Building")

Dear _____:

The Federal Deposit Insurance Corporation ("FDIC" or "Tenant") has authorized Company as its exclusive broker ("Broker"), to request a leasing proposal for space in the above-referenced Building. FDIC will require Class A or Class B office space in greater City, consisting of a sufficient amount of contiguous rentable square feet to result in approximately _____usable square feet. At present, FDIC leases space in a building located at _____. FDIC seeks to lower its occupancy costs and obtain reasonable flexibility, especially with regard to lease term, and termination, expansion, renewal and contraction options. Capitalized terms not otherwise defined in this letter shall have the meanings set forth in the FDIC Standard Form Office Lease (see Exhibit B attached).

FDIC strives to provide an efficient, healthy, safe and pleasant work environment for employees that meets the programmatic needs of the organization while providing the best value in terms of qualitative and quantitative criteria. The successful Premises will offer the ***best value***, as determined in the FDIC's sole discretion, based upon the following evaluation criteria:

EVALUATION CRITERIA

- Completion of the FDIC Leasing Representations and Certifications Form is mandatory; it must be completed to the satisfaction of the FDIC, per the instructions attached thereto, and the proposal must be in compliance with the FDIC's statement of policy on fitness and integrity (See **Exhibit A** attached);
- **[OMIT IF BUILDING IN "LOW" SEISMIC RISK ZONE]** Completion of the FDIC Certificate of Seismic Compliance – Existing Building by a registered professional engineer is mandatory; it must be completed to the satisfaction of the FDIC, per instructions, and the Building must satisfy Federal seismic requirements (See **Exhibit D** attached);
- Degree of acceptance of the FDIC Standard Form Office Lease;
- Availability of Premises;
- Location, including proximity to public transportation and other local amenities and other impacts on employees;
- Competitiveness of rental rate (rent, allowances and other concessions) and related costs;
- Term;
- Flexibility, as it relates to expansion, contraction, termination and renewal options;
- Classification of Building in the local market;
- Building amenities, such as parking;
- Degree of compliance of Building and Premises with Americans with Disabilities Act ("ADA") and other applicable federal, state and local codes, laws and regulations;
- Building design efficiency;

- Structural and mechanical fitness of the Building (degree of modernization, floor load capacity, etc.);
- Cost of relocation and initial Tenant improvements; and
- Satisfaction of health, safety and environmental requirements.

On **(date and time)**, an informational pre-proposal forum concerning this project will be held at **(address).** Although attendance is not mandatory in order to participate further in this process, all participants are urged to attend because key aspects of this proposal will be discussed.

Should you choose to submit a proposal package, please forward one original plus two (2) copies by **(date and time)** to the attention of:

Broker
Address

Your proposal package should consist of:

- A fully completed and executed original of the FDIC Leasing Representations and Certifications Form;
- **[OMIT IF BUILDING IN "LOW" SEISMIC RISK ZONE]** A fully completed and executed original of the FDIC Certificate of Seismic Compliance – Existing Building (including required Checklist(s)); and
- A response in the same format as reflected herein to the terms and conditions set forth below.

Failure to submit a complete proposal package, including the mandatory FDIC Leasing Representations and Certifications,
[OMIT IF BUILDING IN "LOW" SEISMIC RISK ZONE] and the mandatory FDIC Certificate of Seismic Compliance – Existing Building (including required Checklist(s)), by the time and date established above, may eliminate the Building from further consideration.

Outlined below are terms and conditions that must be addressed in your proposal:

1) Landlord: Identify Landlord; describe ownership structure.

2) Availability: Landlord must provide Premises to Tenant no later than Date, the Possession Date, so that Tenant can, on a rent-free basis, prepare the Premises and commence its move into the Premises, resulting in a lease Commencement Date of Date.

Confirm ability to satisfy these requirements.

If any portion of the Premises is currently occupied, indicate the existing tenant and describe applicable lease expiration provisions.

3) Term/Rent: Provide proposals for terms of five (5), seven (7) and ten (10) years from Commencement Date, specifying the proposed rent

schedule for each year of the five (5), seven (7) and ten (10) year terms. Provide terms of purchase, if applicable.

4) Landlord Concessions: Describe any concessions being offered by Landlord for each of the terms, such as:

- a Tenant improvement allowance (refer to Section 3.2 of the Lease; provide interest rate used to amortize cash allowance), with any unused portions to be applied as a credit against base rent
- free rent (starting from Commencement Date)
- free parking
- architectural and space design fee allowance
- other

5) Lease: Confirm agreement to use the FDIC Standard Form Office Lease ("Lease") as required by Tenant.

The Lease is an integral part of this RFP. Ensure the careful review of the form and provide a specific list of objections and counterproposals to the terms of the Lease; only issues identified and explained on that list may be subject to negotiation at a later date. A mark-up of proposed changes to the Lease is an acceptable alternative.

6) Premises: Tenant requires approximately
size usable square feet of contiguous office space.

Provide the following information:

a. Indicate the floor(s) and the respective usable and rentable square feet of the Premises for Tenant's occupancy, in the following format:

Proposed Floor	Usable S.F.	Rentable S.F.

Please specify if measurements are BOMA-based or if another measurement standard was used.

Flr._____ _____USF _____RSF

b. Confirm Tenant's right to increase or decrease the size of the Premises under the same rental rate, terms, and conditions at any time, and from time to time, completion of final plans and specifications; see Section 8 of the Lease.

c. Send a CADD disk for the Premises. If not available, submit two (2) complete sets of "as built" blue line drawings of the Premises, drawn to scale.

d. Specify the loss factor for full floor and partial floor occupancy for each floor proposed, providing the backup calculations and measurements for these loss factors.

e. Describe the allowable floor loading for the Premises. Delineate areas that have additional support on floor plans that depict the entire Premises.

f. Provide site plan, showing parking, ingress/egress, etc.

7) Extension Right: Confirm that, upon the expiration of the initial term of the Lease, Tenant shall have the right to extend the term for all or part of the then-existing Premises under two (2) one-year extension options at fixed rates. Indicate the rental rates for each extension option.

8) Termination Right: Confirm that Tenant shall have the right, upon six (6) months advance written notice to Landlord, to terminate the Lease. Indicate when, during the term, the Termination Right becomes effective and any fees associated with this Termination Right.

9) Expansion Right: Confirm that during the initial term of the lease that Tenant shall have the right to expand the premises. Indicate the terms for leasing the expanded space, and confirm a right of first refusal for all contiguous spaces for the duration of tenancy.

10) Contraction Right: Confirm that from time to time during the initial lease term, Tenant shall have the right, upon not less than six (6) months advance written notice to Landlord, to reduce the size of the Premises. Indicate the amount of contraction to be permitted including the timing thereof. Indicate any fees associated with this Contraction Right.

11) Security Deposit: Confirm that Landlord will require no security deposit from Tenant.

12) Parking: Indicate the total number of on-site parking spaces available to Tenant and cost, if any.

13) Use: Confirm that Tenant and its affiliates may use the space for general administrative and office purposes and for all uses incidental or ancillary thereto including, without limitation, vaults, libraries, kitchen facility for Tenant's use, computer operations, file storage, break areas and pantries.

14)Building : Describe the age of the Building and, if applicable, the dates of any renovations and extent of those renovations.

Describe the nature and timing of any renovations planned for the Building.

Confirm classification of Building in local market.

Describe Building amenities.

Describe proximity to public transportation and other proximate location amenities.

Indicate if Building has the Energy Star® designation.

Describe degree of compliance of Building and Premises with the standards of the Americans with Disabilities Act.

Provide a copy of the Building Rules and Regulations.

15) Operating Expenses: Confirm Landlord's agreement that Tenant will pay its proportionate share of increases in Operating Expenses for the Building, as defined in the Lease, over a base year "Year" (calendar year), grossed up to reflect 95% occupancy of the Building.

Provide:

• a breakdown (chart of accounts) of the actual total operating expenses for the previous two (2) calendar years, as passed through to tenants of the Building

• the percentage of occupancy of the Building for those two (2) years

If the Building was not 95% occupied for either of those prior years, also provide "grossed up" totals reflecting 95% occupancy.

Provide the cost per square foot for the above operating expenses. Provide the percentage of the Building that the Premises represent for its proportionate share of operating expense passthroughs.

Provide the estimated operating expenses for the current calendar year and, as projected, for calendar year "Year".

16) Real Estate Taxes: Confirm Landlord's agreement that Tenant will pay its proportionate share of increases in Real Estate Taxes for the Building, as defined in the Lease, over a base tax year "Year".

Provide a copy of the current real estate tax assessment and the previous two tax bills for the Building and land and specify which tax year is represented.

Specify the Real Estate Taxes cost per square foot for the Building for the previous two (2) years and the projected cost for the current tax year and, as projected, for the year ending in "Year".

Indicate if the Building is currently fully assessed as a complete and fully operating Building with improvements.

Describe any other types of taxes passed through to tenants, including a description of the type of tax, the per square foot cost and the anticipated duration of such tax to continue as an expense.

Describe any tax abatements/agreements.

17) Right of First Refusal: Confirm that Tenant shall have the on-going right of first refusal to lease any space that may become available from Landlord contiguous to the Premises or on contiguous floors to the Premises, for the term of the Lease. Landlord shall provide Tenant with written notice of the availability of such space

18) Alterations: Confirm that the Landlord shall not unreasonably withhold, condition or delay its consent to alterations by the Tenant of a structural nature within the Premises.

Confirm that, for alterations of a non-structural nature with a cost under $100,000, Landlord's consent will not be required**.**

Confirm that Landlord will not impose any construction standards, which are in excess of Building Code for the city in which the property exists. Note that the Lease will not require restoration of alterations.

19) Landlord Review Fees: Confirm that Landlord will not impose any fee for review or approval of the plans for Tenant's initial improvements or subsequent alterations other than out-of-pocket costs and that Landlord will not impose any fees for construction.

20) Contractors: Acknowledge that Tenant reserves the right to designate a general contractor other than the Landlord or Landlord's designee for tenant improvement work, and that Landlord will not be entitled to any fees if the Tenant uses its own general contractor.

State whether Landlord (or a designee of Landlord) would consider acting as Tenant's general contractor. If Tenant elects to engage Landlord or Landlord's designee as general contractor, Landlord shall solicit competitive bids from third party subcontractors and Tenant shall have the right to review said bids. Specify how Landlord would be compensated if Landlord or its designee serves as a general contractor, including any mark-up on the cost of subcontracts, if any.

21) Electric/ Telecommunication Specify the watts per square foot available for the proposed office space and provide the following information:

Existing electrical service for the Premises are ___ amps, _____/_____ voltage, _____ phase, _____ wires. Refer to Sections 9.9 and 9.10 of the Lease for details.

Describe how electric service to the Premises is metered and confirm that Landlord will not charge Tenant for any markup for electrical service.

Describe telecommunication and data services available to the Premises. Confirm right to locate antenna/satellite dishes on the roof of the building.

22) Base Building: Describe any current and/or proposed upgrades to elevators, lobby, electrical and mechanical systems, and/or HVAC.

Describe Base Building standards and systems – Refer to Exhibit F of the Lease.

23)HVAC; Indoor Air and Water Quality: Describe the HVAC system (including its age, type temperature/humidity capabilities, zoning, and other relevant characteristics). Propose miminum and maximum seasonal temperature ranges.

State the normal hours of operation and the procedure for after-hours HVAC use and any cost for such service.

Provide the most recent HVAC mechanical evaluation and/or report. If available, provide per person rate of outside air circulation.

Confirm that Landlord shall cause the Building HVAC System to be operated in a manner to maintain the indoor air quality of the Common Areas within the Building and the Premises ("**Indoor Air Quality**") at safe and healthy levels, including without limitation, to meet, for the entire Term, the standards set forth in Standard ASHRAE 62-2001 ("**Ventilation for Acceptable Indoor Air Quality**") (including both the requirements of the Ventilation Rate Procedure and Indoor Air Quality Procedure and the maintenance requirements, recommendations and guidelines contained therein), promulgated by the American Society of Heating, Refrigerating and Air Conditioning Engineers ("**ASHRAE**"), and any laws, ordinances, rules or regulations now in effect or hereafter promulgated by any governmental authority having jurisdiction over the Building or persons occupying or working in the Building relating to office building indoor air quality (collectively, the "**Indoor Air Quality Standard**").

Confirm that Landlord shall cause the drinking water at the Buuilding to satisfy the contaminant levels established by the EPA (40 C.F.R. 141), as may be amended, and applicable state and municipal drinking water standards.

24) Landlord's Work to Premises:

Confirm that, unless Tenant requests otherwise, Landlord, at its sole expense, will demolish and remove any improvements in excess of the base Building requirements and deliver the Premises, broom clean.

Specifically, confirm that Landlord will complete the following prior to delivery to Tenant for Tenant's work:

• Landlord shall provide one telecommunication service entrance facility in the basement. This entrance facility should either be dedicated to Tenant or be capable of being partitioned so as to provide isolation between Tenant's telecommunications services and the services of other Building tenants.

• Landlord shall provide for one dedicated physically diverse riser from the basement to the Tenant floors. The riser should be vertically aligned, without offsets.

• Bathrooms - If not already done, Landlord shall upgrade existing bathrooms on all floors of the Premises to comply with all applicable codes, with finish standards to be mutually agreed to by Landlord and Tenant. Landlord shall bring all bathrooms within the Premises and in public areas into compliance with the Standards of the Americans with Disabilities Act and all other requirements of law.

• All bathrooms and core spaces will be sprinklered.

• Landlord shall perform all modifications to public areas to bring those areas with compliance with the standards of the Americans with Disabilities Act (i.e., relocate elevator recall buttons, replacement of hardware on core doors, etc.).

Tenant reserves the right to request that Landlord perform other work pending Tenant's review of the base Building systems by Tenant's architects and engineers.

25) Environmental Reports and Testing; Asbestos:

Provide a copy of the Building's most recent environmental, asbestos, and water and air quality tests/surveys/reports, if any.

Confirm that the Building contains no asbestos or asbestos containing materials, or identify any such asbestos and asbestos-containing materials in the Building. FDIC reserves the right to

require the proper removal of all asbestos and asbestos containing material from the Building.
Confirm that Landlord agrees to perform annual indoor air and water quality testing and provide complete copies of the test results to FDIC.

Confirm that Landlord agrees to cooperate with FDIC if FDIC seeks to perform any asbestos, indoor air and/or water quality testing, providing access to portions of the Building (including, without limitation, the roof and engineering spaces) that are not under lease to other tenants.

26) Services, Maintenance and Repairs:

Confirm that Landlord will provide to the Premises, toilet rooms and all other common areas, all services, maintenance and repairs customary for a first class office building throughout the term of the Lease at no additional cost to Tenant (other than indirectly through operating expense and tax escalations under the Lease).

Cleaning - Please provide the Building cleaning specifications. Refer to Exhibit I of the Lease.

27) Cost of Additional Services:

Provide the information requested in Exhibit K-3 of the Lease, which calls for unit labor prices for supplemental services that may be required by Tenant. These services would be beyond those covered under the terms and conditions of the Lease.

28) Building Security and Life Safety:

Describe, in detail, the ingress/egress to the Building and the Premises after normal business hours and on weekends, including details concerning lobby staffing, security and life safety (sprinklering, smoke alarms, video cameras, etc.).

Provide the standard hours of security provided for tenants, customers and invitees during business and non-business days.

FDIC reserves the right to request additional security measures and/or provide its own additional security.

FDIC also reserves the right to require Landlord to provide a standard fire and life safety certification.

Confirm Bulding compliance with all applicable life safety building codes.

29) Loading Dock Area:

Describe the location and type(s) of the loading dock(s) and their location in relation to the freight elevator(s) of the Building.

Provide the measurements/dimensions and load capacity of the freight elevators.

Indicate accessibility to the loading docks and the parking availability at the loading dock area.

Provide the rules and regulations pertaining to the use of the loading dock area and freight elevators.

Describe the security services provided for the loading dock area.

