

Brief Notes

- PLEASE STANDBY. MEETING WILL BEGIN AT 1PM.
- Everyone will be muted at entry.
- You must submit a chat message to ask question or make a comment.
 - Due to limited time, all questions may not be answered during the session, but all chat messages will be collected and replied to after the meeting.
 - If possible, please state one of the following topics in your chat to allow us to organize questions that will be randomly selected and answered in the last 20-30 minutes of the meeting.
 - **Advertising**, **Lease Quotation form**, **Evaluation**, **Lease Template**, **Space Planning/Timing**, **Rent Commencement**
- **Meeting will be recorded.** Presentation & chat log (including responses) to be published on website after the meeting.
- Survey (to be delivered after presentation from WebEx).



Department of

General Services

Lease Procurement Information Session

September 17, 2020

Agenda

1. Introductions & DGS STREAM Approach
2. Overview & Policies
3. Lease Procurement Process
 - A. Preliminary Phase
 - Understanding space needs for Tennessee government departments
 - B. Market Phase
 - Advertising and closing deadlines
 - Evaluation of proposals
 - C. State Building Commission/Execution Phase
 - Approval and Signature process
 - D. Space Planning Phase
 - Space Planning / Tenant Improvement Process
 - E. Lease Administration / Facilities
4. What YOU Need to Know
 - A. Lease Requirements
 - B. Space Standards
 - C. Expectations
5. Questions Received from Chat

Introductions

- John Hull, Deputy Commissioner
- Stacey Nelson, Director of Leasing
- Rachel Krawchuk, Workplace Strategist
- Steve Lusk, Assistant Director of Compliance
- Susan Hicks, Leasing Agent
- Kelly Cochran, Leasing Agent
- James Blakely, JLL Facility Management

Our Approach

Guiding Principles



Mission Statement

Create and maintain a real estate portfolio that efficiently provides for the program requirements of State agencies, while minimizing the total cost of the portfolio



Guiding Principles

1. Program requirements and government initiatives drive real estate
2. Employ financial metrics in decision making
3. Reduce the size of the real estate portfolio

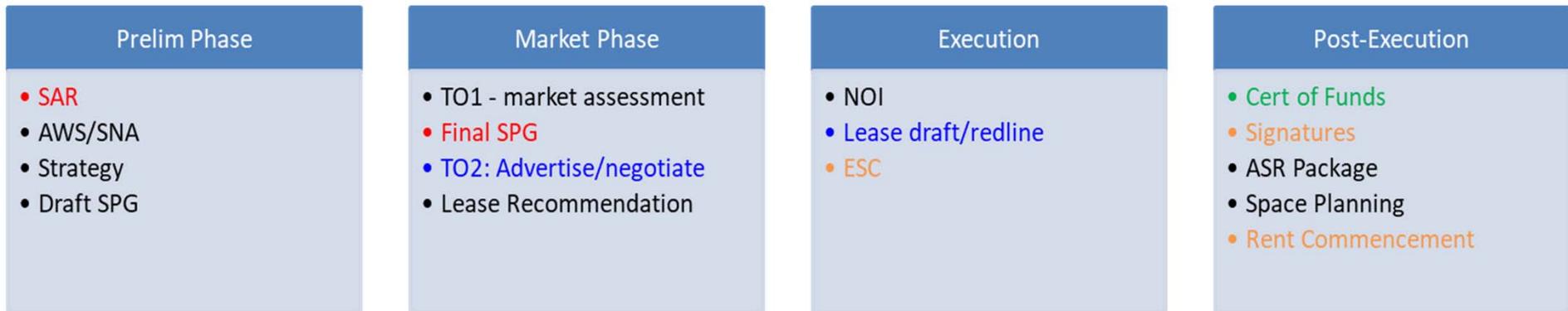


Strategies

1. Manage real estate efficiently
2. Implement real estate industry best practices
3. Improve building maintenance funding
4. Develop strategic real estate plans



Overview



Receive request → analyze → summarize/sign → advertise/negotiate → all approvals → build → start rent

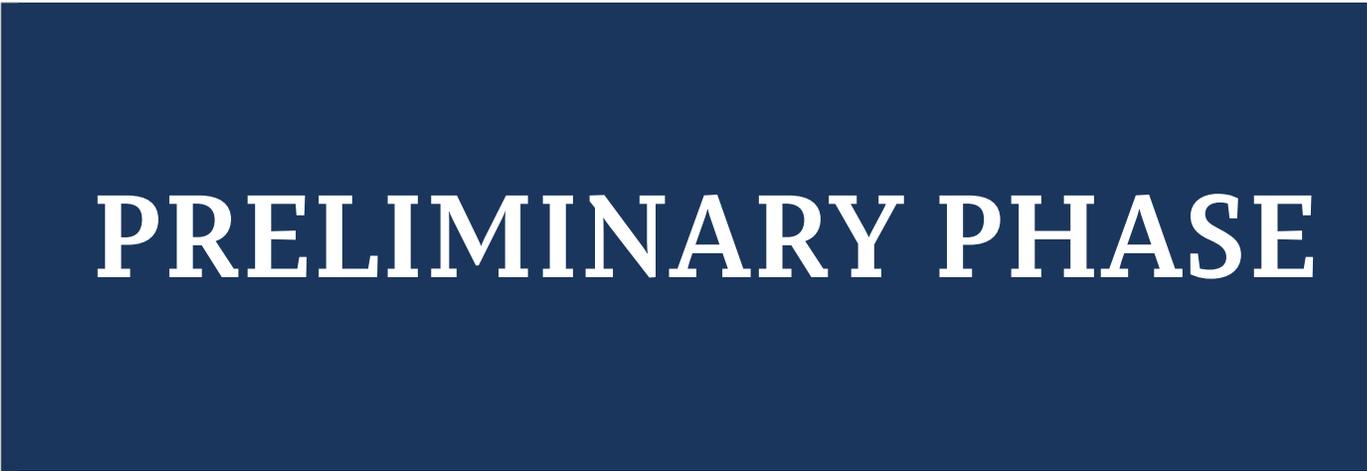
Legend:
Red – Agency approval
Blue – Compliance
Green – F&A
Orange – Multiple parties

