

SECTION 4-7 LEASE ACQUISITION

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4-7-00 POLICY

The Administrator of General Services delegated leasing of below prospectus level general-purpose space to The Secretary of the Department of Health and Human Services, effective October 14, 1996. The Secretary, HHS has re-delegated this authority to National Institutes of Health, Indian Health Service, Centers for Disease Control and Prevention, Food and Drug Administration, and the Program Support Center.

The Office of the Secretary has overall responsibility for management and provision of technical and administrative services to all facility development and operations in support of HHS' mission, including real estate, acquisition services, property management, design, construction, facilities planning and environmental protection. The Office of the Secretary, Office for Facilities Management and Policy (OFMP) promulgates and enforces overall space policy, including build-out standards, leasing, and safety policy. The OFMP must approve all leases to ensure adherence to space utilization standards. Additionally the Office of Public Health Emergency Preparedness (OPHEP) reviews all leases for the physical security. OFMP will issue written approval of the space acquisition.

Federal agencies must acquire and utilize the space in accordance with all applicable laws and regulations, including, but not limited to, the Competition in Contracting Act (CICA), Federal Management Regulations (FMR), Executive Order 12072, Executive Order 13006, Davis Bacon Act, and the Federal Acquisition Regulations (FAR) in order to:

1. Protect the public interest by conservation of property and prudent management of resources;
2. Effectively support the HHS and HHS missions by assuring facilities operation and performance of maintenance at a level of adequacy that will continually provide attractive and functional facilities and a high quality work environment, comparable to industry, for HHS employees and the public they serve.

In addition to Federal Regulations and Executive Orders, HHS OPDIVs are required to adhere to the HHS Space Utilization Policy issued on July 14, 2003.

Apart from the 1996 GSA-delegated leasing authority, HHS OPDIVs have legislative and/or regulatory authority to perform leasing activities. These authorities are cited below:

1. 41 CFR 102-73.195 – authorized HHS agencies to lease laboratories for periods of up to five years (including options);
2. Public Law 94-437, 810, as amended, Indian Health Care Improvement Act, authorizes the IHS to enter into leases with Indian Tribes for periods of up to 20 years;

3. Public Law 93-638, 105(1), Indian Self-Determination and Education Assistance Act, requires IHS to enter into leases (upon request) with Indian Tribes and tribal organizations for tribally-operated programs;
4. Public Law 100-690, 1987 OMNIBUS Drug Supplemental Appropriations Act, authorizes IHS to lease space for Youth Regional Treatment Centers for American Indians and Alaska Natives (in-patient services);
5. Section 413(b)(6)(C) of the PHS Act (42 USC 285(d)(2)) authorized the Director, National Cancer Institute to acquire space in the District of Columbia (DC) or communities adjacent thereto for the use of the Institute for a period not to exceed ten years.
6. Section 421(2)(C) of the PHS Act (42 USC 285-3(b)(2)(c)) authorizes the Director, National Heart Blood and Lung Institute to lease space in DC or communities adjacent thereto for the use of the Institute for a period not to exceed 10 years.

DEFINITIONS.

For the purposes of Section 4-7 of this manual, the following definitions shall apply.

Acceptance of Space – A certification and commitment from an Agency to occupy space. Based on Agency acceptance, GSA may commit to the use of Government funds to award a lease, make a commitment for initial alterations, and/or establish a date of occupancy. Agencies are financially responsible for losses incurred by the Government caused by any failure by the Agency to fulfill a commitment to accept space.

Agency-Controlled Space – Federally owned, leased, or controlled space acquired or used by Federal Agencies under any authority other than the Federal Property and Administrative Services Act of 1949, as amended. It also includes space for which GSA has delegated authorities for acquisition, use, or disposal to other agencies.

Available Space – The total amount of space that is currently being marketed as available for lease in a given period. It includes any space that is available, regardless of whether the space is vacant, occupied, available for sublease, or available at a future date.