Indicate whether there are fees associated with the use of the loading dock; include any after-hour fees, if applicable.

Describe move-in and move-out procedures.

30) Non-Disturbance: Confirm that Landlord will obtain non-disturbance agreements from all current mortgagees or lessees and any other parties with superior rights to Tenant, who must agree to fully perform Landlord's obligations if they assume control of the Building; Tenant prefers to use the form of Non-Disturbance Agreement attached as an exhibit to the FDIC Standard Form Office Lease but may agree as part of Lease negotiations to use a materially similar form.

31) Purchase Option: Describe conditions of a purchase option for the Building, if any.

32) Brokerage Commission: Acknowledge that this proposal is subject to payment by the Landlord to Broker of one full commission in accordance with the terms and conditions set forth in the commission agreement attached to this letter as **Exhibit C.**

This request does not commit the FDIC to lease any amount of space at any location proposed; nor does it commit FDIC to any type of agency representation; nor does it commit the FDIC to pay for any costs in the preparation or submission of proposals, although it reserves the right to do so at its option for any or all of the proposals.

This RFP does not obligate the FDIC to accept the terms presented in a proposal. If the terms of a proposal are discovered to be in conflict with the terms requested in this RFP, the FDIC may eliminate a respondent from further consideration. Specific terms and conditions contained in the FDIC Standard Form Office Lease shall control over terms stated in this letter. The FDIC reserves the right and may elect to negotiate economic or other terms contained within a proposal in response to this RFP. The FDIC may consider unsolicited offers. The FDIC may reject any or all offers if such action is in the best interest of the FDIC.

We look forward to receiving your complete proposal package by _____.

Sincerely,

Enclosures:

Exhibit A FDIC Leasing Representations and Certifications Form
Exhibit B FDIC Standard Form Office Lease
Exhibit C Broker Commission Terms and Conditions
Exhibit D Federal Seismic Requirements; Copy of ICSSC RP-6; Form of FDIC Certificate of Seismic Compliance – Existing Building
[OMIT IF BUILDING IN "LOW" SEISMIC RISK ZONE]

EXHIBIT A

FDIC LEASING REPRESENTATIONS AND CERTIFICATIONS FORM

EXHIBIT B

FDIC STANDARD FORM OFFICE LEASE
(Lease Documents are subject to change to conform to applicable law)

EXHIBIT C

(Broker Commission Agreement)

OMIT IF BUILDING IN "LOW" SEISMIC RISK ZONE]
[ATTACH COPY OF PR-6 TO THE END OF THIS EXHIBIT]

EXHIBIT D TO RPF

FEDERAL SEISMIC REQUIREMENTS;
COPY OF ICSSC RP-6;

I. FORM: FDIC CERTIFICATE OF SEISMIC COMPLIANCE – EXISTING BUILDING

Federal Executive Orders 12699 and 12941 require that the FDIC lease space in buildings that satisfy Federal seismic requirements, as a matter of occupant life-safety, on a nationwide basis.

These requirements are described in two documents:

- ICSSC RP-6 (NISTIR 6762) "Standards of Seismic Safety for Existing Federally Owned and Leased Buildings" (RP-6) (copy attached at the end of this Exhibit); and
- American Society of Civil Engineers Document 31-03 "Seismic Evaluation of Existing Buildings" (ASCE 31-03) (available from ASCE, replacing FEMA 310 "Handbook for the Seismic Evaluation of Buildings").

Unless the building is exempt or excepted from complying with the construction standard per RP-6, the FDIC must lease space in a building that meets the "Life Safety" seismic construction standard performance level as described in RP-6.

The FDIC has already determined that buildings in the geographic area under consideration in this procurement are <u>not</u> in a "low" seismic risk zone as established in accordance with RP-6, resulting in a determination that these buildings are <u>not</u> exempt under RP-6 on that basis.

In order for the FDIC to determine whether a building satisfies the seismic requirements (exempt, excepted or compliant with construction standard), prospective landlords must submit with their bids an evaluation of their building by a registered professional engineer in the form of an original, completed "Certificate of Seismic Compliance – Existing Building" (form attached to this Exhibit) ("RP-6 Evaluation Certificate").

Failure of a Landlord to supply the RP-6 Evaluation Certificate (together with any required Checklists) with its bid may disqualify that prospective landlord's building from consideration, in FDIC's sole discretion. FDIC reserves the right, in its sole discretion, to procure such an evaluation for one or more (and, at FDIC's option, fewer than all) buildings under consideration.

The bids for buildings that satisfy the Federal seismic requirements, as determined by FDIC, will be evaluated using the "best value" analysis described in the RFP. If none of the buildings proposed by the offerors satisfy the requirements, FDIC reserves the right to cancel or revise this procurement (possibly expanding the geographic boundaries) or evaluate the RP-6 Evaluation Certificates received to determine which building might qualify under the "best seismic resistance" exception, as provided in RP-6. Notwithstanding the foregoing, FDIC reserves all rights regarding this procurement, acting in FDIC's best interest.

FDIC CERTIFICATE OF SEISMIC COMPLIANCE -- EXISTING BUILDING

Date: _____

Preparer, a registered professional engineer, hereby certifies that the building located at
_____
has been evaluated to the Life-Safety Performance Level as set forth in the "*Standards of Seismic Safety for Existing Federally Owned and Leased Buildings"* -- ICSSC RP-6.

ASCE 31-03 (which has superceded FEMA 310) Building Type: _____
No. of Stories: _____ Approx. Area: _____
Building Design Code: _____ Year of Design Code: _____
Year of Construction: _____

I hereby certify that the subject building (check as applicable):

_____ meets the Life-Safety Performance Level of ICSSC RP-6

_____ does not meet the Life-Safety Performance Level of ICSSC RP-6

[AFFIX STAMP AND SIGN]

This evaluation was based on (check as applicable):

_____ Tier 1 Evaluation **_____ Tier 2 Evaluation**
_____ Other (explain below)

Documentation of this evaluation must be attached to this Certificate.

Engineer's Name: _____
Engineer's Firm: _____
Address: _____
Telephone: _____
License No.: _____
State Licensed: _____
License Expiration Date: _____

Comments: _____

Required attachments -- ASCE 31-03 Checklist(s):
- Structural (unless "benchmark" building)
- Nonstructural
- Geologic site hazards and foundation

Exhibit G
Sample Format
for the
Financial Analysis

Sample Financial Analysis

Projected Lease Obligation

5/7/10/Purchase

Projected Building Expenses					*Lease Expenses*											
Year	Oper.	R/E Tax	Elec.	Other	Base Rent	Free Rent	Oper.	R/E Tax	Elec. ***	T.I.'s	Other	Revitalize Plan***	Total P.R.S.F.	Total P.U.S.F	Sq. Ft.	Total Rent
1998	$0.00	$0.00	$0.00	0.00												
1999	$0.00	$0.00	$0.00	0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	0.00	$0.00	0.00	$0.00	0.00	$0
2000	$0.00	$0.00	$0.00	0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	0.00	$0.00	0.00	$0.00	0.00	0
2001	$0.00	$0.00	$0.00	0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	0.00	$0.00	0.00	$0.00	0.00	0
2002	$0.00	$0.00	$0.00	0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	0.00	$0.00	0.00	$0.00	0.00	0
2003	$0.00	$0.00	$0.00	0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	0.00	$0.00	0.00	$0.00	0.00	0
2004	$0.00	$0.00	$0.00	0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	0.00	$0.00	0.00	$0.00	0.00	0
2005	$0.00	$0.00	$0.00	0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	0.00	$0.00	0.00	$0.00	0.00	0
2006	$0.00	$0.00	$0.00	0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	0.00	$0.00	0.00	$0.00	0.00	0
2007	$0.00	$0.00	$0.00	0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	0.00	$0.00	0.00	$0.00	0.00	0
2008	$0.00	$0.00	$0.00	0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	0.00	$0.00	0.00	$0.00	0.00	0
2009	$0.00	$0.00	$0.00	0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	0.00	$0.00	0.00	$0.00	0.00	0
				Total	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	0.00	$0.00	0.00	$0.00	0.00	$0
				NPV	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	0.00	$0.00	0.00	$0.00	0.00	**$0**

Escalation Assumptions (1998)	**Amt**	**%Esc.**
Direct Operating (est.)	$0.00	0.00%
Real Estate Taxes *	$0.00	variable
Electricity (Submeter @ 103%)	$0.00	0.00%
Other	$0.00	0.0%

Real Estate Taxes*	**Amt.**
1997 – 1998	$0.00
1998 – 1999 (estimate)	$0.00

Escalation Bases	**Amt.**	**Year**
Direct Operating	$0.00	2000
Real Estate Taxes	$0.00	1999/00

Area (E3-E7, P8) – Option A	
Rentable Square Feet	0
Useable Square Feet	0
Loss Factor	0.0%

Rent	
Base Rent (Years 1-2)	$0.00
Base Rent (Years 3-5)	$0.00
Base Rent (Years 6-8)	$0.00
Base Rent (Years 9-10)	$0.00
*Real Free Rent ** 3 months*	$0.00

Termination Options / Penalty	
After 5th Lease year	NA
After 7th Lease year	$0.00

Financial Assumptions	
Discount Rate (FDIC)	5.64%
Interest Rate (Landlord)	10.00%

Tenant Improvements	
Total Hard Cost (+10% contingency)	$0.00
Design Costs	$0.00
Moving Costs	$0.00
DIRM (Tel. & Cabling)	$0.00
Less Studley Excess Commis.	$0.00
Less Landlord Contribution	$0.00
Total Cost to FDIC	$0.00

Note: FDIC will paint ($3.00) every 3 yrs & carpet ($600) every 7 yrs

Critical Dates	
Possession (est.)	0-1Mar-99

As applicable to field offices.

Best Value Matrix

Regional office Space Requirement ("RO")

FDIC Logo	*Leases (Analyzed over 10 year term)*		
	ABC Building (Picture)	**DEF Building** (Picture)	**GHI Building** (Picture)
Net Present Value * (10 Yrs @ 5.64 %)	**$Value**	**$Value**	**$Value**
Expenditure Total * (10 Yr. Cumulative Total)	**$Value**	**$Value**	**$Value**
Design Efficiency (rentable sq. ft. required)	123,492 rsf	126,146 rsf	117,038 rsf
Flexibility (Overall)	Good/Excellent	Good	Good
Termination	After 7th Year $prsf	After 7th Year $prsf	After 7th Year $prsf
Contraction	None Offered	None Offered	None Offered
Expansion	Balance of 8th (23,208 rsf) in yr. 1 or 2, then right of first offer on same	None Offered	One time right of first offer contiguous space
Renewal	One 5 year Option at $0.00 (as is)	One 5 year Option at $0.00 + CPI	One 5 year Option at $0.00 new bases
Impact on Employees	Good	Good/Excellent	Good
Length of Lease	5, 7 or 10 Years	10 Years	10 Years
Completion of Reps & Certs	Yes	Yes	Yes
Adherence to FDIC Lease	Yes w/comments	Yes w/comments	Yes w/comments TBD
ADA / Code Compliance	Yes	Yes	Landlord to provide $10,000 ADA compliance
Classification of Building	Class A	Class A	Class A

Exhibit I
Sample
Documentation of Need for Field Office and Warehouse Leases

DOCUMENTATION OF NEED
FIELD OFFICE AND WAREHOUSE LEASES

To: DSC Regional Manager or Designee

From: Chief, Corporate Services Staff
Regional Office

Thru: Realty Specialist
Regional Office

Subject: Documentation of Need for Leasing Field Office in **(location)**

Date: **(date)**

FDIC currently leases **(square footage)** for its field office, located at Anytown, USA. The current lease expires **(date**), (but contains an option to renew for an additional _ years through **(date)**).

Based on projected core staffing of **(number)** as of (**Year**), the Field office will be staffed with **(number)** field office supervisors, **(number)** team leaders, **(number)** non-supervisory professionals, and **(number)** administrative personnel. For staffing at this level it is projected that the space requirements for the Field Office will be **(square footage)**. This figure includes **(size)** sq. ft. allocated for DIRM. The projected space requirements for this field office have been derived from calculations using the FDIC Space Utilization Policy; actual space requirements in a particular building are dependent on configuration of the space.

Before FDIC enters into negotiations for a new lease or exercises it's option to renew this lease, the Program Office must establish the critical mission requirements for it's work environment and describe them in this "Documentation of Need" for approval by the DOA Regional Manager. The approved Documentation of Need becomes the "Authorization to Proceed" with the lease acquisition process.

Please provide the following requested information:

1. Need date: Lease expiration date

2. Number of Personnel housed at Field Office:

	Current	Proposed
DSC:		_____
DIRM:		_____

Please provide a breakdown of your current and projected staffing:

		Current Staffing	3-5 Years
DSC:	Field Supervisor	_____	_____
	Supervisory Examiner	_____	_____
	Examiner	_____	_____
	Administrative Asst.	_____	_____
	Compliance Review Examiner	_____	_____
DIRM	FO Rep-non-res/res	_____	
TOTAL		_____	_____

3. Review of existing leased space:

Are there any landlord poor or non-performance issues?

YES____ NO____

If YES, please explain:

_____
_____
_____
_____
_____

4 Please consider the geographic location of the Field Office in conjunction with the following factors:

a) Access to institutions supervised:

_____ excellent _____ satisfactory _____ unsatisfactory

b) Access to public transportation (walking distance):

_____ excellent _____ satisfactory _____ unsatisfactory

c) Access to major highways and airports:

_____ excellent _____ satisfactory _____ unsatisfactory

d) General safety and crime in area:

_____ excellent _____ satisfactory _____ unsatisfactory

5. Special accommodations and requirements for the leased space. Please consider parking requirements, accommodation for disabled, union president in office or any other special needs related to your mission:

_____
_____
_____
_____
_____
_____

6. Preference to remain at present location in existing premises (if FDIC determines it is economically feasible):

YES____ NO____

Comments:

_____
_____
_____
_____

If it is your preference to remain at your existing location, FDIC will prepare a market analysis of the area and will enter into negotiations with the Landlord to renew our lease. If the current location is not satisfactory, then FDIC will notify the Landlord and will commence looking for new premises in a location that better meets the needs of the Corporation.

_____Current location and premises ARE satisfactory
_____Current location and premises ARE NOT satisfactory

If the current location and premises are not satisfactory please provide a delineated area for competition that will take into account the locations of the supervised institutions, employee residences and commuting patterns. Once identified and agreed on, DOA will attempt to identify 3 to 5 buildings, to ensure adequate competition, within a one mile radius of your preferred location for the location of your new field office.

Preferred Location:

_____
_____
_____
_____

8. Term of lease: ____ Years

_____ Date: _____

DSC Regional Manager, or Designee

APPROVED: _____ DATE: _____

DOA Regional Manager

Exhibit J
Sample RFP for Field Office and Warehouse Leases

Sample RFP for Field Office and Warehouse Leases

Date

To: Landlord
Address

RE: Location

The Federal Deposit Insurance Corporation ("FDIC") is requesting a leasing proposal for space ("Premises") in the above referenced building ("Building"). The FDIC will require Class A or Class B office space in _____. The FDIC will require a sufficient amount of rentable square footage to result in approximagely ____ contiguous usable square feet. **The FDIC prefers to pay a gross rate rent, all inclusive of operating expenses, utilities, and taxes**. At present, FDIC leases space located in _____. FDIC seeks to lower its occupancy costs and obtain reasonable flexibility, especially with regard to termination, expansion, renewal, and contraction options.

