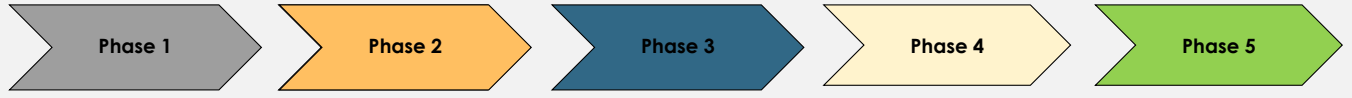


Lease Initiation, Approval, and Transaction Process



30 days to complete	30 - 60 days to complete	90 - 150 days to complete	150 - 240 days to complete	240 - 365 days to complete
<p>The REP notifies each agency/IHE of a pending lease expiration one year in advance of exp. date and provides a Space Request Form</p> <p>Agency/IHE will complete the SRF and submit it to the REP for review</p> <p>Kickoff meeting arranged with the REP to establish options and process</p> <p>If the requirement is predominantly office space, the Statewide Planning Program will assist with space needs and seat count</p>	<p>Agency will either proceed with collocation or begin the lease transaction process with an invitation to negotiate</p> <p>The REP will assist with each transaction and will connect the agency with the State's contracted real estate services provider, if necessary</p> <p>A Tenant Authorization Agreement ("TAA") should be completed if the real estate vendor is engaged</p> <p>Consultation meeting between agency, broker(s), and the REP; initial market search & results</p>	<p>Agency will select properties from list provided by the REP and/or real estate vendor</p> <p>The REP and real estate services provider will contact leasing agents and arrange property tours</p> <p>Agency will tour properties, assess viability, and select most desirable properties for RFPs</p> <p>The REP and real estate provider will draft, review, and send RFPs to desirable properties</p>	<p>RFPs submitted for proposals from landlords</p> <p>Once landlord's respond to the RFPs, the results will be analyzed and discussed</p> <p>The agency will make a final selection of the most desirable properties</p> <p>Revised RFPs will be sent back to a final selection of properties and test fits may be conducted</p> <p>Based on final RFP negotiations and test fit summaries, the agency will select the best property to pursue</p>	<p>Final terms and conditions agreed upon by both parties</p> <p>Lease drafting begins with an initial draft submitted to the landlord</p> <p>The landlord reviews and revises the draft lease, if necessary</p> <p>Both parties might revise the business and legal terms of the draft multiple times</p> <p>Once the parties agree on all lease terms, a final draft is circulated for review before the document is routed for execution</p>

Phase 1 - Project Definition, Requirements, and Strategy	Phase 2 - Invitation to Negotiate, Broker Engagement, Market Survey	Phase 3 - Analyze Survey Results; Conduct Property Tours	Phase 4 - Request for Proposals, Test Fits, Final Selection	Phase 5 - Lease Drafting and Final Contract Execution
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List of Activities	List of Activities	List of Activities	List of Activities	List of Activities
<p>For existing leases, the Real Estate Program will notify the agency/IHE at least 12 months in advance of a pending lease expiration and provide a Space Request Form ("SRF") for the agency to complete.</p> <p>The agency should establish its space needs, complete the SRF, and return it to the REP. The same process should be followed for new leasing requirements.</p> <p>The Real Estate Program will arrange a kickoff meeting with the agency/IHE to establish options. If the agency needs the lease office space then the Statewide Planning Program will also be involved.</p> <p>If predominantly office space, the agency should complete a Space Needs Form ("SNF"), establish a seat count and identify any unique requirements.</p> <p>The Real Estate Program will explore collocation opportunities within the agency/IHE and with other agencies/institutions to determine if there is any space available within other leased or owned facilities.</p> <p>Based on the information collected during this process, the agency will continue with the transaction by collocating with another agency/IHE, leasing space in the private sector, or the request may be closed.</p>	<p>If the REP and the agency or institution determine that no collocation opportunities exist, the agency or institution will continue by searching for locations in the private sector.</p> <p>With an invitation to negotiate, the agency will sign a Tenant Authorization Agreement ("TAA") if the agency requires the assistance of the contracted real estate services provider.</p> <p>After the TAA letter is signed, the REP, agency, and the real estate services provider will hold a consultation meeting.</p> <p>During the kickoff meeting, the agency, Real Estate Program, and real estate services provider will discuss the information that was previously gathered.</p> <p>The real estate services provider and/or the Real Estate Program will use the information gathered from the previous phases to begin searching the market for eligible locations.</p> <p>The real estate services provider or the Real Estate Program will provide the agency with a market survey that will show properties available to lease within the desired search parameters.</p>	<p>A survey of available properties within the agency's search parameters will be provided to the agency for review.</p> <p>After the agency has reviewed the survey and selected properties to tour, the REP and the real estate services provider will coordinate property tours.</p> <p>The agency and the real estate services provider and/or the REP will tour properties selected from the market survey.</p> <p>After touring, the agency, the REP, and the real estate services provider will reconvene to discuss the site visits.</p> <p>The agency will select properties of which it is interested in soliciting proposals.</p> <p>The contracted real estate services provider, along with help from the REP, will draft, review, and send Request for Proposals ("RFPs") to the selected properties.</p>	<p>After the initial round of RFP submissions, the agency should receive proposals from landlords and begin reviewing the landlords' proposed terms and conditions.</p> <p>Each RFP will be reviewed and organized in a comparative analysis. The REP and real estate services provider will discuss the analysis and corresponding RFPs with the agency.</p> <p>Depending on the outcome of those discussions and analyses, the agency/institution, with the guidance of the REP and real estate services provider will revise and resubmit RFPs to the landlord(s).</p> <p>Along with a resubmission of the RFPs, the agency should conduct test fits of each location to determine tenant improvement costs and space layout.</p> <p>Once the approximate costs of tenant improvements are known and the revised RFPs are returned to the agency, a final property selection should occur.</p> <p>The agency will consider its options in light of the information it received from the other RFPs and costs associated with tenant improvements and should select the most preferred property.</p>	<p>Once the parties agree to proceed with final lease negotiations, a draft of the lease will be sent to the landlord for review and approval.</p> <p>The landlord might return the draft with proposed changes to the terms and conditions that will need to be reviewed by the agency and may also need to be reviewed by the AG's office or Risk Management.</p> <p>After the lease is reviewed by the agency, the REP, the real estate services provider, and possibly the AG's office, and Risk Management, it is sent back to the landlord with final changes.</p> <p>The landlord may want to continue negotiating final lease terms, in which case the negotiations process may continue.</p> <p>The parties will continue to negotiate the lease provisions until everyone is satisfied with the final contract.</p> <p>When a final draft is acceptable to all of the parties involved, a final contract will be circulated for execution.</p>