Build-Out – Refers to the preparation of space for occupancy including lighting, outlets, partitions, doors, carpet, paint, etc. This could mean either demolition of existing partitions, doors, outlets, etc., and then new interior construction or construction from a shell to meet contract terms.

Build-to-Suit – A term describing a particular property, developed specifically for a certain occupant to occupy, with structural features, systems, or improvement work designed specifically for the needs of the tenant. A build-to-suit can be leased or owned by the tenant. In a leased build-to-suit, a tenant will usually have a long-term lease on the space.

Central Business District – the designation of a Central Business District (CBD) and Suburban refer to a particular geographic area within a metropolitan area, describing the level of real estate development found there. A high density, well-organized core within the largest city of a given metropolitan area, characterizes the CBS.

Construction Documents – Scaled, hard-line drawings communicating a client's exact requirements for build-out. A construction document package contains full and complete furniture plans, finish

plans, telephone/electrical plans, construction/demolition plans, and plumbing, mechanical, structural, and electrical engineering plans

Delineated Area – The specific boundaries within which space will be obtained to satisfy an Agency space requirement.

Delivery Date – The date a building completes construction and receives a certificate of occupancy.

Design Intent Drawings (DIDs) – Hard-line drawings of sufficient detail to communicate the client's requirements for build-out. Generally includes full furniture and architectural plans with telephone and electrical locations. Does not include structural, mechanical or engineering drawings.

Existing Inventory – the square footage of buildings that have received a certificate of occupancy and are able to be occupied by the tenants. It does not include space in buildings that are either planned, under construction or under renovation.

FedBizOpps – Formerly titled synopsis of United States Government Proposed Procurement, Sales and Contract Awards. Publishes not only these facts, but also subcontracting opportunities and advance notices of proposed contracts.

Federally Leased Space – Space for which the United States Government has a right of occupancy by virtue of having acquired a leasehold interest.

Leased Space – All of the space that has a financial lease obligation. It includes all leased space, regardless of whether the space is currently occupied by a tenant. Leased space also includes space being offered for sublease.

Lessor – One who lets property under a lease.

Market – Geographic boundaries that serve to delineate core areas that are competitive with each other and constitute a generally accepted primary competitive set of areas. Markets are building type specific, and are non-overlapping contiguous geographic designations having a cumulative area that matches the boundaries of the entire Region. Markets can be further subdivided into sub markets.

Owner – The company, entity, or individual that holds title on a given building or property.

Request for Space – A written document upon which an Agency provides GSA with the information necessary to assign space. A request for space shall be submitted on Standard Form 81 and Standard Form 81-A, and the Space Requirements Questionnaire. The request shall, at a minimum, contain descriptions of the amount of space, personnel to be housed, geographic area, time period required and funding availability.

Quoted Rental Rate – The asking rate per square foot for a particular building or unit of space by a broker or property owner. Quoted rental rates may differ from the actual rates pay by tenants following the negotiation of all terms and conditions in a specific lease.

Rent – The amounts GSA charges for space and related services to its agencies with tenancy in GSA-controlled space. Rent is capitalized to differentiate it from the “rent” that GSA pays lessors.

Rental Rates – The annual cost of occupancy for a particular space quoted on a per square foot basis.

Sealed Bid – A prospective contractor’s reply to the solicitation form used for formally advertised procurements.

Solicitation for Offers (SFO) – Request submitted to prospective offerors. Means invitation for bids in sealed bidding and request for proposals in negotiations per GSAM 570.102.

Space - The area within the confines of buildings and land incidental to their use that is under Federal agency’s custody and control.

4-7-10 PROCEDURES

General procedures of lease acquisition should follow the GSA Pricing Desk Guide.

A. MARKET SURVEY PROCEDURES

A market survey is used to identify potential sources that meet HHS requirements for real property. Market surveys may use information available within GSA or other sources that will meet the Government’s minimum requirements (GSAM 570.301). All potential facilities must be surveyed and judged in the same manner and use the same criteria. Full documentation is necessary to avoid any potential claims of unfairness. The market survey is utilized as a means of obtaining the best space and at the best value to the Government. OPDIVs using delegated leasing authority for leases exceeding the simplified lease acquisition threshold must obtain offers from the maximum number of qualified sources capable of meeting the government’s minimum requirements. All documentation is to be maintained in the procurement file.