FDIC strives to provide an efficient, healthy, safe and pleasant work environment for employees that meets the programmatic needs of the organization while providing the best value in terms of qualitative and quantitative criteria. The successful Building will offer the **best value**, as determined in the FDIC's sole discretion, based upon the following evaluation criteria:

EVALUATION CRITERIA

- **[OMIT IF BUILDING IN "LOW" SEISMIC RISK ZONE OR RFP IS FOR WAREHOUSE SPACE]** Completion of the FDIC Certificate of Seismic Compliance – Existing Building by a registered professional engineer is mandatory; it must be completed to the satisfaction of the FDIC, per instructions, and the Building must satisfy Federal seismic requirements (See **Exhibit C** attached);
- Degree of acceptance of the FDIC Standard Form Office Lease, Exhibit A (See attached);
- Date of availability;
- Location, including proximity to public transportation and other local amenities and other impacts on employees;
- Competitiveness of rental rate (rent, allowances, and other concessions) and related costs;
- Length of lease term;
- Flexibility - particularly as it relates to contraction, termination, expansion, and renewal options;
- Classification of Building in the local market;
- Degree of compliance of Building and Premises with American with Disabilities Act (ADA) and other applicable federal, state and local codes, laws and regulations;
- Design efficiency;
- Structural and mechanical fitness of the Building (degree of modernization, floor load capacity, etc.);
- Cost of relocation and initial Tenant Improvements;
- Building amenities, such as parking; and
- Satisfaction of health, safety and environmental requirements.

Should you choose to submit a proposal package, please forward to us by **Date & Time**. Your proposal package should consist of **OMIT IF BUILDING IN "LOW" SEISMIC RISK ZONE OR RFP IS FOR WAREHOUSE SPACE]** (i) a fully completed and executed original of the FDIC Certificate of Seismic Compliance – Existing Building (including required Checklist(s)) and (ii) a response to the terms and conditions set forth below in the same format as reflected herein.

Failure to submit a complete proposal package by the established time and date may eliminate the location from further consideration.

Outlined below are salient terms and conditions that need to be addressed in your proposal:

1) Landlord: Identify Landlord and describe ownership structure

2) Availability: Landlord must provide Premises to Tenant no later than Date, the Possession Date, so that Tenant can, on a rent-free basis, prepare the Premises and commence its move into the Premises, resulting in a lease Commencement Date of Date.

Confirm ability to satisfy these requirements.

3) Term/Rent: Provide a proposal for a _____ (___) year term from the Commencement Date, specifying the proposed rent schedule for each year of the term.

4) Landlord Concessions: Describe any concessions being offered by Landlord for the term, such as:

- a Tenant Improvement allowance (with unused portion to be applied as free rent)
- free rent (starting from Commencement Date)
- free parking
- architectural and space design fee allowance
- other

5) Lease: Confirm agreement to use the FDIC Standard Form Office Lease ("Lease") as required by Tenant.

Ensure the careful review of the form and provide a specific list of objections and counterproposals to the terms of the Lease. Only issues identified and explained on that list may be subject to negotiation at a later date. A mark-up of proposed changes to the lease is an acceptable alternative.

6) Premises: Space Requirement: Tenant requires approximately ____ usable square feet of contiguous office space.

Please provide the following information:

a. Indicate the floor(s) and the respective usable and rentable square feet of the Premises for Tenant's occupancy. Indicate whether BOMA standards were used for these calculations.

b. If CADD drawings are available on disk, please send a CADD disk for the Premises. If CADD drawings are not available, please submit two (2) complete sets to scale “as built” blue line drawings of the Premises with your proposal.

c. Describe the allowable floor loading for the Premises. Delineate areas that have additional support on floor plans that depict the entire Premises.

7) Use: Tenant and its affiliates may use the space for general administrative and office purposes.

8) Contraction Right: Confirm that from time to time during the initial lease term, Tenant shall have the right, upon not less than six (6) months advance written notice to Landlord, to reduce the size of the Premises. Indicate the amount of contraction to be permitted including the timing thereof. Indicate any fees associated with this Contraction Right.

9) Termination Right: Confirm that Tenant shall have the right, upon six (6) months advance written notice to Landlord, to terminate the Lease. Indicate when, during the term, the Termination Right becomes effective and any fees associated with this Termination Right.

10) Expansion Right: Confirm that during the initial term of the lease that Tenant shall have the right to expand the premises. Indicate the terms for leasing the expanded space, and confirm a right of first refusal for all contiguous spaces for the duration of tenancy.

11) Renewal Option: Confirm that, upon the expiration of the initial term of the Lease, Tenant shall have the right to extend the term for all or part of the then-existing Premises under __-year renewal option at a fixed rate. Indicate the rental rates for the renewal option.

12) Building : Describe the age of the Building and, if applicable, the dates of any renovations and extent of those renovations.

Confirm compliance of Building with health, safety, fire, zoning and building laws, codes and regulations, and with environmental laws.

Describe the nature and timing of any renovations planned for the Building.

Confirm classification of Building in local market.

Describe Building amenities.

Describe proximity to public transportation and other proximate location amentities.

Indicate if Building has the Energy Star designation.

Describe degree of compliance of Building and Premises with the standards of the Americans with Disabilities Act.

Provide copy of Building's Rules and Regulations.

13) Operating Expense and

Real Estate Tax Escalation: **The FDIC prefers to pay a gross rate rent, all inclusive of operating expenses, utilities, and taxes**. If a gross rent cannot be negotiated, Tenant will pay its proportionate share of increases in operating expenses, over a base year of ___, as defined in the Lease, grossed up to reflect 95% occupancy of the Building. Provide the percentage of the Building that the Premises represent for its proportionate share of operating expense passthroughs.

Tenant will pay its proportionate share of increases in Real Estate Taxes over a base year of ___. Provide a copy of the current real estate tax assessment and the previous two tax bills for the Building and land and specify which tax year is represented. Please specify the real property tax cost per square foot for the Building proposed.

Indicate if the Building is currently assessed as a complete and fully operating Building with improvements for the purposes of real property tax expense computations. Describe any other types of taxes passed through to tenants, include a description of the type of tax, the per square foot, cost and the anticipated duration of such tax to continue as an expense. Describe any tax abatements/agreements with the local municipality in effect.

14) Space Design: Initial tenant alterations shall be performed in accordance with written guidance be provided by FDIC.

15) Alterations: Confirm that the Landlord shall not unreasonably withhold, condition or delay its consent to alterations by the Tenant of a structural nature within the Premises.

For alterations of a non-structural nature with a value less than $10,000, Tenant will not require Landlord's consent**.** Note that the Lease will not require restoration of alterations.

Confirm that Landlord will not impose any construction standards, which are in excess of Building Code for the city in which the property exists.

16) Landlord Review Fees: Confirm that Landlord will not impose any fee for review or approval of the plans for Tenant's initial improvements or subsequent alterations other than out-of-pocket costs and that Landlord will not impose any fees for construction.

17) Contractors: Acknowledge that Tenant reserves the right to designate a general contractor, acceptable to the landlord, other than the Landlord or Landlord's designee for tenant improvement work, and that Landlord will not be entitled to any fees if the Tenant uses its own general contractor.

State whether Landlord (or a designee of Landlord) would consider acting as Tenant's general contractor. If Tenant elects to engage Landlord or Landlord's designee as general contractor, Landlord shall solicit competitive bids from third party subcontractors and Tenant shall have the right to review said bids. Specify how Landlord would be compensated if Landlord or its designee serves as a general contractor, including any mark-up on the cost of subcontracts, if any.

18) Electric/ Telecommunication: Specify the watts per square foot available for the proposed office space.**)**

Describe telecommunication and data services available to the Premises.

19) HVAC; Indoor Air and Water Quality Requirements: Provide a description of the HVAC system, include its age, type, temperature/humidity capabilities, and other relevant characteristics; propose minimum and maximum temperature ranges.

State the normal hours of HVAC operation and the procedure for after-hours use and any cost for such service.

Confirm that Landlord shall cause the Building HVAC System to be operated in a manner to maintain the indoor air quality of the Common Areas within the Building and the Premises ("**Indoor Air Quality**") at safe and healthy levels, including without limitation, to meet, for the entire Term, the standards set forth in Standard ASHRAE 62-2001 ("**Ventilation for Acceptable Indoor Air Quality**") (including both the requirements of the Ventilation Rate Procedure and Indoor Air Quality Procedure and the maintenance requirements, recommendations and guidelines contained therein), promulgated by the American Society of Heating, Refrigerating and Air Conditioning Engineers ("**ASHRAE**"), and any laws, ordinances, rules or regulations now in effect or hereafter promulgated by any governmental authority having jurisdiction over the Building or persons occupying or working in the Building relating to office building indoor air quality (collectively, the "**Indoor Air Quality Standard**").

Confirm that Landlord shall cause the drinking water at the Building to satisfy the contaminant levels established by EPA (40.C.F.R. 141), as may be amended, and applicable state and municipal drinking water standards.

20) Landlord's Work

to Premises:

Confirm that, unless Tenant requests otherwise, Landlord, at its sole expense, will demolish and remove any improvements in excess of the base building requirements and deliver the Premises, broom clean.

Confirm that, all toilet rooms in the Premises and in public areas and all other Building common areas either comply with, or will be brought into compliance with, the standards of the ADA and all other requirements of law, prior to occupancy. Finish standards to be mutually agreed.

Other Work - Other Landlord's work may be required by Tenant pending review of the base building systems by the Tenant's representative.

21) Services, Maintenance and Repairs:

Confirm that Landlord will provide all services maintenance and repairs customary for a first class office Building to the Premises, toilet rooms and all other common areas throughout the term of the lease at no additional cost to Tenant (other than indirectly through ordinary operating and tax escalations if a gross rent is not negotiated).

Cleaning - Please provide the Building cleaning specifications.

22) Building Security and Life Safety:

Address, in detail, the ingress/egress to the Building and the Premises after normal business hours and on weekends.

Provide the standard hours of security provided for tenants, customers, and invitees during business and non-business days.

FDIC reserves the right to request additional security measures and/or provide its own additional security.

FDIC also reserves the right to require Landlord to provide a standard fire and life safety certification.

23) Environmental Reports and Testing; Asbestos:

Provide a copy of the Building's most recent environmental, asbestos and water and air quality tests/surveys/reports, if any.

Confirm that the Building contains no asbestos or asbestos-containing materials, or identify any such asbestos and asbestos-containing materials in the Building. FDIC reserves the right to require the proper removal of all asbestos and asbestos-ccontaining materials from the Building.

Confirm that Landlord agrees to cooperate with FDIC if FDIC seeks to perform any asbestos, indoor air and/or water quality

testing, providing access to portions of the Building (including, without limitation, the roof and engineering spaces) that are not under lease to other tenants.

24) Signage: Confirm that Tenant will have the right to use its standard graphics at the entrance to its space.

25) Security Deposit: Confirm that Landlord will require no security deposit from Tenant.

26) Parking: Please indicate the total number of parking spaces available to Tenant and cost, if any.

27) Other: Provide the proximity to public transportation and other amenities and other impacts on employees.

28) Brokerage Commission: Acknowledge that this proposal is subject to payment by the Landlord to Broker, one full commission in accordance with the terms and conditions set forth in the commission agreement attached to this letter as **Exhibit B**.

This request does not commit the FDIC to lease any amount of space at any location proposed nor does it commit FDIC to any type of agency representation nor does it commit the Corporation to pay for any costs in the preparation or submission of proposals, although it reserves the right to do so at its option for any or all of the proposals..

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Address

If you have any additional questions, I can be reached at (phone number).

Sincerely,
Broker/Leasing Specialist

Title

Enclosures:

Exhibit A FDIC Standard Form Office Lease

Exhibit B Broker Commission Terms and Conditions (as applicable)

Exhibit C Federal Seismic Requirements; Copy of ICSSC RP-6; Form of FDIC Certificate of Seismic Compliance – Existing Building

[OMIT IF BUILDING IN "LOW" SEISMIC RISK ZONE OR RFP IS FOR WAREHOUSE SPACE]
[ATTACH COPY OF PR-6 TO THE END OF THIS EXHIBIT]

EXHIBIT C TO RFP

FEDERAL SEISMIC REQUIREMENTS;
COPY OF ICSSC RP-6;

I. FORM: FDIC CERTIFICATE OF SEISMIC COMPLIANCE – EXISTING BUILDING

Federal Executive Orders 12699 and 12941 require that the FDIC lease space in buildings that satisfy Federal seismic requirements, as a matter of occupant life-safety, on a nationwide basis.

These requirements are described in two documents:

- ICSSC RP-6 (NISTIR 6762) "Standards of Seismic Safety for Existing Federally Owned and Leased Buildings" (RP-6) (copy attached at the end of this Exhibit); and
- American Society of Civil Engineers Document 31-03 "Seismic Evaluation of Existing Buildings" (ASCE 31-03) (available from ASCE, replacing FEMA 310 "Handbook for the Seismic Evaluation of Buildings").

Unless the building is exempt or excepted from complying with the construction standard per RP-6, the FDIC must lease space in a building that meets the "Life Safety" seismic construction standard performance level as described in RP-6.

The FDIC has already determined that buildings in the geographic area under consideration in this procurement are <u>not</u> in a "low" seismic risk zone as established in accordance with RP-6, resulting in a determination that these buildings are <u>not</u> exempt under RP-6 on that basis.

In order for the FDIC to determine whether a building satisfies the seismic requirements (exempt, excepted or compliant with construction standard), prospective landlords must submit with their bids an evaluation of their building by a registered professional engineer in the form of an original, completed "Certificate of Seismic Compliance – Existing Building" (form attached to this Exhibit) ("RP-6 Evaluation Certificate").

Failure of a Landlord to supply the RP-6 Evaluation Certificate with its bid may disqualify that prospective landlord's building from consideration, in FDIC's sole discretion. FDIC reserves the right, in its sole discretion, to procure such an evaluation for one or more (and, at FDIC's option, fewer than all) buildings under consideration.

The bids for buildings that satisfy the Federal seismic requirements as determined by FDIC will be evaluated using the "best value" analysis described in the RFP. If none of the buildings proposed by offerors satisfy the requirements, FDIC reserves the right to cancel or revise this procurement (possibly expanding the geographic boundaries) or evaluate the RP-6 Evaluation Certificates received to determine which building might qualify under the "best seismic resistance" exception, as provided in RP-6. Notwithstanding the foregoing, FDIC reserves all rights regarding this procurement, acting in FDIC's best interest.

FDIC CERTIFICATE OF SEISMIC COMPLIANCE -- EXISTING BUILDING

Date: _____

Preparer, a registered professional engineer, hereby certifies that the building located at
_____
has been evaluated to the Life-Safety Performance Level as set forth in the "*Standards of Seismic Safety for Existing Federally Owned and Leased Buildings"* -- ICSSC RP-6.

ASCE 31-03 (which has replaced FEMA 310) Building Type: _____
No. of Stories: _____ Approx. Area: _____
Building Design Code: _____ Year of Design Code: _____
Year of Construction: _____

I hereby certify that the subject building (check as applicable):

_____ meets the Life-Safety Performance Level of ICSSC RP-6

_____ does not meet the Life-Safety Performance Level of ICSSC RP-6

[AFFIX STAMP AND SIGN]

This evaluation was based on (check as applicable):

_____ Tier 1 Evaluation **_____ Tier 2 Evaluation**
_____ Other (explain below)

Documentation of this evaluation must be attached to this Certificate.

Engineer's Name: _____
Engineer's Firm: _____
Address: _____
Telephone: _____
License No.: _____
State Licensed: _____
License Expiration Date: _____

Comments: _____

Required attachments -- ASCE 31-03 Checklists:
- Structural (unless "benchmark" building)
- Nonstructural
- Geologic site hazards and foundation

[ATTACH COPY OF ICSSC RP-6]

FDIC

FEDERAL DEPOSIT INSURANCE CORPORATION

DIRECTIVE SYSTEM

TYPE AND NUMBER	
Circular 3010.2	
CONTACT	TELEPHONE NUMBER
Gwenn D'Anton	(202) 942-3678
DATE	
December 12, 2003	
DATE OF CANCELLATION *(Bulletins Only)*	

TO: All Offices and Divisions

FROM: Arleas Upton Kea
Director, Division of Administration

SUBJECT: Space Utilization Policy

1. Purpose

To provide uniform standards for programming office space at FDIC office locations. The standards for the office space design program promote productivity, support diverse program needs, and provide economic and efficient space for FDIC employees.

