

**STATE OF COLORADO  
OFFICE OF THE STATE ARCHITECT  
REAL ESTATE PROGRAM - POLICIES AND PROCEDURES MANUAL**

**CENTRALIZED LEASING POLICY #1-2005**

**ACQUISITION OF SPACE**

**C.R.S. §24-30-1303(1) and C.R.S. §24-30-1303.5**

**Executive Order D01603**

The Governor's Executive Order D01603, dated August 24, 2003, directed the Office of the State Architect and the Real Estate Program, in conjunction with Colorado Commission on Higher Education (CCHE), and with the approval of the Office of State Planning and Budgeting (OSPB), to develop this centralized leasing policy. The centralized leasing policy will insure that space acquisition decisions will conform to accepted Best Practices identified in the real estate strategic plan. The policy became effective December 15, 2005. The policy was developed in conjunction with the completion of Phase I of the Real Estate Strategic Plan. This policy applies to all space acquisitions whether by lease, sublease, lease-purchase or license.

The following policy describes the process by which Executive Departments and Institutions of Higher Education will acquire space.

- A. Any Agency or Institution of Higher Education requiring the lease of new space or the expansion or renewal of existing lease agreements will need to complete a space request form (SRF) found on the Real Estate Program's (REP) website: [www.colorado.gov/pacific/osa/realestate](http://www.colorado.gov/pacific/osa/realestate) and submit the form to the REP. If the agency is leasing predominantly office space then it should also complete a Space Needs Form (SNF), which can be found on the "forms" page of the Statewide Planning Program's website. The REP may then forward those documents to OSPB for budgetary purposes. The SRF and SNF should be submitted to the REP prior to engaging the state's contracted real estate brokers. If the requirement is outside of the scope of the broker contract, the SRF and SNF should be submitted to the REP and the Statewide Planning Program prior to any agency/institution action with landlords/lessors.
- B. If the Agency/Institution space need is within the counties of Denver, Douglas, Arapahoe, Boulder, Broomfield, Adams or Jefferson in the metro area or in El Paso or Pueblo counties in southern Colorado, the Agency/Institution should enter into a Tenant Authorization Agreement (TAA) with the appropriate state contracted real estate broker. The broker will assist the Agency/Institution with the real estate requirement as directed.
- C. If an Agency/Institution is contracting for space in an area not covered by the broker contract, they may request that one of the State's contracted brokers assist them or REP will assist the Agency/Institution in the planning negotiations.
- D. If the anticipated annual lease cost is greater than \$75,000, the Agency/Institution will provide to the REP specific economic details of at least three comparable location alternatives, relating to cost per square foot, operating expense costs, rentable/usable area factor, lease term, parking, and other appropriate costs including anticipated costs of tenant improvement to be completed by the lessor and amortized over the term of the lease.
- E. If a State contracted broker is not involved, the REP will assist in the process to ensure that the proposed lease transaction is completed at a price and terms that are in line with comparable lease terms in the particular market.
- F. Space requests will be evaluated by current best practices for acquiring and utilizing space as identified in the State of Colorado Design Guidelines and Space Standards Guidelines, which includes potential collocation with other state agencies or locating in State owned or leased Buildings.

**STATE OF COLORADO  
OFFICE OF THE STATE ARCHITECT  
REAL ESTATE PROGRAM - POLICIES AND PROCEDURES MANUAL  
CENTRALIZED LEASING POLICY #1-2005**

<b>BASIC STEPS</b>		<b>RESPONSIBILITY</b>
<b>A. REQUEST/ APPROVAL PROCESS</b>		
1.	Preparation of a space request form, (SRF). Submit to REP.	Agency/Institution
2.	For large space needs, Broker may prepare buy/build, lease analysis.	REP/Broker
3.	Review space request per best practices and approval of SRF.	REP
4.	Submit SRF to OSPB if appropriate.	REP/ Agency/Institution
5.	Complete Tenant Authorization Letter and send to contracted real estate broker if requirement is in Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, Jefferson, El Paso or Pueblo Counties.	Agency/Institution
6.	In locations not covered by a Broker contract, REP with the requesting Agency/Institution will determine the negotiating plan and appoint the program responsible person.	REP/ Agency/Institution
<b>B. ENGAGEMENT PHASE – BROKER ASSISTED ACQUISITIONS</b>		
1.	Broker will contact Agency/Institution to set up initial meeting.	Broker
2.	Broker will prepare and submit space use program to Agency/Institution and REP.	Broker
3.	Evaluate whether space needs can be met by an existing state owned building or collocated in state leased space.	REP/Broker/ Agency/Institution
4.	Broker will select initial location options and submit to Agency/Institution for review.	Broker
5.	Agency/Institution will set appointment with Broker to tour potential locations and identify and potential concerns such as ADA access or the presence of asbestos*.	Agency/Institution
<b>C. TRANSACTION PHASE</b>		
1.	Broker will solicit offers from all preferred location landlords.	Broker
2.	Broker will prepare comparative financial analysis and submit to agency/institution and REP. For leases in excess of \$75,000 annually, or that contemplate additional appropriations for lease costs, Agency/Institution then submits to OSBP if requested.	Broker/ Agency/Institution

STATE OF COLORADO  
OFFICE OF THE STATE ARCHITECT  
REAL ESTATE PROGRAM - POLICIES AND PROCEDURES MANUAL  
CENTRALIZED LEASING POLICY #1-2005

- |    |   |                            |
|----|---|----------------------------|
| 3. | Agency/Institution with input from REP, selects preferred location.   | REP/<br>Agency/Institution |
| 4. | Agency/Institution will notify Broker of final selection and authorize Broker to prepare initial lease draft.   | Broker                     |
| 5. | Broker prepares lease draft and submits to Landlord, Agency/Institution and REP for edits and comments.         | Broker                     |
| 6. | Broker submits final lease draft to Landlord for execution, and then sends to agency/institution for execution. | Broker                     |
| 7. | For transactions without Broker assistance, Agency/Institution and REP will do steps 1 thru 6.                  | REP/<br>Agency/Institution |
| 8. | Agency/Institution executes the lease and forwards to Central Approvers as appropriate.                         | Agency/Institution         |

**\*Asbestos: Should the agency or institution determine that tenant improvements are needed in the preferred location, an inspection of the space as specified in Section V of Part B of Regulation 8 should be performed prior to lease execution to determine if an asbestos response action is warranted.**