The GSA local office can provide basic information about what is available and market rates. The Local Office can aid the Contracting Officer in preparing public advertisements; determining competitive responses and offers, based on market conditions; and making an award that represents the best value to the Government. In addition to the GSA local office, there are other sources of market information available to the Contracting Officer. For example market data can be gathered from local newspapers, real estate brokers, local business people, local board of realtors, recent government market surveys and resultant offers, recent appraisals, the local chamber of commerce, real estate publications by the Building Owners and Managers Association (BOMA), Black’s Guide, and the Crane Business Report. Touring desirable locations is another method for gathering marketing data.

The acquisition of federal space requires public advertisement in all non-exempt leasing actions for blocks of space of more than 10,000 square feet. Such advertisements must be publicized in local newspapers and FedBizOpps. In cases where the Government proposes to lease a building to be constructed on a predetermined site, the proposed acquisition must be publicized in FedBizOpps.

Advertisements should broadly define the requirements of space and give all interested parties information to respond to the announcement, including delineated area. The delineated area is the specific boundaries (by streets located to the north, south, east, and west) within which space will be obtained to satisfy the HHS space requirement. The advertisement usually runs once. In order to ensure competition, the Contracting Officer may run other ads in real estate trade journals.

1. Market Survey Form: The HHS will use GSA Form 3627 for market surveys. All items or blocks in the form must be completed. The form should be used to record information on each property surveyed. Supporting documents such as floor plans, photos, or tenant directories that are

provided should be attached to the form. Completed forms should be kept with the lease solicitation file. The listing file should contain forms for all facilities surveyed for the solicitation. The successful offeror's form must be placed in the official lease file.

2. Discussions with Offerors: A market survey is for information only and the Government should not enter into negotiations with a potential offeror. The government shall inform the offeror that a market survey is not a solicitation for offer or commitment on the Government's part whatsoever. The offeror should be informed that an official solicitation for a written offer would be sent if the property meets the minimum standards. Informal discussions are permitted that allow the offeror to state the asking price.

The Government will avoid stating any opinion regarding the acceptability of the property. It is permissible during the market survey to tell the offeror that the property will probably not be considered when major defects are noted. However, the offeror should not be prohibited from competing, but note that the offer will not be considered unless the defects are corrected before occupancy.

B. LEASE ACQUISITION PLANNING PROCEDURES

Lease acquisition strategy is to leverage the market place by providing the best value for the HHS in acquiring and administering leased space. Lease acquisition strategy will also further define the Solicitation for Offers (SFO). Each OPDIV is required to ensure written availability of funds through the OPDIV Chief Financial Officer (CFO).

Executive Order 12072 requires that first consideration to meet space needs in urban areas be given to the centralized community business area, or central business district (CBD). The local government defines central business districts.

1. Space Available within HHS Current Lease Inventory: The OPDIV Real Estate Specialist should first review HHS's lease inventory in the delineated area by contacting the HHS Office of Facilities Management and Policy to determine if space is available to meet the requirement. Any existing lease should have two years remaining on the lease term.
2. Space Available within GSA Current Lease Inventory: GSA must be notified of pending lease acquisitions and GSA must certify that no space is available. The Real Estate Specialist should review GSA lease inventory in the delineated area to determine if space is available to meet the requirement. The current GSA inventory can be found at <http://www.iolp.gsa.gov>.
 - a. No Space Available: If there is no space available in GSA's inventories the Real Estate Specialist must be notified in writing or e-mail by GSA and the lease acquisition process may begin.
 - b. Special Purpose Space: These types of space are generally not available through GSA; therefore HHS OPDIVS may enter into Direct Leases. Refer to 41 CFR 102-73.
3. Full and Open Competition: FAR 2.101 defines full and open competition as permitting all responsible sources to compete. The procedures for full and open competition are as follows:
 - a. Negotiated Acquisitions
 - b. Sealed Bids
4. Other than Full and Open Competition: The Competition in Contracting Act of 1984 permits under certain specified conditions, contracting without providing for full and open competition. FAR 6 covers the requirements, and approvals for other than full and open competition. The requirements are:

- a. Only one responsible source and no other supplies or services will satisfy agency requirement;
 - b. Unusual and compelling urgency;
 - c. Industrial mobilization; engineering, developmental, or research capability, or expert services;
 - d. International agreement;
 - e. Authorized or required by statute;
 - f. National security; and
 - g. Public interest (FAR 6.302)
5. Competition for Leases not exceeding the Simplified Lease Acquisition Threshold: Simplified lease acquisition procedures will be used for procurements that do not exceed the simplified lease acquisition threshold of \$100,000 average net annual rent for the term of the lease, including option periods excluding operating cost.
- a. Solicit at least three sources to promote competition to maximum extent possible
 - b. When repeated requirements for space occur in the same market and if practicable, invite two sources not included in the most recent solicitation to submit offers.
 - c. If one source is solicited, document the file with explanation for the lack of competition.
 - d. If sources that are not solicited learn of the requirement and express an interest, their space must be considered if they meet, or can be made to meet the requirements.

C. METHODS OF LEASE PROCUREMENT

1. Sealed Bidding: Sealed bidding requires that all bidders be given a definitive set of requirements and they offer precisely the product or service specified. Evaluation is made as to responsiveness, responsibility and price. Negotiation or discussion is not allowed. "Federal Property Administration Services Act" (FPASA) § 303(a) (2) (a), and FAR 6.401 require that an agency solicit sealed bids if:
 - a. Time permits solicitations, submissions, and evaluation of sealed bids.
 - b. The award will be made solely on the basis of price and price related factors.
 - c. It will not be necessary to hold discussions with offerors.
 - d. There is reasonable expectation of receiving more than one sealed bid.

The use of sealed bidding is usually not practical; unless the building site is pre-selected on the site in accordance with Government-furnished construction documents for lease to the government.

2. Negotiated Acquisition: Negotiated acquisition is any method of purchase or leasing that is not sealed bidding. FPASA § 303(a) (2) (b) directs agencies when sealed bidding is not appropriate. Negotiated acquisition is the preferred method of acquiring lease space because it is necessary to conduct discussions with offerors about their proposals and factors other than price must be considered in making an award.

D. LIMITS TO HHS/OPDIV DELEGATED LEASING AUTHORITY

The HHS' delegated leasing authority is limited to projects with a net annual rent (annual rent less operating cost) that is not expected to exceed the prospectus threshold. Projects expected to exceed the threshold require Congressional approval and must be performed by GSA. The prospectus threshold is indexed and changed annually. Refer to Internet Reference Information for link to annual Prospectus Threshold. See Section 4-7-20A for link to current prospectus reporting thresholds

E. SHORT-TERM LEASE PROCEDURES

Leases for emergency space, short-term space, and swing space must be pre-approved by GSA and HHS.

F. SOLICITATION FOR OFFERORS AND AWARD PROCEDURES

The Solicitation for Offers (SFO) is required for all Government lease acquisitions and must include all necessary information to permit an offeror to submit a proposal. The SFO is the foundation for the entire lease negotiation process and will become part of the lease. FMR 102-73.100 requires executive agencies to use the Competition in Contracting Act of 1984 for full and open competition among suitable locations meeting minimum government space requirements. The SFO must set performance criteria by which the lessor must perform and it must also set the evaluation criteria by which proposals will be evaluated. The evaluation criteria must be set forth in the SFO with clear specificity so that offerors making proposals will know in advance by what criteria their proposals will be evaluated. The evaluation criteria in the SFO cannot be overly restrictive. The SFO must disclose the relative order of importance of the evaluation factors in the evaluation criteria. When no order is stated in the SFO then it will be presumed that all of the criteria carry the same weight. The SFO must state whether price is more important or equal to the technical factors. See Exhibit X4-7-A for suggested evaluation factors for award and Exhibit X4-7-B for relevant forms.