2. Scope

The provisions of this circular apply to all FDIC office locations. The policy establishes target utilization rates for headquarters, regional and Division of Supervision and Consumer Protection (DSC) field offices. The policy applies to all space at the time of a major renovation to reconfigure, expand or reduce space, and during planning for new space. New standards and allocations will not be applied retroactively to existing space.

The policy does not apply to corporate executive offices at the Division and Office Director level and above.

Space planners, leasing specialists, facility specialists and Division and Office management and administrative staff in headquarters, regional, and DSC field offices shall implement the standards and allocations in this circular.

3. Revision

FDIC Circular 3010.2, FDIC Facilities Design Guide, dated August 20, 2001, is hereby revised and superseded.

4. Background

Historically, the Facilities Design Guide has been used to provide guidance to space planners and professional designers. The Guide provided maximum flexibility in designing space, without establishing standards and accountability for overall space utilization. As a result, office space design across the Corporation varied

Background (cont'd)

considerably and over time, office square footage increased even as the Corporation's employee population was declining.

Recognizing that the workplace is changing, FDIC's DOA undertook an in-depth review and analysis of space planning processes and procedures at FDIC to determine what improvements could be implemented that would promote optimum programming and management of office space. The following activities and studies provided data and information used to develop a new approach to space management policies:

a. A benchmarking study of space utilization and operating costs was completed in 2000. The study compared FDIC space to federal financial regulatory agencies, other government agencies, and similar private sector organizations. Results indicated that while FDIC compared favorably in some areas to other federal financial regulatory agencies, policies designed to manage and measure space utilization were needed.

b. In August, 2001 the Office of Inspector General (OIG) issued a report titled "Field Office Cost, Space Utilization, Design and Usage." While the report did not make specific policy recommendations the findings indicated that improvements in programming space requirements are needed to support economic and reasonable leasing decisions for DSC offices.

c. As part of the policy review effort a Design Workshop was held in the fall of 2001 to obtain division and office input in determining key success factors that would positively impact space planning and utilization at the FDIC.

d. Key recommendations from the benchmarking study and the workshop are as follows:

(1) Develop simplified guidelines;

(2) Allow flexibility in applying standards to accommodate organizational differences;

(3) Develop standards that promote consistency and fairness; and

(4) Ensure the policy supports FDIC as an employer of choice.

This circular is intended to provide FDIC with a framework for instituting sound and economic space planning and acquisition policies, while maintaining a high quality workplace. The process of reviewing industry trends and evaluating the effectiveness of FDIC's space management program will continue. Space management policies will be revised as required based on organization needs, technological innovations, and worklife trends.

5. Definitions

Terms specific to this circular are defined below:

a. **Amenity space**. Space used for a special purpose not typically included in office space. Examples include health units, auditoriums, rest rooms, lunchrooms and cafeterias. An entire organization or all building tenants typically share amenity space.

b. **Block Layout**. Commonly referred to as "blocking and stacking," the term refers to a conceptual planning tool that delineates the horizontal boundaries and approximate locations of space for specific departments, groups or special functions on a specific floor in a hypothetical or real building.

c. **Circulation**. Space dedicated for aisles or corridors used to connect functional areas on a floor that allow organization staff and visitors to travel from one workstation, support space or, special functional area to another.

d. **Documentation of Need**. Form FDIC 3700/36, Documentation of Need, must be completed by an organization requiring modifications to existing space or planning preliminary space requirements for new space. See FDIC Circular 3540.1, FDIC Leasing Policy Manual.

e. **Lease**. A written document by which the rights of use and occupancy of land and or structures are transferred by the owner to another person or entity for a specific period of time in return for a specific rental rate and time period.

f. **Needs Assessment**. A business justification, which includes a cost benefit analysis that must be completed by the organization requesting new space or required modifications to existing space when the total amount of space requested in the Documentation of Need exceeds the target utilization rate.

g. **Net Square Feet**. The actual square footage calculated for workstations, offices, support spaces, and amenity spaces, excluding circulation space. Same as assignable space.

h. **Program of Requirements (POR)**. The process of determining total square footage requirements of an organization through interviews and evaluation of support space requirements is used to complete the Documentation of Need, and to complete test fits and block layouts.

i. **Rentable Space**. A best practice or actual lessor provided mathematical factor that is used to determine the square footage to be rented; used to estimate rent; adds square footage to account for shared building space such as elevators, mechanical areas, public lobbies and restrooms.

Definitions (cont'd)

j. **Space Plan**. The graphical drawing that communicates how the floor of a building is planned. A floor plan showing the specific placement and location of permanent and non-load-bearing walls, offices, open work stations, furniture and equipment.

k. **Support Space**. Specific and discrete areas not dedicated to housing employees but used to meet normal operational requirements. Support space typically includes public-oriented or centralized reception areas, hearing or meeting facilities, administrative support space, and also includes space for inspections, distribution, storage or processing activities, copiers, conference rooms, file areas, telephone/network equipment, etc.

l. **Test fit**. The process of testing the efficiency of a building through the development of a space plan for a typical floor and then measuring or calculating the actual net square footage and circulation square footage required by an organization; test fit may be measured as usable or rentable square feet

m. **Usable Square feet**. The measurements of an office area, including workstations, support space, and circulation space.

n. **Utilization Rate**. A measure of space efficiency expressed in square feet per workstation and calculated by dividing the total square feet required by the total number of workstations. Utilization may be based on useable or rentable square footage. In this circular, utilization rate represents useable square feet.

o. **Workstation**. Dedicated employee space with furniture and equipment that is in an open area or space enclosed with ceiling high partitions or walls.

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6. Responsibilities

Overall responsibility for leasing, programming and planning space resides in the Division of Administration (DOA). Leasing specialists and space planners in the Headquarters and Regional Corporate Services Branch (CSB) play a lead role in project planning, execution and coordination. As service providers, DOA employees work closely to coordinate space planning activities with architects, contract specialists, key personnel in FDIC Divisions and Offices, and Labor and Employee Relations (LERS) specialists.

a. **DOA**

(1) **Director, DOA** shall:

(a) Approve policies for space utilization; and

(b) Ensure that the policies support the corporation's mission and goals.

Responsibilities (cont'd)

(2) **Associate Director, CSB** shall:

(a) Provide overall policy guidance for the development and implementation of the Space Utilization Policy;

(b) Ensure compatibility between the Space Utilization Policy and the FDIC Leasing Policy Manual; and

(c) Approves exceptions to the policy for headquarters and regional offices.

(3) **Assistant Director, Space Management and Special Services Section** shall:

(a) Develop and implement the Corporation's Leasing Policy Manual and Space Utilization Policy;

(b) Provide assistance to headquarters and regional staff in implementing this circular; and

(c) Ensure leasing policies support the goals of the Space Utilization Policy by providing economic and efficient space.

(4) **Chief, Space Planning Unit (SPU)** shall:

(a) Implement policy guidelines outlined in this circular.

(b) Communicate and implement policies and procedures related to the Space Planning Program;

(c) Review headquarters and regional office space plans for compliance;

(d) Assist regional DOA staff in interpreting the policy; and

(e) Assist leasing specialist in developing the Documentation of Need.

In addition, at headquarters, the Chief, SPU shall:

(f) Provide space planning, design, and project management services;

(g) Notify LERS of any moves or space realignments in accordance with the Negotiated Term Agreement between FDIC and National Treasury Employees Union (NTEU); and

(h) Upon request, provide technical assistance and support to regional office space planning staff.

(5) **Assistant Director, Security Management Section, or designee**, shall review all space plans to ensure compliance with corporate security requirements and the Department of Justice Vulnerability Assessment of Federal Facilities.

Responsibilities (cont'd)

(6) **Assistant Director, Corporate Support Section (CSS)** shall oversee the Corporation's records management program. In instances where a headquarters or regional office is requesting space in excess of the target utilization rate as outlined in this circular, the program office or space planner may request that the Assistant Director, CSS conduct a records management review to determine if excess records are being maintained. Surplus records will be disposed of or retired in accordance with sound records management policy.

(7) **Regional Managers, DOA** shall:

(a) Implement the circular in regional and DSC field offices;

(b) Review and approve DSC field office space requirements as programmed by the DSC Field Supervisor and DOA, CSB staff; and

(c) Ensure that requests for new leased space meet space utilization target levels. Exceptions requesting additional space must include a well documented business case and justification before approval is granted.

(8) **Regional Chief, CSB, DOA** shall:

(a) Provide regional and DSC field offices with a full range of space planning and leasing services;

(b) Ensure compliance with this circular;

(c) Coordinate regional office space programming requirements with headquarters leasing specialists and provides space planning, office build-out, and relocation services;

(d) Develop an office relocation space, cabling, construction, and furniture budget for any new leased space for DSC field offices that reflects the local real estate market conditions, office equipment and furniture condition survey results, build-out estimates, and sound and economical business practice;

(e) Ensure that leasing, space planning, cabling installation, office build-out, and relocation meet budgeted space and cost guidelines; and

(f) Monitor expenditure of funds for space, equipment and furniture in a manner that meets the space and cost guidelines developed by the CSB with coordination from the DSC Field Supervisor.

Additionally, in field offices, the Chief, CSB or designee shall:

(g) Facilitate space design and planning with joint input and coordination from the DSC Field Supervisor, The Division of

Responsibilities (cont'd)

Information Resources and Management (DIRM) Regional Manager and a NTEU representative;

(h) Develop an event schedule that will be shared with the DIRM Regional Manager, DSC Field Office Supervisor, and DSC Regional Director, or designee, responsible for that office; and

(i) Notify LERS of any moves or space realignments, in accordance with the NTEU bargaining agreement.

(9) **Assistant Director, LERS, Human Resources Branch, or designee,** shall represent management in the impact and implementation bargaining of all division or office relocations and realignments, including headquarters, regional, and field offices.

b. **DIRM** shall review and approve all space plans to ensure compliance with DIRM equipment requirements. Equipment installations and relocations will be closely coordinated with CSB.

For regional and field offices, the DIRM Regional Manager and DOA Regional Chief, CSB shall coordinate the planning, installation and removal of computer, telephone, and facsimile equipment for all offices.

In addition, DIRM Regional Managers shall:

(1) Specify equipment and cabling requirements for DSC field offices;

(2) Develop a list of standard equipment that will be utilized in a DSC field office. This will include cabling standards; and

(3) Ensure that the equipment and cabling plans meet DIRM's guidelines and are within budget.

c. **Program Offices** shall:

(1) Request space planning and design services;

(2) Work with space planning staff to program space in accordance with the guidelines outlined in this circular; and

(3) Supply accurate staffing information and assist in the completion of the Documentation of Need.

In addition, during the construction phase of an office move, the Program Office staff shall:

(4) Notify employees of the construction and moves; and

(5) Coordinate efforts to pack and prepare for construction and moving.

d. **DSC Regional Directors and Field Supervisors** shall develop space requirements for their respective offices in close coordination and consultation with the DSC Regional Director, or designee, Regional

Responsibilities (cont'd)

Chief, CSB, and DIRM Regional Managers. Space requirements must not exceed the maximum space utilization rate specified in this circular. Exceptions to this policy must be approved by the DSC Regional Director and submitted for final approval to the DOA Regional Manager.

CSB shall assist and support DSC by providing space programming services and by establishing a budget for the space relocation or realignment. The DSC Field Supervisor shall assist CSB in preparing the Documentation of Need, which determines how much space will be requested in the leasing process. The DOA Regional Manager is responsible for final approval of the Documentation of Need. The DSC Field Supervisor in consultation with the DSC Regional Director, or designee, shall also approve the final space plan developed by CSB in consultation with the DSC Field Supervisor, DIRM Regional Manager and NTEU, after lease award, subject to the requirements of applicable collective bargaining agreements.

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7. Policy for Headquarters and Regional Offices

The goal of the space utilization policy is to maintain the high quality of the FDIC work environment while promoting economy and efficiency in space acquisition and design. The policy establishes standards and allocations to be used in space planning and POR. The policy is intended to promote flexibility, consistency, and efficiency. The headquarters and regional office policy sets forth standards and allocations in four key areas:

- target utilization rates
- workstation allocations
- support space; and
- circulation space

Using these allocations and standards to determine space requirements will enable planners to program space that meets the needs of individual offices. There are no standard office models. Plans will be developed dependent upon the actual needs of the office considering the number of staff assigned to the office, the typical job functions in the office, the percentage of time spent in the office and the unique support space needs of the office.

Consistency is promoted by establishing target utilization rates. Overall space will be programmed within a targeted utilization rate, computed by multiplying the number of required workstations by the utilization rates presented below. Any additional space must be justified and approved in accordance with the responsibilities outlined in paragraph 6., Responsibilities, above.

Policy for Headquarters and Regional Offices (cont'd)

Flexibility is promoted by assigning workstation sizes by job function, not grade level. Division and Office key contacts will determine the appropriate assignment of job function categories for their respective organizations, in consultation with DOA, CSB staff. Five categories of job functions are defined. The range and variation of workstation sizes and configurations shall be kept to a minimum to improve plan efficiency.

Support space will be programmed to specific office needs. The allocation of support space must fit within the overall allocation determined by the target utilization rate. Use of shared and multi-use support spaces is encouraged.

a. **Utilization Rate**. Utilization rate is the average usable square feet per workstation including circulation space. It is calculated by dividing the usable square feet of the office space by the number of workstations. Utilization rate is measured by square feet per workstation instead of square feet per employee for two reasons, (1) the number of workstations indicates the designed density of a facility; this illustrates best the building efficiency and indicates its maximum possible density, (2) the number of persons occupying a facility varies and can actually exceed the number of workstations in the building if there is staff sharing workstations.

Utilization rates will be measured in usable square feet, not in rentable square feet. Usable square feet more accurately identifies the efficiency of a space layout. Rentable square footage includes some non-occupiable building spaces and a pro-rated allocation of building lobby spaces, and thus reflects the nature of the building being occupied.

Using a utilization rate to determine the overall economy and efficiency of the space will provide consistency and comparability among FDIC locations. While other allocation factors are designed to provide flexibility and recognize the different needs of offices, an overall utilization rate will enable the Corporation to maintain a ceiling on the total amount of space in the real estate portfolio. Space planners and leasing specialists will consider space that will support lower utilization rates whenever cost effective and practical.

Note: The target utilization rate for headquarters and regional offices is 265 usable square feet or less per workstation.

b. **Workstation Allocations** are assigned according to job function. This approach to assigning space is common in private industry and has gained recent favor in the federal government. It affords space planners flexibility in designing office space that recognizes function and work process that is not always obvious or consistent when grade or salary determines office size. In reviewing the typical types of work

Policy for Headquarters and Regional Offices (cont'd)

performed by employees it was determined that five general job function categories incorporate the work performed at FDIC.

The five main job function categories for headquarters and regional offices are presented below, with an explanation of typical duties and responsibilities associated with each functional category. In attempting to assign positions to these categories, the actual position description title may be more useful than the organizational title.

(1) **Executives Managers** are managers at a high level of authority in an organization. Responsibilities are generally defined in terms of broad policy development and accomplishment of corporate mission. Executives may include positions other than designated executive level (EM) positions. Typical executive titles may include Deputy Division Director, Deputy Office Director, Associate Director, Regional Manager, Regional Director, Deputy Regional Director and Assistant Regional Director.

(2) **Manager/Supervisor**. Managerial/Supervisory positions are normally recognized by the assigned duties and responsibilities outlined in the title of the position. The position title may include such terms as Officer, Administrator, Manager, or Supervisor. Managers are at a mid-level in the organization. While managers have input into policy development, they often are tasked with policy implementation. Typical FDIC position titles include Assistant Director and Chief.

(3) **Non-supervisory Professional**. Professional and specialist positions are characterized by work that requires knowledge in a field of science or learning generally acquired through education or training equivalent to a bachelor's or higher degree with major study in or pertinent to the specialized field. Work requires exercise of discretion, judgment, and personal responsibility for the application of an organized body of knowledge that is constantly studied to make new discoveries and interpretations and to improve data, materials, and methods. Typical professions at FDIC may include program analyst, management analyst, case managers, economist, accountant, or auditor.