Phase 1 Outcomes	Phase 2 Outcomes	Phase 3 Outcomes	Phase 4 Outcomes	Phase 5 Outcomes
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List of Outcomes	List of Outcomes	List of Outcomes	List of Outcomes	List of Outcomes
<p>The Space Request Form will provide the OSA with information that will enable the agency and the OSA to determine the correct space needs.</p> <p>The kickoff meeting will provide the agency, the REP, and Statewide Planning with an opportunity to discuss space needs.</p> <p>If the agency needs to lease predominantly office space, it will need to work with the Statewide Planning Program to establish its space needs.</p> <p>The OSA and the agency will search for collocation opportunities before exploring the private sector. If a collocation opportunity exists, the agency should pursue that option first.</p>	<p>The OSA will continue to support each agency with its real estate needs throughout the leasing process.</p> <p>The OSA will provide assistance to each agency throughout the leasing process and will coordinate all activities with the contracted real estate services provider.</p> <p>The REP and the real estate services provider will professionally represent each agency zealously and fairly through the leasing process.</p> <p>The market survey is a proper and customary way to ensure that the State is getting market rates in the private sector.</p>	<p>The list of available properties serves as an invaluable resource and should offer good information about market conditions and desirable properties.</p> <p>Touring properties serves as an opportunity for the agency to gain knowledge about the surrounding location and condition of each building.</p> <p>After a thorough investigation of available properties, the agency should be in a better position to decide on how to proceed.</p> <p>The goal is to identify and select a few properties that are worthy of pursuing and to draft RFPs for the purpose of showing the agency's interest in further negotiations.</p>	<p>Proposals received from landlords not only indicate the landlord's willingness to lease the space, but also provide important information about the lease.</p> <p>The REP and the contracted real estate services provider will work as a team to professionally analyze the results of the RFPs and present the information in a meaningful way.</p> <p>The agency will need to utilize architects to perform test fits to determine final construction costs and the properties to pursue. Often the landlord will provide the architects and pay for the test fits.</p> <p>The pricing of construction costs based on test fits is often a major factor in deciding which property to select for the final proposal.</p>	<p>After the agency has made its final selection, it will begin lease negotiations, which can be laborious depending on the complexity of the deal.</p> <p>Lease negotiations tend to isolate the finer points of the transaction and can often include other experts such as attorneys and risk management personnel.</p> <p>The goal of this final phase is to reach deal terms that are mutually beneficial to both parties. The RFP should serve as a guide for further negotiations.</p> <p>A final executed lease that is mutually acceptable to both parties results in a win-win scenario for everyone involved and concludes the real estate leasing process.</p>