The government Contracting Officer or the Realty Specialist, has the responsibility for selecting and incorporating the general provisions, required clauses from the General Services Administrative Manual (GSAM) that sets forth all the clauses that can be included in a government lease. The solicitation is a written document and the provisions selected are based on particular requirements for each lease and the date of delivery or date of performance, and the solicitation must clearly establish the OPDIV's needs.

A sample SFO for leasing can be found on the GSA website. This sample contains appropriate terms, conditions, and clauses required for the lease contract.

Award Procedures: Develop an abstract for offers to determine responsiveness to the SFO and Communicate with offerors to discuss responsiveness and provide an opportunity to correct deficiencies. (Suggested award factors are provided as Exhibit X4-7-A.) The award letter will formally transmit the executed lease and transmits SFO amendments.

G. PREOCCUPANCY LEASE ADMINISTRATION

1. Requirements for Build-Out: The lease provides consideration for Lessor to provide space to meet the Government's needs before the Government can occupy it. Rent will not commence until space is provided in accordance with the terms and conditions in the lease.
2. Program Documents (Section 9): The Program Documents section of the lease is a contract document that is binding on both the Government and the Lessor. It is the primary basis for tenant build-out. All parties involved in the development and negotiation of the Program Documents must realize and

clearly understand that Program Documents cannot be changed without consideration of cost, time and scope. It is very important to prepare a set of Program Documents that is clear, concise, correct, and complete.

3. Performance Requirements (Sections 4 through 8 of the Lease): The lease provides the performance requirements for the build-out for the lease. These sections also contain provisions that prescribe contractual obligations with respect to r tenant build-out. All parties involved in the development and negotiation of the lease must realize and clearly understand that these sections cannot be changed without consideration of cost, time and scope.
4. Government Design Review: The Government shall review the Lessor's build out plans and specifications for compliance with the Program Documents and the lease for the build-out. The review intervals shall be established in the lease or through agreement between the Contracting Officer and the Lessor.
5. Government Acceptance and Measurement of Space: The Government shall conduct a final walk-through with the Lessor of the build out space to determine if the space is substantially complete. The Government and the Lessor will identify visible deficiencies in the built out space and establish a punch list for the Lessor to complete at a mutually agreed upon time between the Government and Lessor.
6. Measurement of Space: Space shall be measured in accordance with (GSA Space Measurement Guidelines) ANSI/BOMA Standard (ANSI/BOMA Z65.1 – 1996)
7. Existing Conditions Survey: Before taking beneficial occupancy the Government shall prepare an existing conditions survey report to document the conditions of the premises. The Existing Condition Survey will be the basis for determining the Government's responsibility at the termination of the lease.
8. Beneficial Occupancy: Once the Government and the Lessor determine and agree that the build-out is substantially complete the Government may take beneficial occupancy.
9. Lease Performance Period: Rent begins when the Government occupies the space or at substantial completion. The Government and the Lessor must execute a Supplemental Lease Agreement (SLA) to establish the performance period of the lease and to ratify the actual rentable space.
10. Default in Delivery – Time Extensions: If the Lessor fails to do the work with diligence that will ensure its substantial completion by the delivery date or fails to substantially complete the work by such date, the Government may by notice to the Lessor terminate the lease. The Lessor and the Lessor's surety, if any shall be jointly and severally liable for any damages to the Government resulting from the termination of the lease.

H. DESIGN AND BUILD-OUT PROCEDURES

The design and build-out phase of the project further develops the preliminary programming information of the solicitation into the documents necessary for a contractor to construct, or build-out the space interior. The Government is not privy to the Lessor's design or construction contract and therefore has little oversight; however, the Lessor must deliver the space in according to the conditions specified in the lease.