(4) **Technical Staff** performs work typically associated with and supportive of a professional or administrative field. It involves extensive practical knowledge gained through experience and/or specific training less than that represented by college graduation.

Work in these occupations may involve substantial elements of the work of the professional or administrative field, but requires less than full knowledge of the field involved. Technical employees carry

Policy for Headquarters and Regional Offices (cont'd)

out tasks, methods, procedures and/or computations that are laid out either in published or oral instructions and covered by established precedents or guidelines.

(5) **Administrative or Program Assistants** perform a variety of support and clerical functions. Clerical occupations involve structured work in support of office, business, or fiscal operations. Clerical work is performed in accordance with established policies, procedures, or techniques; requires training, experience, or working knowledge related to the tasks to be performed. Work typically involves general office or support duties such as preparing, receiving, reviewing, and verifying documents; processing transactions; maintaining office records; locating and compiling data or information from files; keeping a calendar and informing others of deadlines and other important dates, and using keyboards to prepare typewritten material or store information for data processing use. The work requires knowledge of an organization's rules, some degree of subject matter knowledge, and skill in carrying out clerical processes and procedures.

Below is the suggested space allocation by job function

Job Function	Net Square Feet Assigned Per workstation
Executive	225
Manager/Supervisor	150
Non-supervisory Professional	120
Technical Staff	64
Administrative/program assistants	48

Workstations of one hundred and twenty (120) square feet or more will be enclosed private offices with ceiling high partitions. Workstations of sixty-four (64) square feet or less will be in open areas without ceiling high partitions, using systems or modular furniture.

c. **Additional workstations**. Many FDIC headquarters and regional offices need workstations for contractors, detailees, and interns. Space for these requirements must be included in the space planning process.

Workstations to accommodate additional needs for contractors, detailees and interns shall be planned using forty-eight (48) square foot systems furniture workstations. Office space for union chapters will be provided consistent with the terms of applicable collective bargaining agreements.

d. **Support Space** includes shared spaces such as conference rooms, copy areas, pantries, and administrative space such as file rooms, DIRM equipment rooms, libraries, project or work rooms. To the extent practicable, support spaces will be shared and multi-use.

Policy for Headquarters and Regional Offices (cont'd)

Requirements for conference rooms, copiers and printers, and other administrative support space generally average about twenty (20) square feet per person. However, FDIC has significant requirements for security, filing space, work or project rooms, LAN and voice switch rooms, and secure storage and distribution areas. This can add forty (40) to fifty-five (55) square feet per workstation for additional support space at FDIC offices.

Actual requirements for support space will be determined during programming of requirements. To assist in determining the POR, the target support space allocation per employee is 75 square feet per person.

Support space allocations should be applied at the major organizational level, such as the entire regional office. Allocations at sub-organization levels may vary provided the overall allocation at a particular location meets the support space allocation total.

e. **Circulation Space** is the aisle and corridor space in an office. This space enables movement from one area to another and provides ingress and egress into and out of the office. This policy defines circulation space as a percentage of usable space. For planning purposes, circulation space shall not exceed 30% of the total usable square footage. Circulation space will be carefully reviewed during the test fit and design process to ensure that the space design makes the most economical use of space, and meets any local building codes. Circulation space is included in the targeted utilization rate.

f. **Amenity Space**. In leased locations, amenity space such as large lunchrooms (does not include coffee stations or pantries) and health units will be provided only as needed. If a proposed leased location has access to nearby facilities that can provide amenity services, using these services is generally more economical than building them into office space. DOA must perform a needs assessment and costs benefit analysis prior to including amenities in the Documentation of Need and/or space design. The Associate Director, CSB must approve requests for amenity space at headquarters and regional offices. If approved:

(1) Health Units shall not exceed 600 square feet in regional offices or 1000 square feet in Headquarters.

(2) Lunchrooms shall not exceed 12 square feet per person, calculated using a factor equal to not more than one third (1/3) of the employee population or 1000 square feet whichever is less.

Amenity space is included in the targeted utilization rate.

Policy for Headquarters and Regional Offices (cont'd)

g. **Warehouse Space** will be requested on an as needed basis. The standards and allocations in this policy do not apply to warehouse space. Warehouse space is not included in the utilization rate. Office space will not be used for warehousing or bulk storage.

h. **Office Moves**. To the extent practicable, conventional systems or modular furniture will not be relocated during internal office moves within existing space, unless the space plan requires changes to workstation sizes. Box moves reduce moving service expense and wear and tear on furniture.

i. **Compliance and Review**. In order to ensure consistent and accurate implementation of the policy, the Space Management and Special Services Section will review Regional Office Documentation of Need submittals and test fits for leased space. Regional Office space planners are encouraged to consult with the DOA, SPU staff during the programming process to ensure an understanding of standards and allocations, and to ensure compliance with this circular. Plans will also be reviewed by the DOA, Security Management Section, Corporate Support Section and the DIRM, Technical Infrastructure Management to ensure compliance with all technical requirements.

In instances where Documentation's of Need exceeds targeted utilization rates per workstation, a needs assessment and cost benefit analysis will be performed by CSB staff and division and office key contacts or administrative staff. Requests for space in excess of targeted utilization rates will be signed by Division and Office Directors, and submitted to the Associate Director, CSB for approval.

Economical and efficient space utilization begins in the early planning stages for new space. The first step is to determine area requirements using a process called space programming. The programming process or POR is closely linked to the FDIC Leasing Policy Manual and the policies and procedures documented therein.

Best value decisions recognize that individual space allocations and policies may be excluded. For additional information on leasing policies and procedures see FDIC Circular 3540.1, FDIC Leasing Policy Manual.

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8. Policy for Division of Supervision and Consumer Protection (DSC) Field Offices

Consistent with the goal of establishing a space utilization policy that provides flexibility and promotes economy and efficiency in space acquisition and design, a separate policy and procedure is established for DSC field offices. DSC field offices offer unique opportunities for flexible workplace standards and design. While office function is standardized, in that the primary mission of these offices is bank

Policy for Division of Supervision and Consumer Protection (DSC) Field Offices (cont'd)

examination and compliance, the usage and support needs of the offices can vary significantly. In addition office population size is small compared to other FDIC offices. These conditions lend themselves to a different set of guidelines than those established for regional and headquarters offices.

As stated in paragraph 6., Responsibilities, the Corporate Services Manager, or designee, will facilitate space design and planning with joint input and coordination from the DSC Field Supervisor, DIRM Regional Manager, and a NTEU representative. The Chief, CSB, or designee, will develop a budget and event schedule that will be shared with the DIRM Regional Manager, DSC Field Office Supervisor, and DSC Regional Director responsible for that office. The DSC Field Supervisor in consultation with the DSC Regional Director will approve the final space plan developed by CSB in consultation with the DSC Field Supervisor, DIRM Regional Manager, and NTEU, after lease award, subject to the requirements of applicable collective bargaining agreements.

a. **Utilization Rate**. Utilization rate is the average usable square feet per workstation. The maximum utilization rate for DSC offices is 165 usable square feet per workstation. Usable square feet includes workstations, offices, support space, amenity space and circulation space. Where applicable an NTEU office will be added to the total usable square feet allocation. The total usable square footage for each field office will also be adjusted to provide an additional allocation of 50 usable square feet for each non-bargaining unit employee (excluding administrative assistants), in order to provide sufficient circulation and support space.

b. **Workstation Allocations**. Workstation allocations are assigned according to job function, and time spent actually working in the office. This allows maximum flexibility in designing office space. Below are suggested allocations, but these allocations will be determined during space design and local negotiations between FDIC and NTEU under Article 51 of the Collective Bargaining Agreement.

Job Function	Net Square Feet Assigned Per workstation
DSC Field Supervisor	150 square feet (resident office) 120 square feet (non-resident office)
Supervisory Examiners	120 square feet
Field Compliance Review Examiners	80 - 120 square feet
Senior Examiners (Large Financial Institutions)	64 – 100 square feet

Policy for Division of Supervision and Consumer Protection (DSC) Field Offices (cont'd)

DIRM Field Office Representative	80 – 100 square feet (resident office) 48 square feet (non-resident office)
Administrative Assistant	64 square feet
Field Examiner (Risk and Compliance)	48 - 64 square feet

Workstations of 100 square feet and above will be enclosed offices. All other space allocations will be systems or modular furniture workstations.

c. **Support Space** includes conference rooms, training rooms, file rooms, and DIRM equipment/workroom (to be determined by DIRM). To the extent practicable, support space will be multi-use. Requirements for conference rooms, copiers and printers, and other administrative support space generally average 20 square feet per person. DSC field offices also have significant need for files and records storage. Typical office support space requirements average 60 square feet per person, but may be less in offices that maintain only working papers.

Large conference rooms and training rooms should be avoided. Generally it is more cost effective to rent space locally on an as needed bases for infrequent, large meetings, or training sessions.

d. **Circulation Space** is the aisle and corridor space in an office and is included in the target utilization rate. This space enables movement from one area to another and provides ingress and egress into and out of the office. This policy defines circulation space as a percentage of usable space. For planning purposes, circulation space shall not exceed 30% of the total usable square footage. Circulation space will be carefully reviewed during the test fit and design process to ensure that the space design makes the most economical use of space, and meets any local building codes.

e. **Amenity Space** may be provided for a pantry and is included in the targeted utilization rate.

f. **Telecommuting**. DSC Examiners Option – Eligible DSC examiners will be permitted to work out of their homes or at approved alternative work sites when not working at an insured depository institution or at another required site, in accordance with Articles 20 and 51 of the Bargaining Unit Agreement. The employee's official duty station will not change as a result of participation in the DSC Examiners Option under the Telework Program. No workstation space will be allocated for employees participating in the DSC Examiner's Option under the Telework Program. The square footage reduction for examiners electing the DSC Examiners Option will be calculated by eliminating the examiner's workstation space as calculated in the Documentation of Need.

Policy for Division of Supervision and Consumer Protection (DSC) Field Offices (cont'd)	g. **Compliance and Review**. To ensure technical requirements are met, field office space plans will be reviewed by the Security Management Section and the DIRM, Technical Infrastructure Management. In instances where Documentation's of Need exceeds targeted utilization rates per workstation, a needs assessment and cost benefit analysis will be performed by CSB staff and DSC Field Supervisors. Requests for space in excess of targeted utilization rates will be signed by DSC Regional Directors and submitted to the DOA Regional Manager for approval.
9. Recordkeeping Requirements	Documentation cited in this circular shall be maintained in accordance with FDIC Circular 1210.1, Records Retention and Disposition Schedule.
10. Form	Form FDIC 3700/36, Documentation of Need, can be obtained from the FDICnet, under "FDIC Business Tools, Policy, FILs, Directives, FDIC Standardized Forms."
11. Appendices	Appendix A contains sample program requirements for a typical regional office; Appendix B contains sample program requirements for a DSC field office.
12. Effective Date	The provisions outlined in this circular are effective immediately. (See hard copy for Appendices.)

Exhibit L
FDIC/NTEU
Agreement Regarding LPM

AGREEMENT

The following represents an Agreement between the Federal Deposit Insurance Corporation (FDIC), and the National Treasury Employee's Union (NTEU), concerning any new, renewed or amended lease. This Agreement is a result of impact and implementation bargaining conducted by the Parties on February 18, 2004, and fully resolves all issues related to the Leasing Policy Manual.

1. In connection with the any potential change in employee workspace resulting from the expiration of an existing lease, or the renegotiation of a current lease, the Leasing Specialist, Corporate Services Branch (CSB), Division of Administration, in coordination with the program office, will schedule a meeting with the local NTEU representative. This meeting shall be conducted prior to the renegotiation, renewal or extension of a current lease, or the finalizing of the Documentation of Need in connection with the acquisition of new space. Where a face-to-face meeting is impractical, the meeting may be conducted via teleconference. The purpose of the meeting is to share and discuss general information regarding:

    - the existing lease, including how space is currently used and the adequacy of existing space;
    - expiration date of the current lease;
    - space requested under the new lease, and associated staffing assumptions on which the space needs have been based;
    - geographic boundaries under consideration, and discussion of the factors affecting this determination;
    - telework options; and
    - the term of the succeeding lease.

In the event the renegotiation, renewal or extension of the existing lease does not result in a change in employee workspace, a meeting is not required.

2. Following the above-referenced meeting, NTEU may submit written comments to the CSB representative, within five (5) workdays after the meeting.

3. After the FDIC has identified the new lease locations under consideration, the Leasing Specialist will notify the NTEU representative of the date, time and location of the site visit(s). Upon request, the NTEU representative may accompany the Leasing Specialist on the visit(s). After the visit(s), the NTEU representative may provide the Leasing Specialist feedback regarding the site(s).

4. The above-referenced discussions with the Leasing Specialist may include no more than two (2) bargaining unit representatives.

5. This Agreement will be referenced prominently in the revised Leasing Policy Manual, with a hotlink to a copy of this Agreement, which shall be indexed and posted on the appropriate FDIC intranet page.

6. A copy of this Agreement will be provided to the management official in charge of the office and to all bargaining unit employees in that office prior to the commencement of the process to renew an existing lease or acquire new space.

FOR FDIC

/S/_____
Rex Anderson Date
Assistant Director
Space Management & Special Services Unit, DOA, FDIC

FOR NTEU

/S/_____
Stephen J. Keller Date
Senior Counsel for Compensation Negotiations
National Treasury Employees Union

FDIC

FEDERAL DEPOSIT INSURANCE CORPORATION

DIRECTIVE SYSTEM

TYPE AND NUMBER	
Circular 1700.2	
CONTACT Brian Yellin	TELEPHONE NUMBER (202) 942-3153
DATE July 27, 2001	
DATE OF CANCELLATION *(Bulletins Only)*	

TO: All Employees

FROM: Arleas Upton Kea
Director, Division of Administration

SUBJECT: Health, Safety, and Environmental Policy Manual

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1. Purpose

The purpose of the Health, Safety, and Environmental Program is to:

a. Develop occupational and environmental safety and health policy and procedures for implementation nationwide;

b. Protect FDIC resources;

c. Ensure that FDIC provides a safe and healthful working environment for its employees;

d. Inform FDIC Managers and Supervisors of their roles and responsibilities relating to occupational and environmental, safety and health issues; and

e. Inform employees of their rights and responsibilities under various FDIC occupational and environmental, safety and health policies.

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2. Cancellation

The provisions of this circular cancels the following circulars:

a. FDIC Circular 1500.1, FDIC's Emergency and Evacuation Plan for the 550 17th Street Building, dated December 18, 1991.

b. FDIC Circular 1500.2, Emergency and Evacuation Plan for the L. William Seidman Center, dated October 4, 1991.

c. FDIC Circular 1500.4, FDIC's Emergency and Evacuation Plan for the 1776 F Street Building, dated December 18, 1991.

3. Scope	The provisions of this circular apply to all Divisions and Offices occupying space in FDIC facilities.
4. Background	FDIC created the Division of Administration (DOA), Health, Safety, and Environmental Unit in October 1998 for the purpose of developing comprehensive safety and health policies and procedures. Since that time, significant resources and emphasis have been placed on developing and maintaining an effective health and safety program.
5. Benefits to the Corporation	The FDIC Health, Safety, and Environmental Program shall benefit the Corporation by: a. Reducing work-related injuries and illnesses, and workers' compensation costs; b. Increasing productivity and morale; c. Providing accommodations to employees with special needs when practicable; and d. Ensuring the integrity of FDIC facilities and infrastructure.
6. Changes	Changes to this circular shall be issued through the FDIC Directive System.
7. Record Keeping	All official records must be maintained and disposed of in accordance with FDIC Circular 1210.1, FDIC Records Retention and Disposition Schedule.
8. Forms	Forms FDIC 1700/03, Observation Log, and FDIC 1700/04, HSEU Survey Abatement Table, are available from the Health, Safety, and Environmental Unit. Form FDIC 2820/18, Report of Injury or illness, is available on the FDICnet under Standardized Forms.
9. Contacts	Contact the Health, Safety, and Environmental Unit for additional information on the FDIC Health, Safety, and Environmental Program.