During the design period, the architect/engineering firm (A/E) meets with the agency and creates scaled drawings indicating the agency's desired space layout and finishes. The drawings are developed in iterations starting with a simple partition layout. Adding electrical/voice/data locations, and other general space attributes constitute the Design Intent Drawings (DIDs). The drawings review intervals are established in the lease or through agreement between the Contracting Officer and the Lessor. This process repeats several times, refining the scope of the build-out, and culminates in complete space drawings and specifications, which are called the contract documents.

At or near the completion of the contract documents, the Lessor must obtain pricing for the work shown on the contract documents. The preferred pricing method is for the lessor to compete the build-out scope of work. This may be a competition among general contractors, or with a lessor-assigned general contractor, and a competition of the varying trades, e.g. carpenters, electricians, etc. There are other variations on the theme of integrating an atmosphere of competition into the build-out pricing. However, due to programmatic or scheduling requirements, the cost of the build-out may be negotiated with a single contractor. Regardless of build-out procurement method, a base cost of work is set, and the lessor provides the build-out schedule. This schedule must set forth significant milestones to ensure that the lease occupancy date will be met. The schedule is critical to coordination of the Government's contractors, i.e. voice/data cabling, furniture/fixtures/equipment (FFE), and physical relocation. The SFO contains a paragraph addressing liquidated damages which are penalties paid by the lessor should there be a lessor-caused delay in delivery of the space. Numerous aspects of the build-out phase are administrative. These include holding regular progress meetings, procedures for changes in the work, channels of communication, government representatives and their limits of authority, and the coordination of Government direct contracts, and the contractor's access to the site and work hours. The build-out is complete when the contractor has completed all work and the local building officials have issued a certificate of occupancy (CO).

When notified by the contractor that all work is complete, a final walk-through for space acceptance occurs. This walk-through is usually coincident with the creation of a contractor deficiency list, or punch list, of omitted or substandard work items. With a certificate of occupancy, and agreement that the space is substantially complete, the Government may occupy the space. The contractor is typically allowed to work minor punch list items as the Government occupies the space.

4-7-20 GUIDANCE AND INFORMATION

A. INTERNET REFERENCE INFORMATION

The following web sites, internet links, and references provide guidance and information relevant to federal leasing.

Federal Management Regulations, are found within Title 41, Subtitle C of the Code of Federal Regulations –

<http://www.access.gpo.gov/cgi-bin/cfrassemble.cgi?title=200141>

Executive Orders including 12072 and 13006 -

<http://www.gsa.gov/Portal/gsa/ep/indexView.do?pageTypeId=8199&channelId=-13339>

Public Law 93-638 – <http://www.ihs.gov/NonMedicalPrograms/chr/pl93-638.cfm>

Public Law 100.690 – www.hawaii.edu/ohr/emp-d&b/drug/pl100690.pdf

42 USC 285(d) (2) – a257.g.akamaitech.net/7/257/2422/14mar20010800/edocket.access.gpo.gov/cfr_2002/julqtr/pdf/41cfr101-17.0.pdf

Davis Bacon Act – <http://www.dol.gov/esa/whd/contracts/dbra.htm>

FAR clauses including 6.202, 6.203, 6.204, 6.205, 6.302, 6.303, 6.304, 6.401. 9.104-1, 15.208, 15.303, 15.305, 15-306, 15.505, and 15.506 at <http://www.arnet.gov/far/>

General Services Administrative Manual (GSAM) including clauses GSAM 501.603, 570.301, 570.303-3, 570.306, 570.307, 570.307, 570.308, 570-309, and 570.7 at http://www.gsa.gov/Portal/gsa/ep/contentView.do?contentType=GSA_BASIC&contentId=13604&noc=T

GSA forms and standard forms such as SF 2, GSA 1166, GSA 1364, GSA 3626, GSA 3627, and GSA 3628 are available at <http://www.gsa.gov/Portal/gsa/ep/formslibrary.do?formType=ALL>

FPASA 303 - http://www.dtic.mil/envirodod/Policies/Archives/appndx_f.htm

Prospectus reporting thresholds - http://www.gsa.gov/Portal/gsa/ep/contentView.do?contentType=GSA_BASIC&contentId=16247&noc=T

ANSI/BOMA Z65.1-1996 – Standard Method for Measuring Floor Area in Office Buildings is available for purchase at <http://www.boma.org/ProductsAndResearch/Standards/StandardMethodForMeasuringFloorAreainOfficeBuildings.htm>

Energy Policy Act of 1992 - <http://www.epa.gov/radiation/yucca/enpa92.htm>

Security Standards for Leased Space ISC Subcommittee Final Report, dated May 16, 2003.

Americans With Disabilities Act (ADA) - <http://www.usdoj.gov/crt/ada/adahom1.htm>

Competition in Contracting Act of 1984 – http://www.gsa.gov/Portal/gsa/ep/contentView.do?pageTypeId=8199&channelId=-13340&P=PRCOE&contentId=11625&contentType=GSA_BASIC

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SUGGESTED AWARD FACTORS & EVALUATION OF BUILDINGS AND SITES

- A. Ability to meet the Requirements in the Solicitation for Offers
1. Adequate Space to Meet the Requirements
The Offeror must provide adequate space to meet HHS needs. If the offeror's proposal does not provide adequate space, the proposal may be considered as non-responsive.
 2. Configuration of Space to Meet the Requirements
The Offeror must provide space that meet HHS's functional and adjacency requirements. If there is a need for the space to be contiguous, it should be required in Program of Requirements attached to the SFO. The efficiency of circulation between and with space should be considered.
 3. Adequate Structural Capacity.
The structural system of the property must be able to accommodate HHS needs. Unusual structural requirements should be noted in the Program of Requirements attached to the SFO.
 4. Adequate Building Systems
The Offeror's building systems (i.e. HVAC, plumbing, fire protection, electrical and communications systems) must be adequate to meet HHS's needs. Unusual building systems should be noted in the Program of Requirements attached to the SFO.
- B. The Ability to Deliver a Turnkey Facility in Accordance with the Government's Requirements.
1. Minimum construction needed to meet the Government's Requirements.
Offers that can meet the requirements as is or with the least amount of construction is desirable because it will allow the HHS to occupy the space soon after award of lease at a lower rent.
 2. Offers with earliest delivery date.
Consideration should be given to the ability of the offeror to deliver the space at the earliest possible date in a cost efficient manner.
- C. Transportation
1. Highway Access
The property should be located on or very close to an arterial street as defined by the local planning jurisdiction.
 2. Parking
The property should be located in an area where there is adequate parking for HHS staff
 3. Public Transportation
The property should be located within 2,500 feet walking distance to mass transit
 4. Pedestrian Traffic
The property should be accessible to pedestrians without major conflicts with vehicular and service traffic.
 5. Emergency Access
All occupied structures on the property should be accessible on all sides to emergency response vehicles and personnel.
 6. Service Access
The property should be accessible to service vehicles and have adequate loading docks to accommodate the needs of HHS mission
 7. Architectural and Transportation Barriers
The property should be accessible to persons with disabilities free of architectural and transportation barriers in accordance with the Americans with Disabilities Act and/or state or local regulations and laws.