10. Effective Date The provisions of this circular are effective immediately.

Attachment Click below for each chapter, exhibit, or appendix.

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Chapter 2 – Workplace Safety Inspections and Investigations
- Exhibit 2-1. Form FDIC 1700/03, Observation Log
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- Exhibit 2-3. Hazard Ranking Matrix

Chapter 3 – Personal Small Appliance Use

Chapter 4 – Indoor Air and Drinking Water Quality

Chapter 5 – Wellness
- Exhibit 5-1. Form FDIC 1700/01, Group Immunization Influenza (FLU) Vaccine
- Exhibit 5-2. Form FDIC 1700/02, FDIC Health Fair Screening
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Appendices
- Appendix A – Building Specific Emergency Evacuation Plan
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- Appendix C – Guidance for External Emergencies
- Appendix D – CSB Chiefs for each Region

Glossary

CHAPTER 4

INDOOR AIR AND DRINKING WATER QUALITY

4-1. PURPOSE

To establish policy, procedures, guidelines, and responsibilities for the quality of indoor air and drinking water.

4-2. APPLICABILITY AND SCOPE

A. Indoor air and drinking water quality applies to FDIC office workspace in buildings owned and leased by FDIC in its corporate capacity.

B. The policy applies to those chemical, physical, and biological factors that affect indoor air and drinking water quality. It does not cover tobacco smoke, which is covered by FDIC Circular 1700.1, FDIC Smoking Policy.

C. FDIC shall establish guidelines in FDIC Circular 3540.1, FDIC Leasing Policy Manual, regarding compliance with this policy. FDIC Circular 3540.1 shall provide procedures for review and approval of applicable provisions in future leases to provide employees indoor air and drinking water that do not present a hazard or potential hazard and are as safe, healthful, and comfortable as practicable. Additionally, all Headquarters and regional office leases shall require that the landlord conduct indoor air and water quality testing on an annual basis and provide copies of the testing reports to FDIC.

D. Indoor air and drinking water quality is consistent with and intended to supplement corresponding obligations of FDIC contained in collective bargaining agreements with the National Treasury Employees Union (NTEU).

4-3. BACKGROUND

A. Various chemicals, physical, and biological factors may affect indoor air and drinking water quality. The presence of some of these factors in indoor air or drinking water may create a hazard or potential hazard to employees. The presence of other factors, while not creating a hazard or potential hazard, may create indoor air or drinking water quality that is not healthful or comfortable.

B. Airborne asbestos fibers within an office building are a potential hazard. Asbestos and asbestos containing material located in an office building should be removed, encapsulated, or subject to an operation and maintenance plan.

BACKGROUND (cont'd)

C. Poor indoor air or drinking water quality may result in adverse health conditions that interfere with work performance. For example, the presence of elevated amounts of bacteria or fungi in the indoor air at the workplace may result in allergic reactions or increased potential for colds. Additionally, significant variations in physical factors such as temperature and humidity may cause workplace discomfort due to excessive heat, cold, or dryness of the air.

4-4. POLICY

A. It is FDIC's policy to provide indoor air and drinking water at FDIC office workspace that do not present a hazard or potential hazard and are as safe, healthful, and comfortable as practicable.

B. The acceptable quality of indoor air is air that does not present a hazard or potential hazard to employees and is as safe, healthful, and comfortable as practicable. To the extent possible, the FDIC shall use the American Society of Heating, Refrigeration, and Air Conditioning Engineers (ASHRAE) standards for ventilation and indoor air quality for a commercial office building (as set forth in ASHRAE Standard 62-1999) as a guideline to achieve acceptable indoor air quality.

C. The acceptable level of drinking water quality is water that does not contain contaminants that exceed the maximum contaminate level for drinking water established by the United States Environmental Protection Agency in 40 Code of Federal Regulations (CFR) 141 and applicable state and municipal drinking water standards.

D. The indoor air and drinking water quality policy requires FDIC to perform routine assessments of the indoor air and the drinking water quality. The assessments each FDIC-owned and leased building shall include testing on a periodic basis. Such assessments shall be performed pursuant to the indoor air and drinking water quality protocols set forth in subparagraph 4-6.B., below. Additionally, the Health, Safety, and Environmental Program Manager may determine that FDIC perform additional assessments, as circumstances may warrant, on a case-by-case basis.

E. Upon the discovery of any indoor air or drinking water hazard or potential hazard, or unsafe, unhealthful, or uncomfortable indoor air or drinking water conditions at an

POLICY (cont'd)

FDIC-owned or leased building, the policy requires appropriate action as set forth in paragraph 4-7., below.

4-5. RESPONSI-BILITIES

A. The Health, Safety, and Environmental Program Manager is responsible for the development and implementation of all health, safety, and environmental programs throughout FDIC.

B. The Facility Manager is responsible for assisting the Health, Safety, and Environmental Program Manager implement existing programs.

4-6. GENERAL PROVISIONS

FDIC shall not provide bottled drinking water except when it is determined that an FDIC-owned or leased building's drinking water system presents a hazard or potential hazard or is otherwise not potable. In such situations, FDIC shall temporarily provide bottled drinking water until it is determined that the building's water system provides potable drinking water. FDIC shall install, or cause to be installed, water filtration systems to make non-potable water potable.

4-7. PROCEDURES

A. Schedule for Indoor Air and Drinking Water Testing

1. In addition to any tests performed by landlords in FDIC-leased buildings, FDIC shall cause the Consultant to assess the quality of the indoor air and drinking water every three (3) years for Headquarters and each regional office workspace at an FDIC-owned or leased building and once every five years for each FDIC field office workspace at an FDIC-owned or leased building. The assessments shall include testing the indoor air and drinking water.

2. To the extent practicable the required assessments of indoor air and drinking water shall occur concurrently in a building.

3. In addition, when Headquarters, a regional, or field office workspace is substantially renovated or occupies new office workspace, FDIC shall review the office workspace for compliance with the provisions of this circular. As part of

any such assessment, it is the goal of FDIC to perform, and review the results of any indoor air and drinking water tests as early as practicable.

PROCEDURES (cont'd)

B. Indoor Air and Drinking Water Testing Protocol

1. It is the responsibility of the Health, Safety, and Environmental Program Manager to oversee the timely completion of indoor air and drinking water required assessments. The Health, Safety, and Environmental Program Manager, or designee, and the Facility Manager for the building and/or the Chief, Corporate Services Branch (CSB) shall coordinate scheduling of all indoor air and drinking water assessments.

2. The Consultant shall conduct all indoor air and drinking water tests using a standard protocol developed by FDIC with specific instructions, as appropriate. At a minimum, indoor air and drinking water will be sampled for:

a. Chemical agents -- Air for carbon monoxide, carbon dioxide, and volatile organic compounds; drinking water for lead and copper;

b. Physical agents -- Air for temperature and relative humidity; and

c. Biological agents -- Air and water (both drinking water and HVAC cooling tower water) for bacteria and fungi.

Indoor air assessments shall include an evaluation of a building's heating, ventilation and air conditioning (HVAC) system (including maintenance) diffusers, roof, cooling towers and other relevant systems, components, and surfaces for evidence of potential problems including, but not limited to, water damage and discoloration.

3. If required by the Health, Safety, and Environmental Program Manager (or Oversight Manager), sampling may also be done for additional agents including, but not limited to, formaldehyde, ozone, ammonia, radon, and any other appropriate agent.

4. Before performing any tests, the Consultant shall obtain from the Facility Manager, Chief, CSB and/or the Health, Safety, and Environmental Program Manager all floor plans, building layouts, HVAC schematics and other applicable

building specifications necessary to perform the tests. The Facility Manager or Chief, CSB shall provide the necessary arrangements with the building/property manager or owner to obtain access to all building locations necessary to perform the tests, including the roof and all engineering spaces (i.e., HVAC rooms, and duct closets).

PROCEDURES (cont'd)

5. The Health, Safety, and Environmental Program Manager, Facility Manager or the Chief, CSB shall inform LERS of the impending indoor air and drinking water tests with sufficient advance notice so NTEU may be notified at least five (5) business days before testing begins.

6. FDIC management shall permit an NTEU representative(s) to accompany the Consultant during the tests.

C. Asbestos Survey

1. Within one (1) year of the effective date of this circular, or as soon thereafter as practicable, FDIC shall have caused an environmental Consultant to conduct a comprehensive asbestos survey of Headquarters, and each existing regional or field office workspace located in an FDIC-owned or leased building constructed before 1982 to determine if there is asbestos or asbestos containing material in the buildings; and if so report the location, type and amount of the asbestos and asbestos containing material. The Health, Safety, and Environmental Program Manager shall provide the environmental Consultant with the scope of work for the survey. At an FDIC-leased building, the comprehensive asbestos survey shall assess the FDIC leased space and other appropriate building space that FDIC may access pursuant to the terms of its lease or by permission of the landlord.

2. After the effective date of this circular, the FDIC shall cause an environmental Consultant to conduct a comprehensive asbestos survey of each new Headquarters, regional or field office workspace located in a building constructed before 1982, to determine if there is asbestos or asbestos containing material in the buildings, and if so, report the location, type and amount of the asbestos and asbestos containing material. The Health, Safety, and Environmental Program Manager shall provide the environmental contractor with the scope of work for the survey. The comprehensive asbestos survey shall be completed and reviewed by the Health, Safety, and Environmental Program Manager no later than the date employees first occupy the new office workspace.

3. A comprehensive asbestos survey identifies asbestos or asbestos containing material. FDIC shall determine

whether the asbestos or asbestos containing material should be removed, encapsulated, or subject to an operation and maintenance plan. FDIC shall take the necessary action to ensure that the asbestos or asbestos containing material is not a hazard or potential hazard to employees.

4-8. REPORTING REQUIREMENTS

A. Consultant Obligations

1. The Consultant shall immediately notify the Oversight Manager (any time during the tests) upon finding any hazard or potential hazard and provide the Oversight Manager with test results indicating the existence of the hazard or potential hazard (including any preliminary test results).

2. The Consultant shall submit the results of any direct instrument readings (i.e., carbon monoxide, carbon dioxide, temperature, and relative humidity) to the Oversight Manager as soon as possible following the conclusion of the on-site monitoring.

3. The Consultant shall submit a draft drinking water quality report to the Oversight Manager after conclusion of the drinking water tests. Typically, the report is submitted within 30 calendar days of the conclusion of the tests.

4. The Consultant shall submit a draft indoor air quality report to the Oversight Manager after conclusion of the indoor air tests. Typically, the report is submitted within 45 calendar days following the conclusion of the tests. The Consultant shall submit a final indoor air or water quality report to the Oversight Manager. Typically, the final report is submitted within seven (7) calendar days following receipt of the Oversight Manager's comments on a draft report.

B. FDIC Obligations

1. The Oversight Manager shall notify the Health, Safety, and Environmental Program Manager, Facility Manager, and/or the Chief, CSB immediately of any hazard or potential hazard found during indoor air and drinking water testing so that appropriate corrective action may be taken quickly as possible.

2. At Headquarters, the Health, Safety, and Environmental Program Manager/Oversight Manager shall notify LERS immediately of any hazard or potential hazard found during the indoor air and drinking water tests. LERS shall promptly notify NTEU.

3. At FDIC regional and field offices, the Facility Manager or Chief, CSB shall notify LERS immediately of any hazard or potential hazard found during the indoor air and drinking water tests. LERS shall promptly notify NTEU.

REPORTING REQUIREMENTS (cont'd)

4. The Oversight Manager shall provide a copy of each draft report to the Health, Safety, and Environmental Program Manager. The Oversight Manager and the Health, Safety, and Environmental Program Manager shall review each draft and provide any comments to the Consultant to issue a revised report. No report is final until declared by the Health, Safety, and Environmental Program Manager. For regional and field offices, the Health, Safety, and Environmental Program Manager shall provide a copy of the final report to the Chief, CSB.

5. The Health, Safety, and Environmental Program Manager or the Facility Manager or Chief, CSB (regional and field offices) shall promptly provide a copy of all final reports to LERS. LERS promptly shall provide a copy of all final reports to the appropriate NTEU representative.

6. Employees may obtain a copy of the final indoor air and drinking water quality report by accessing the DOA/HSEU Web site or by contacting the Health, Safety, and Environmental Program Manager. Upon request by an employee (legal representative or family member) or NTEU representative, the Health, Safety, and Environmental Program Manager shall provide a copy of the final indoor air and drinking water quality report.

4-9. ACTION

A. Upon receiving information that the indoor air or drinking water quality does not conform to the acceptable quality, but is not a hazard or potential hazard, FDIC shall evaluate the nature of the non-compliance and take, or cause to be taken, the appropriate corrective action to ensure that the indoor air and drinking water quality at FDIC-owned and leased building are as safe, healthy, and comfortable as practicable.

B. Upon receiving information regarding the existence of a hazard or potential hazard in employee office workspace at an FDIC-owned or leased building, FDIC shall immediately analyze the nature of the hazard or potential hazard, including but not limited to, its source and risk to human health. Based on this analysis, FDIC shall take, or cause to be taken, corrective action necessary to ensure that employees are not exposed to a hazard or potential hazard.

ACTION (cont'd)

Depending on the source of the hazard or potential hazard, and the nature and extent of the health risk, the corrective action may range from additional investigation and analysis, action taken to eliminate the hazard or potential hazard, to the removal of employees from exposure, including removing employees from a building. If employees are removed from an FDIC-owned building on an emergency basis, the Emergency and Evacuation Plan for that building shall be activated. If employees and contractors are removed from leased space on an emergency basis, the FDIC Emergency Action Plan shall be activated.

NOTE TO FDIC: AS OF APRIL, 2004, DOA INTENDED TO REPLACE ASHRAE STANDARD 62-1999 WITH ASHRAE STANDARD 62-2001 – SEE SECTION 4-4.

To view Exhibit N, Standards of Seismic Safety for Existing Federally Owned and Leased Buildings (RP-6), click on the link below.

http://fire.nist.gov/bfrlpubs/build01/PDF/b01056.pdf

Exhibit O
RP-6 Seismic Evaluation Certificate

CERTIFICATE OF SEISMIC COMPLIANCE -- EXISTING BUILDING

Date: _____

Preparer, a registered professional engineer, hereby certifies that the building located at
_____
has been evaluated to the Life-Safety Performance Level as set forth in the "*Standards of Seismic Safety for Existing Federally Owned and Leased Buildings"* -- ICSSC RP-6.

ASCE 31-03 (which has replaced FEMA 310) Building Type: _____
No. of Stories: _____ Approx. Area: _____
Building Design Code: _____ Year of Design Code: _____
Year of Construction: _____

I hereby certify that the subject building (check as applicable):

_____ meets the Life-Safety Performance Level of ICSSC RP-6

_____ does not meet the Life-Safety Performance Level of ICSSC RP-6

[AFFIX STAMP AND SIGN]

This evaluation was based on (check as applicable):

_____ Tier 1 Evaluation **_____ Tier 2 Evaluation**
_____ Other (explain below in Comments)

Documentation of this evaluation must be attached to this Certificate.

Engineer's Name: _____
Engineer's Firm: _____
Address: _____
Telephone: _____
License No.: _____
State Licensed: _____
License Expiration Date: _____

Comments: _____

Required attachments -- ASCE 31-03 Checklists:
- structural (unless "benchmark" building)
- nonstructural
- geologic site hazards and foundation

FDIC

FEDERAL DEPOSIT INSURANCE CORPORATION

DIRECTIVE SYSTEM

TYPE AND NUMBER	
Circular 1610.1	
CONTACT William A. Kmetz	TELEPHONE NUMBER 202-898-6850
DATE October 23, 2003	
DATE OF CANCELLATION *(Bulletins Only)*	

TO: All Employees

FROM: Arleas Upton Kea
Director, Division of Administration (DOA)

SUBJECT: FDIC Physical Security Program

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1. Purpose

To revise the corporate-wide FDIC Physical Security Program which is designed to protect employees, visitors, and facilities from internal and external threats (e.g., fire, theft, vandalism, sabotage, and terrorist activities) and to prevent, detect, and investigate security threats. This directive shall serve as official guidance for FDIC Headquarters, Regional, and Field Offices for implementing the FDIC Physical Security Program at individual office sites while adhering to local conditions and site configurations.

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2. Revision

FDIC Circular 1610.1, FDIC Physical Security Program, dated July 3, 1996, is hereby revised and superseded.

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3. Scope

This directive covers physical security at FDIC facilities and applies to all FDIC employees, contractors, visitors, and others who have access to FDIC facilities. The provisions outlined encompass a variety of physical security areas including employee and manager responsibilities, access control, proper reporting of security related incidents or suspicious activity, and security alert procedures.

The application of standards and measures referred to in this directive may not be necessary or feasible for implementation at all FDIC office sites. The Facilities Specialist/Security Manager having responsibility for the local security program at each site shall determine and document when adjustments to standards are necessary.

4. Background

In April 1995, the Department of Justice (DOJ) was tasked by the President to assess the vulnerability of Federal facilities and to develop recommended security guidelines for those facilities. DOJ developed a recommended set of minimum security standards that could be applied to various Federal facilities which are General Services Administration-owned or leased to address perimeter, entry, interior security, and security planning.

The Chairman of the FDIC has determined that the recommended minimum security standards should be adopted for all FDIC facilities where practicable.

FDIC's security procedures exist to provide a safe and secure working environment. In an effort to reduce the possibility of theft, vandalism, accidents, and other incidents occurring on FDIC properties, entry into FDIC buildings shall be restricted to those persons who are authorized access to the facilities.

---

5. Policy

Each FDIC facility shall have current security policies in place, at a minimum, to address the following areas:

a. Security Levels (See Attachment A)

b. Security Alert Procedures (See Attachment B)

c. Building Access Procedures (See Attachment C)

d. Badge Identification Guidelines (See Attachment D)

e. Security-Related Incidents (See Attachment E)

f. Bomb Threats (See Attachment F)

Implementation of policies and procedures at individual sites shall be the result of a coordinated effort by local site management, the DOA Facilities Operations Section, and the DOA Security Management Section.

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6. Functional Responsibilities

The Division of Administration's Corporate Services Branch (CSB), Security Management Section (SMS), Physical Security Staff (PSS) and the Facilities Specialist/Security Manager at Regional Offices, have responsibility for ensuring the security of all FDIC-owned buildings and leased space.

a. The **Physical Security Staff** at Headquarters, the **Facilities Specialists/Security Managers** at Regional Offices **(Security)**,

Functional Responsibilities (cont'd)

and those persons designated to perform security functions at remote worksites, respectively, are responsible for the following where applicable:

(1) Implementing security policies and procedures to meet FDIC needs, in accordance with this directive, applicable Federal directives, and industry standards;

(2) Issuing identification badges and/or other access devices as needed, in order to provide proper access to FDIC facilities;

(3) Maintaining an inventory of FDIC Forms 1620/01, Employee/Contractor Identification Card Request;

(4) Coordinating the maintenance and operation of security equipment and systems;

(5) Coordinating policy regarding the operation and retention of a master keying system;

(6) Coordinating and conducting employee security orientations and training;

(7) Conducting and documenting follow-up investigations of security incidents that occur on FDIC property. This shall include referring relevant matters to the following offices:

(a) Advising the FDIC Computer Security Incident Response Team (FDIC CSIRT), immediately, when a security incident or investigation is found to have computer security aspects or implications. A computer security incident is an event that threatens the security of FDIC Automated Information Systems (AISs), including FDIC's computers, mainframe, networks, software and associated equipment, and information stored or transmitted using that equipment. For further information see FDIC Circular 1360.12, Reporting Computer Security Incidents.

The FDIC CSIRT may be contacted at 1-877-791-3377 or fdic-csirt@fdic.gov or visit the DIRM Information Security web site at http://fdic01/division/dirm/info_security_virus/index.html

(b) Referring potential criminal matters to the Office of Inspector General.

(8) Conducting emergency evacuation drills, training and participating in business contingency plans and testing;

Functional Responsibilities (cont'd)

(9) Initiating security-related statements of work and reviewing all resulting contracts to include security service contracts as deemed appropriate;

(10) Serving as the primary liaison for security-related issues among the FDIC, other Federal agencies, and local police and fire departments;

(11) Conducting physical security vulnerability assessments as deemed necessary or when requested as follows:

(a) At a minimum, vulnerability assessments of each FDIC location will be done once every two years;

(b) Each assessment will include a current security level assignment based on the Department of Justice vulnerability Assessment of Federal Facilities, June 28, 1995 (DOJ Guidelines) or appropriate guidelines. See Attachment A); and

(c) Any deviation from the DOJ guidelines will be documented and coordinated with the Chief Operating Officer's Office.

(12) Fingerprinting employees and contractors; and

(13) Participating in the FDIC Security in the Workplace Program. (See FDIC Circular 1600.2.)

b. **Administrative Officers**. The Administrative Officers are responsible for:

(1) Approving form FDIC 1620/01 for all new employees, interns, detailees, and others who require an FDIC identification badge;

(2) Insuring that employees return all FDIC identification badges upon termination of employment or retirement; and

(3) Performing pre-exit clearance duties as defined in FDIC Circular 2150.1, Pre-Exit Clearance for FDIC Employees.

c. **FDIC Supervisors**. FDIC Supervisors are specifically responsible for:

(1) Familiarizing themselves and their employees with all current security policies and procedures, with special emphasis on after-hours entry;

(2) Submitting a written request to the new employee's Administrative Officer for identification badges and building access;

Functional Responsibilities (cont'd)

(3) Notifying Security when employees no longer require access, and ensuring the timely return of any identification badges or keys of employees who are separating from the Corporation or transferring;

(4) Notifying on-site Security and/or the local designated emergency response unit (i.e., Fire, Police) when an employee requires assistance during an emergency; and

(5) Reporting non emergency security issues to Security as soon as practical.

d. **Employees**. Employees are responsible for:

(1) Familiarizing and complying with the FDIC Physical Security Program requirements;

(2) Reporting any suspicious activity to Security as soon as possible;

(3) Reporting any incidents or conditions contrary to the guidelines, standards, or procedures outlined in this directive, including supplemental guidance provided by the local Facilities/Security Manager;

(4) Escorting their visitors while on FDIC property and ensuring the responsible conduct and actions of their visitors;

(5) Notifying on-site Security and/or the local designated emergency response unit (i.e., Fire, Police) when an employee requires assistance during an emergency; and

(6) Reporting non-emergency security issues to Security as soon as practical.

e. **Contract Oversight Managers**. Contract Oversight Managers (OM) are responsible for:

(1) Assuring that the contractors whose performance they are monitoring are familiar with this directive;

(2) Submitting the proper forms to Security for fingerprinting, identification badges, and building access;

(3) Notifying Security in writing in advance when contractors will be working during security hours. Notification should include the location where the contractor will be working;

(4) Notifying Security when contractor employees no longer require access and ensuring the timely return of contractor identification badges, keys, etc.

Functional Responsibilities (cont'd)	**Note**: All contractor badges are issued for six month periods and must be renewed by the OM notifying Security. (5) Performing pre-exit clearance duties as defined in FDIC Circular 1610.2, Security Policy and Procedures for FDIC Contractors and Subcontractors.
7. Forms	Form FDIC 1620/01, Employee/Contractor Identification Card Request may be obtained from the Security Management Section; DOA, CSB, Facilities Specialist/Security Manager; designated officials; or available from the FDICnet under Standardized Forms.
8. Effective Date	The provisions outlined in this directive are effective upon issuance.
9. Questions	Questions regarding the procedures outlined in this directive should be directed to the DOA, CSB, Security Management Section or the DOA, CSB, Facilities Manager accountable for FDIC facilities within the geographical area.

ATTACHMENT A

SECURITY LEVELS FOR FEDERAL FACILITIES*

1. **Level I**

A Level I facility has 10 or fewer federal employees. In addition, the facility likely has:

2,500 or less square feet of office space; and

A low volume of public contact or contact with only a small segment of the population.

A typical Level I facility is a small "store front" type operation such as a military recruiting office.

2. **Level II**

A Level II facility has between 11 and 150 federal employees. In addition, the facility likely has:

From 2,500 square feet to 80,000 square feet;

A moderate volume of public contact; and

Federal activities that are routine in nature, similar to commercial activities.

A typical Level II building is a Social Security Administration Office. FDIC Field Offices and some Regional Offices fit in this category.

3. **Level III**

A Level III facility has between 151 and 450 federal employees. In addition, the facility likely has:

From 80,000 to 150,000 square feet;

A moderate/high volume of public contact; and

Tenant agencies that may include law enforcement agencies, court/related agencies and functions, and government records and archives.

FDIC's Dallas Regional Office would be in this category.

4. **Level IV**

A Level IV facility has over 450 federal employees. In addition, the facility likely has:

More than 150,000 square feet;

A high volume of public contact; and

Tenant agencies that may include high-risk law enforcement and intelligence agencies, courts, judicial offices, and highly sensitive government records.

A typical Level IV building is the Department of Justice building in Washington, D.C. The Alfred P. Murrah Federal Building in Oklahoma City also fell into this category. The FDIC Headquarters building falls in this category.

5 **Level V**

A Level V facility is a building such as the Pentagon or CIA Headquarters that contains mission functions critical to national security. A Level V facility is similar to a Level IV facility in terms of number of employees and square footage. It should have at least the security features of a Level IV facility.

The mission of Level V facilities requires that tenant agencies secure the site according to their own requirements. The degree to which these requirements dictate security features in excess of those for a Level IV facility should be set by the individual agency.

*Based on the Department of Justice report, “Vulnerability Assessment of Federal Facilities,” June 28, 1995.

FEDERAL DEPOSIT INSURANCE CORPORATION
Security Alert Procedures

The following Threat Conditions have been established by the Office of Homeland Security. Each represents an increasing risk of terrorist attacks. Beneath each Threat Condition are some suggested protective measures. FDIC Facility/Security Managers are responsible for developing and implementing additional appropriate facility specific protective measures, where necessary:

Low Condition (Green). This condition is declared when there is a low risk of terrorist attacks.

Refining and exercising, as appropriate, preplanned protective measures;

Ensuring personnel receive proper training on the Homeland Security Advisory System and specific preplanned department or agency Protective Measures; and

Institutionalizing a process to assure that all facilities are regularly assessed for vulnerabilities to terrorist attacks, and all reasonable measures are taken to mitigate these vulnerabilities.

Guarded Condition (Blue). This condition is declared when there is a general risk of terrorist attacks. In addition to the protective measures taken in the previous Threat Condition, the following should be considered:

Checking communications with designated emergency response or command locations;

Reviewing and updating emergency response procedures; and

Providing FDIC personnel with any information that would strengthen their ability to act appropriately.

Elevated Condition (Yellow). An Elevated Condition is declared when there is a significant risk of terrorist attacks. In addition to the protective measures taken in the previous Threat Conditions, the following should be considered:

Increasing surveillance of critical locations;

Coordinating emergency plans, as appropriate, with local emergency response officials;

Assessing whether the correct threat requires further refinement of preplanned Protective Measures; and

Implementing, as appropriate, contingency and emergency response plans.

High Condition (Orange). A High Condition is declared when there is a high risk of terrorist attacks. In addition to the protective measures taken in the previous Threat Conditions, the following should be considered:

Coordinating necessary security efforts with Federal, State, and local law enforcement agencies or any National Guard or other appropriate armed forces organizations;

Taking additional precautions at public events and possibly considering alternative venues or even cancellation;

Preparing to execute contingency procedures, such as moving to an alternate site or dispersing their workforce; and

Restricting threatened facility access to essential personnel only.

Severe Condition (Red). A Severe Condition reflects a severe risk of terrorist attacks. Under most circumstances, the protective measures for a Severe Condition are not intended to be sustained for substantial periods of time. In addition to the protective measures in the previous Threat Conditions, the following should be considered:

Increasing or redirecting personnel to address critical emergency needs;

Considering use of armed security guards;

Assigning emergency response personnel and pre-positioning and mobilizing specially trained teams or resources;

Monitoring transportation systems; and

Closing facilities.

Signs notifying employees, contractors and visitors of the current threat condition will be posted at the entrance of each FDIC facility.

BUILDING ACCESS PROCEDURES

1. **Building Access Information**

   a. **Normal Business Hours**. Normal business hours are defined as those hours during which the majority of employees are at work. In leased facilities this would normally be the operational hours established by the landlord.

   b. **Security Hours**. Security hours are defined as those hours when buildings have been secured, outside of normal business hours and including weekends and holidays. At Headquarters, security hours are 7:00pm to 6:00am.

**It should be noted that the procedures described below were adopted in FDIC Washington DC area facilities and may not be feasible in other FDIC offices, particularly those buildings in which the FDIC is a tenant and, in some cases, the only tenant. It is anticipated that each FDIC worksite will formulate appropriate security procedures which will provide the highest level of security for all concerned.*

2. **General Entrance Requirements**

   a. **FDIC Facilities**. FDIC identification badges identify the bearer as an employee, contractor, or visitor authorized admittance to FDIC facilities and subject to access controls. All employees, contractors, and visitors **must have** identification badges in their possession at all times while in FDIC facilities. Any unauthorized use of FDIC identification badges may lead to forfeiture of the identification badge, revocation of the privileges it conveys, and/or administrative action.

   Employees should not allow individuals without displayed FDIC identification to immediately follow them through an access-controlled entrance. If this occurs, the local office responsible for security should be notified immediately. Employees should monitor the individual's location until a representative from security arrives. The employee should also be prepared to provide a description of the individual, should that person leave the area.

   b. **Official Visitors**. During normal working hours, visitors may be allowed to enter an FDIC office after providing proof of identity and identifying the person they are visiting. After signing a visitor log, or similar register, the visitor will then be issued a 24-hour expiring badge. Visitors should be escorted at all times by the employee whom they are visiting. Visitors must sign out and return the temporary pass to the location where it was originally issued upon leaving the FDIC facility. Children under 10 may be admitted without signing in when escorted by an adult.

   For a large group of official visitors, the sponsoring office must notify the local FDIC office responsible for security in advance and provide them with a list of visitors. (This notification should normally be 24 hours in advance.) The security

office should also be provided with the destination of visitors, the FDIC point of contact, the date, time of arrival, and anticipated departure. A representative of the FDIC office sponsoring the visit should be available in the lobby, before the arrival of the group, to assist in processing the group and to provide escort.

c. **Contractors and Emergency Services**. If work is to be performed during security hours, the office responsible for oversight of contractors, construction crews, and building equipment technicians, must notify the local security office in writing normally at least 24 hours in advance. This advance written notification should include the names of individuals performing work, the name of the firm they represent, work locations, the FDIC employee contact, date, time, and the duration of work to be performed. Failure to provide such notification may result in work being delayed.

Contractor and emergency services personnel must show appropriate identification, sign the visitor log, and a contractor pass will be issued. Upon completion of work, the contractor should sign out in the visitor log, and return the badge.

d. **Couriers**. Couriers should make deliveries in accordance with existing practices at the individual office site.

ATTACHMENT D

BADGE IDENTIFICATION GUIDELINES

1. Issuance of FDIC Identification Badges

All employees, as well as those who are authorized long term access to FDIC facilities, will be issued an FDIC identification badge containing their photograph. Employees are required to keep this badge in their possession at all times while in an FDIC facility. Employees requiring an identification badge shall complete form FDIC 1620/01, Employee/Contractor Identification Card Request, provide all requested information, and submit the form to his/her supervisor and/or designated official for approval. Once approved, the individual shall forward the form to Security. Upon receipt of the approved form, Security will issue the individual an identification badge.