- D. Neighborhood Amenities
 - 1. Eating Establishments
The property should in close proximity to eating establishments within a ___ minute walking distance.
 - 2. Shopping
The property should in close proximity to shopping facilities
 - 3. Postal Services
The property should in close proximity to postal services.
 - 4. Healthcare
The property should in close proximity to healthcare facilities
 - 5. Quality
The property should be located in a neighborhood that is well maintained and free of blight
 - 6. Other
- E. Ground Floor Space
 - 1. Offers providing ground space
- F. Energy
 - 1. Energy efficient construction, equipment and fixtures
The buildings on the property should be constructed to meet federal energy requirements in accordance with the Energy Policy Act of 1992
- G. Environmental Features
 - 1. Noise: *The site should not be in close proximity to sources of noise such as highways, power plants, and service areas.*
 - 2. Air and Water Quality: *The site should not be in close proximity to sources of air or water pollution.*
 - 3. Solid Waste Disposal: *Solid waste disposal services should be economically available to the site.*
 - 4. Hazardous Waste Contamination: *The site should be free of hazardous materials.*
 - 5. Historic Characteristics: *The historic and archeological features of the site should be considered.*
- H. Maintenance and Operations
 - 1. Building and Janitorial Services
The Offeror should provide adequate maintenance and janitorial services to maintain the property.
- I. Security
 - 1. Site Security
Lessor should provide an electronic key card perimeter security system during non-duty hours which should be monitored 24 hours per day and provide a level of security which reasonably deters unauthorized entry to the leased space. At the Government's expense, the Government retains the right to implement security requirements in accordance with the Vulnerability Assessment of Federal Facilities report of the U.S. Department of Justice, June 28, 1995 or other applicable Federal policy.
 - a. Grouping of Structures
The grouping of structures should reinforce associations of mutual benefit. There should be delineated paths of movement; there should be defined areas of

- activity for particular users through their juxtaposition with internal work areas, and provides for natural opportunities for visual surveillance. The grouping of buildings should promote a clear understanding of the function of the space*
- b. **Visibility of Streets and Open Space**
Streets and open spaces should be visible from the workspace within the property. Building entrances and lobbies should be visible from the street.
 - c. **Subdivision of the Site**
The site should be subdivided so that all of its areas relate to a particular building or group of buildings. The area surrounding a building should be perceived by occupants as an outdoor extension of their workspace. As such, it comes under their continued use and surveillance. Persons using those areas should feel they are under the natural observation of their co-workers.
 - d. **No Unassigned Areas**
No area should be unassigned or simply left “public”. Outdoor space should be allocated to specific buildings or building clusters.
 - e. **Boundaries**
Physical barriers or symbolic barriers should define the property’s boundaries. The barriers should separate public from semi-public areas of the property, provide transition from outdoors to indoors, divide the semi-public space of building lobby from the corridors.
 - f. **Physical Barriers**
The property should feature physical barriers such as fences, walls and berms that limit access to facilities by unauthorized persons. Certain areas such as maintenance yards, hazardous material storage, etc. will require fencing.
 - g. **Symbolic Barriers**
The property should feature symbolic barriers such as plants, low walls, doors, berms, change in level, and security desks that will discourages unauthorized entry by making distinctions between the occupants and the visitor. The use of symbolic barriers should not limit or block emergency access or access to emergency systems such as fire hydrants, electric disconnects switches, and gas shut-off valves.
 - h. **Surveillance**
The buildings and structures on the property should promote the ease of surveillance by staff and security personnel. The surveillance system should be obvious to make a potential intruder aware that any overt act or suspicious behavior will come under the scrutiny of the facility’s occupants.
2. **Current Tenants**
- a. *The current tenants of the property should be engaged in lawful activities and not engaged in activities that are a threat to the security of the United States of America.*
 - b. *When leasing new space or renewing existing leases, consideration should be given to locating in a building with existing federal tenants with similar facility and security requirements.*

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LIST OF LEASING FORMS AND CLAUSES

1. Forms Section may consist of:
 - A. SF 2, U.S. Government Lease for Real Property or GSA Form 3626, U.S. Government Lease for Real Property (Short Form) or equivalent documents.¹
 - B. GSA Form 3516 or GSA Form 3516A, Solicitation Provisions.
 - C. GSA Form 3517A or GSA Form 3517B Required Clauses (Full Text).²
 - D. GSA Form 3518, Required Certifications and Representations, signed by Lessor.
 - E. GSA Form 1364, Proposal to Lease Space.
 - F. GSA Form 1217, Lessor's Annual Cost Statement.
 - G. GSA Form 3627, Market Survey

¹ The Contracting Officer must approve equivalent documents.

² The Contracting Officer must approve GSA Form 3517 Required Clauses by reference.