Contractors who require long-term access to FDIC facilities may be issued identification badges containing their photograph upon approval by the responsible FDIC oversight manager. (Long term access is generally defined as accessing a facility more than three times weekly. Since this issue can result in a variety of circumstances, Security will determine if and when to issue a permanent badge)

Note: All contractors who receive permanent identification badges must have a credit check conducted and be fingerprinted by Security in order to have an FBI criminal records check conducted.

Non picture (temporary) identification badges will be issued to individuals who do not require long term access to FDIC facilities. This includes, but is not limited to, visitors, contractors, and others who are authorized short-term access. Such individuals must be escorted at all times unless prior approval is obtained from Security.

2. Standardized Picture Identification Badge Format

Picture identification badges shall be issued to all FDIC employees, long-term contractors, carpool members, and child development center employees, and shall contain:

A full facial photograph;

The typewritten name;

The “FDIC” acronym, prominently displayed in the lower left corner, on the front of badge; and

The statement “This card is property of the Federal Deposit Insurance Corporation, an agency of the United States of America. Any counterfeiting, forgery, alteration, tampering, or misuse is a criminal offense, U.S. Code Title 18 Sections 499 and 701."

Designated Colors. To distinguish between the various categories of FDIC identification badges, specific colors have been designated.

(1) **Employee badges**. All FDIC employee badges shall be white;

(2) **Contractor badges**. All contractor badges shall be yellow; and

(3) **Carpool badges**. All carpool badges shall be red;

Note: These badges are for Headquarters only. Individuals not employed by the FDIC should obtain this badge from Security. Carpool riders will be permitted access to an FDIC controlled garage after presentation of this badge. It is the responsibility of the carpool permit holder to return this badge to Security when that person is no longer in the carpool;

(4) Child Development Center badges. All Child Development Center badges shall be green.

Note: These badges are for Headquarters only.

3. **Possession/Display of Identification Badges**

All employees, contractors, visitors, vendors, and others who are authorized access to FDIC facilities are required to possess and have readily available for presentation an FDIC identification badge at all times, while in, or upon entering, FDIC facilities or other worksites.

4. **Lost, Stolen, or Damaged Identification Badges**

The following guidelines shall apply when reporting lost, stolen, or damaged identification badges:

The suspected loss or theft of an identification badge **must be immediately** reported to the DOA Security Management Section or the appropriate DOA/CSB Facilities Specialist/Security Manager or designated official.

Damaged or unserviceable identification badges shall be returned to the DOA Security Management Section or DOA/CSB Facilities Specialist/Security Manager or designated official for replacement.

The DOA Security Management Section or DOA/CSB Facilities Specialist/Security Manager or designated official will issue a temporary non-picture identification badge, upon notification of the suspected loss or theft of an identification badge. A short waiting period may be required prior to the issuance of a permanent identification badge to allow for a time to recover a lost identification badge, and/or conduct an investigation into the loss or possible theft of an identification badge.

b. Lost or stolen badges will be replaced free of charge after the first occasion. Individuals will be required to pay for the cost of the badge for all future occasions. (NOTE: The cost of the badge will depend on the type of badge in use at a particular location.) Disciplinary action could also be taken if an individual is found to be negligent in safeguarding their badge or to have willfully damaged their badge.

ATTACHMENT E

SECURITY-RELATED INCIDENTS

1. Reporting Incidents. Employees should call the established FDIC emergency numbers to report any unusual occurrences, accidents, or incidents that are observed. A reportable incident is an event that involves the safety, security, or well being of FDIC employees, contractors, or visitors. Examples of reportable incidents include a workplace violence matter, theft, bomb threats, harassment, vandalism incident, access control violation, injury, illness, or any incident where EMS, fire, or police respond. Security will obtain the details of the incident and record the incident into the FDIC Incident Reporting Information Management System (IRIMS). They will also take whatever action deemed necessary. See the Security web site for the appropriate Headquarters or regional office telephone numbers http://fdic01/division/doa/workplace/security/secphone.html

2. Thefts. It is the responsibility of all personnel to take reasonable precautions against theft of personal and FDIC property. Money, accountable forms, records, sensitive personal or business information, small desk items such as calculators, software, laptops, and all valuables must be secured to prevent theft. **The FDIC is not responsible for safeguarding personal items lost or stolen on FDIC premises and reimbursement will not be provided**. Employees are required to report thefts as soon as they are discovered to their local Security office.

The following actions will help to deter theft:

Never leave your office unattended. If you must leave, close your door and do not allow visitors to wander through the area;

Do not leave purse, wallet, keys, or other valuables unsecured or unattended. Keep all such items in a locked location or with you;

Be alert to strangers in your area. Suspicious persons should be reported immediately to the security office or the Facilities Manager; and

When working after hours, employees are expected to follow established procedures when entering and exiting the building.

BOMB THREATS

If you receive a telephone call about a bomb, you should keep the caller on the line as long as possible. Ask him or her to repeat the message. Attempt to record every word spoken by the person. Get as much information as possible about **the bomb** and its **exact location** and as much information as possible about the caller using the attached checklist (form FDIC 1600/12 (7-00)) or similar checklist.

The recipient of the call should immediately contact *911 at Headquarters (as well as any other security office number) and report the call.

Security will notify local law enforcement and convey all information gathered up to that point to management to determine what additional steps will be taken.

Federal Deposit Insurance Corporation
SAMPLE BOMB THREAT CHECKLIST

Exact time of call _____

Exact word of caller _____

_____

_____

QUESTIONS TO ASK

When is bomb going to explode? _____

Where is the bomb? _____

What does the bomb look like? _____

What kind of bomb is it? _____

What will cause it to explode? _____

Did you place the bomb? _____

Why? _____

Where are you calling from? _____

What is your address? _____

What is your name? _____

CALLER'S VOICE/LANGUAGE *(Circle all that apply))*

Calm	Disguised	Nasal	Angry	Broken	Threatening
Stutter	Slow	Sincere	Lisp	Rapid	Well Spoken
Giggling	Deep	Crying	Squeaky	Excited	Foul Language
Stressed	Accent	Loud	Slurred	Normal	Irrational

If voice is familiar, whom did it sound like? _____

Were there any background noises? _____

Remarks: _____

_____

_____

Person receiving call:

_____

Telephone number call received at: _____

Date: _____

Report call immediately to: _____
(Each FDIC facility will provide the appropriate telephone number.)

FDIC 1600/12 (7-00)

GLOSSARY OF TERMS

A

Abandonment – Language, in some leases, that defines vacating space as a breach of contract.

All Inclusive Rent – A gross rate rent, all inclusive of operating expenses, utilities, and taxes.

Amendment - Any documented change to, or confirmation of an existing option in, a lease by mutual agreement of FDIC and the Landlord. Amendments may be prepared by the Legal Division, Leasing Specialist, or the Landlord. In all cases, the Legal Division shall review the amendment. An Amendment shall not be deemed to constitute a new lease.

Authorization to Proceed – The Documentation of Need becomes the Authorization to Proceed after approval by the appropriate official.

B

Best Value – Best value is the use of business judgment to make a series of qualitative and quantitative decisions. Financial analysis is significant, but not the sole determining factor. Other evaluation criteria, such as location and flexibility in lease terms and conditions, impact the best value decision.

BOMA Code – Standards published by the Building Owners and Managers Association (BOMA).

C

Conflict of Interest – A potential for misconduct caused by the Landlord having a business or personal interest which conflicts with FDIC's mission, per the Fitness and Integrity Policy.

D

Debriefing - Post lease execution discussion with an unsuccessful offeror to discuss the strengths and weaknesses of their proposal. The debriefing sessions are held at the request of the offeror. The purpose of a debriefing is to inform the offeror why its proposal was not selected.

Documentation of Need – Written statements that substantiate the lease requirement.

E

Effective Date – The date which the Leasing Policy Manual becomes policy.

Evaluation Criteria – Factors which will be used by FDIC to make a best value decision.

Execution Package – Prepared by the Leasing Specialist, the execution package consists of:

- 4 copies of the lease signed by the Landlord;
- Legal opinion;

- Landlord Representations and Certifications Form(s); and
- Approved lease case.

Expansion – An increase to the amount of square footage in a facility in which FDIC has an existing lease.

Expansion Option - Any change to a lease acquisition which increases the rentable square footage of the leased space pursuant to an expansion option in the Lease at a predetermined rental rate.

Expiration - The date which all parties to the Lease have satisfied their obligation.

Expiration Date – A critical date identified in SLIMS as expiration of the initial lease term.\

F

FDIC – The Federal Deposit Insurance Corporation in its corporate capacity.

G

Geographic Boundaries- The specific area within the general metropolitan area where FDIC will seek office space, established based on mission need and per LPM requirements.

Gross Rent – For field office and warehouse leases, FDIC prefers to solicit for a gross rent, all-inclusive of operating expenses, utilities, and taxes. The rate may provide for a reasonable escalation.

H, I

Health, Safety and Environmental Policy - The FDIC Health, Safety and Environmental Policy (FDIC Circular 1700.2) dated July 27, 2001, as may be amended or replaced (the then-current version of applicable parts of the policy to be attached as LPM Exhibit M).

Holdover – Remaining in leased space after the expiration of the lease without a written agreement to extend. FDIC, to the maximum extent possible, shall avoid invoking the holdover terms and conditions of the Lease.

Initial Tenant Improvements – Construction requirements prior to occupancy.

J, K, L

Landlord – Owner of the building containing the space leased to a Tenant.

Layout – A floor plan showing the specific placement of permanent and non-load-bearing walls, work stations, furniture and equipment of a tenant's operation.

Lease – A written document by which the rights of use and occupancy of land and/or structure are transferred by the owner to another person or entity for a specific period of time in return for a specific rental.

Lease Case – 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.

Lease Renewal – An extension of the lease term pursuant to provisions of the Lease for a fixed period of time. The length of the lease renewal shall be the renewal term provided for in the Lease.

Leased Space – Space leased by FDIC which is owned by a private firm or individual.

Leasing Representations and Certifications - LPM Exhibit C, FDIC Leasing Representations and Certifications, Fitness and Integrity Policy.

Leasing Process – Leasing is a multi-phase process which includes the following activities: definition of need, solicitation, award, and lease administration.

Lessee – A tenant under a lease, i.e., one who possesses the right to use or occupy a property under a lease.

Lessor – A Landlord under a Lease, i.e., one who holds title to and conveys the right to use and occupy a property under the lease.

M

Market Survey – A field survey and physical inspection of buildings in the area of consideration for the purpose of obtaining information on market conditions and the availability of suitable space for a lease requirement.

N

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.

O

Offeror- The party responding to the RFP.

P

PAV – Payment Authorization Voucher. An instrument to authorize rental payments. PAVs are prepared by the Leasing Specialist using SLIMS. The Leasing Specialist is responsible for obtaining the necessary signatures on the PAV to approve payment.

Potential Offerors – Parties who have been verified to be either the owner or the exclusive agent representing the owner of a building that is: within the geographic boundaries, provides class A or class B space, and provides sufficient space, preferably contiguous, to meet the requirement. A list of potential offerors consists of:

- Potential offerors who submit an expression of interest in response to the advertisement;

- Other potential offerors identified through the market survey and other sources; and
- Existing Landlord (unless the exclusion is authorized).

Preproposal Conference- A conference held prior to proposal submission to provide clarification on matters of interest for sources.

Program Office(s) - The Division(s) or office(s) within FDIC that will be using the leased space covered by the Lease.

Q

Qualified Offerors – The offerors who meet the following criteria:

- The Landlord has submitted and completed the Leasing 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 building satisfies the Seismic Requirements (exempt, excepted or complies with construction standards, per RP-6); and
- The proposed leased space meets the classification criteria, contains sufficient square footage, and will be available in accordance with timing requirements.

R

Regional Offices - FDIC offices (which shall include offices designated as area offices) with responsibility for geographic regions, as designated from time to time by FDIC.

Renewal Option – A provision in the lease permitting occupancy of the space under its present terms and conditions for an additional period of time.

Request for Proposal (RFP) – A document which defines leased space requirements issued in the solicitation process.

RP-6 -- "Standards of Seismic Safety for Existing Federal Owned and Leased Buildings" ICSSC RP-6, NISTIR 6762, LPM Exhibit N.

RP-6 Evaluation Certificate -- certificate of evaluation by a registered professional engineer as to whether or not a particular building satisfies Federal seismic building construction standards at the "Life Safety " performance level, which certificate shall include applicable evaluation checklists reflecting areas of compliance and noncompliance, if any, such certificate being in the form of certificate entitled "RP-6 Evaluation Certificate of Seismic Compliance -- Existing Building" attached as LPM Exhibit O.

S

Screening Proposals – The process of assessing whether an offer qualifies per the LPM and each offeror's capability to meet the requirements at a fair and reasonable price.

Seismic Requirements -- the requirements, exemptions and exceptions contained in "Standards of Seismic Safety for Existing Federally Owned and Leased Buildings" ICSSC RP-6, NISTIR 6762 (RP-6) as developed by the Interagency Committee on Seismic Safety in Construction and as published by the National Institute of Standards and Technology, as may be amended from time to time, which sets forth the exemptions and exceptions from compliance and, if not exempt or excepted, the construction standards for complying by attaining the "Life Safety" performance level.

Seismic Risk Zone -- the respective seismicity risk zones (low, moderate, or high) as established pursuant to RP-6 and applicable U.S. Geological Society seismic information and conversion charts.

Selected Offeror – The Landlord selected for award.

SLIMS – Strategic Leasing and Insurance Management System. A PC-based system developed by the Space Management and Special Services Section to be a complete depository of FDIC leasing information. CSB is responsible for maintaining the system, coordinating training, and for preparing system documentation.

Space Utilization Policy -- The FDIC Space Utilization Policy (FDIC Circular 3010.2) dated December 12, 2003, as may be amended and/or replaced (the current version of the latest Space Utilization Policy is LPM Exhibit K).

Standard Lease Documents – The Legal Division generates and maintains the following standard lease documents:

- Standard Office Lease Agreement, Headquarters and Regional Office Leases;
- Standard Office Lease Agreement, Field Office Leases (including Abbreviated form);
- Standard Warehouse Lease Agreement;
- Work Letter Agreement for Initial Tenant Improvements estimated to cost $100,000 or greater;
- Work Letter Agreement for Initial Tenant Improvements estimated to cost less than $100,000;
- Sublease Agreement with FDIC as landlord; and
- Sublease Agreement with FDIC as tenant.

T

Tenant – One who occupies and uses the property of another under a Lease; also known as Lessee.

Turnkey Construction – Construction of initial tenant improvements by the Landlord where the cost of the construction is included in the rent.

U

Untenantability – An unacceptable circumstance or condition that makes leased space unfit for occupancy. The Leasing Specialist, in consultation with the Legal Division, shall determine if the condition makes the leased space untenantable in accordance with the lease and take the appropriate action, including offsetting rent when such remedy is available under the lease.

V-Z

Vacant space – Space leased by FDIC not currently assigned to a Program Office. This may include leased space held pending disposal of a building, leased space being renovated, or leased space being held until other blocks can be combined with it for a space action.

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ACRONYMS

ASB	Acquisition Services Branch
ADA	Americans with Disabilities Act
BOMA	Building Owners and Managers Association
CFO	Chief Financial Officer
COO	Chief Operating Officer
CSB	Corporate Services Branch
DIRM	Division of Information Resource Management
DOA	Division of Administration
DOF	Division of Finance
DSC	Division of Supervision and Consumer Protection
FDIA	Federal Deposit Insurance Act
FDIC	Federal Deposit Insurance Corporation
GMA	General Metropolitan Area
GSA	General Services Administration
HRB	Human Resources Branch
ICSSC	Interagency Committee on Seismic Safety in Construction
LP	Locality Pay
LPM	Leasing Policy Manual
NTEU	National Treasury Employees Union
PAV	Payment Authorization Voucher

RFP	Request for Proposal
RPD	Regional Pay Differential
SMS	Security Management Section, CSB
SPU	Space Planning Unit, CSB