Statutes, SBC Policy, STREAM Process

- Statutes
- SBC Policy
- STREAM Evaluation Method
- STREAM Lease Procurement Process
- STREAM Lease Administration Process



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PRELIMINARY PHASE

TM

Space Request & Analysis

- Space Action Request
 - Fiscal Officer Signature
 - Space Needs Worksheet
 - List staff by position
 - List spaces needed such as conference room, break room, etc.
- Alternative Workplace Solutions (AWS)
 - AWS Categories
 - AWS Position Spreadsheet
- Space Summary Sheet
- Space Needs Analysis

Alternative Workplace Solutions (AWS)

A.W.S (Alternative Workplace Solutions) : Comprised of three categories: Work from home, Mobile Work, & Free Address (At the office).



•Work from Home: The primary work is performed in a static location outside of the office. A schedule is established for days spent at the alternate site & in the office in unassigned seating.



•Mobile Work: Mobile staff with community interaction responsibilities or other traveling roles. Staff spend work time in the field with limited time in one specific location . A schedule is less established, but may require specific days in the office in unassigned seating.



•Free Address (At the Office): Staff whose primary work location is in the office. Refers to workers having unassigned seats. Staff in Work from Home and Mobile Work will be considered Free Address when in the office.

Note: Staff members who are not a part of these categories will be in a fixed or an assigned office or workstation location.



AWS Position Spreadsheet

ALTERNATIVE WORKPLACE SOLUTIONS						
POSITION TITLE	WORK GROUP	PERCENTAGE OF TIME IN THE OFFICE (RANG	IN OFFICE ASSIGNI	IN OFFICE FREE-ADDRES	MOBILE FREE-ADDRES	# OF FILE DRAWER
ASA3	ASA3	50%	X			1
CM1	CPSA	80%		X		1
CM1	CPSA	80%		X		1
CM1	CPSA/FSS	80%		X		1
CM2	FCIP	60%			X	1
CM2	CPSA	80%			X	1
CM2	FC	75%			X	3
CM2	FC	75%			X	3
CM2	FC	75%			X	3
CM2	Facilitator	50%			X	1
CM2	Court Liason	80%			X	1
CM2	Placement	100%	X			1
CM2	FPS	80%	X			3
CM2	FSS	60%			X	1
CM2	FCIP	60%			X	1
CM2	FC	75%			X	3
CM2	FC	75%			X	3
CM2	Court Liason	80%			X	1
CM2	FC	75%			X	3
CM2	CPSI	75%			X	1
CM2	CPSA	75%			X	1
CM2	FC				X	3
CM3	CPSI	75%			X	1
CM3	CPSA	75%			X	1
CM3	CPSI	75%			X	1

Space Summary Sheet



DCS Campbell County Space Summary Sheet

Staff Counts – Total Staff: 36

- ASA3 – 1 ASS
- CM1 – 3 100%FA
- CM2 – 16 70%FA
- CM2 – 2 ASS
- CM3 Sup. – 2 ASS
- CM3 – 3 70%FA
- FCCR – 1 ASS
- Secr/Front Desk – 1 ASS
- Team Coord. – 2 ASS GC
- Team Leader/CM4 – 5 ASS

Parking Totals Public: 31 Staff: 35 State Vehicles: 2 Total: 68

Zone One (Public Zone) – refer to sample plan for zone locations; secure access to other zones from zone one.

Hard Wall Spaces

1. Waiting Room (300 sf) – seating for 15 people
2. Accessible Public Restroom (Client and Staff restrooms will be separate and will not share the same plumbing wall; shall be equipped with diaper changing station, preferably wall mounted, with adequate wall reinforcement. Quantity determined by plumbing code requirements.
3. Front Desk Receptionist Window opens to Zone One – 1 total

Zone Two (Intermediate Zone) – refer to sample plan for zone locations

Hard Wall Spaces

1. Drug Testing Restroom (100sf) (includes lockable wall or base cabinet for supply storage) – 1
 2. Visitation Rooms (180sf) – 2
 3. Viewing Room (70sf) (with (2) one-way glass windows and light switch in room. Windows must be offset on opposite walls to avoid direct viewing angles) - 1
 4. Multi-purpose Rooms (120sf) – 2
 5. Conference Room (250 sf) seating for 15 people, do not have to be around table – 1
 6. Conference Room (475 sf) seating for 30 people, do not have to be around table – 1
- (Secure corridor required in this zone; Secure access to Zone Three from here)



Zone Three (Staff Zone) – refer to sample plan for zone locations

Hard Wall Spaces

1. Free Address Office (120sf) – 2
2. Enclaves (120sf) – 2
3. Conference Room (325sf) - seating for 20 people, do not have to be around table - 1
4. Break Room (255 sf) (sized for 8 people) (refer to lease for exact requirements in break room)
7. Children's Storage Room (120 sf) (shelving 24" deep)
5. File Storage Room (200 sf) (shelving 12"-15" deep)
6. Supply Storage Room (120 sf) (shelving 12"-15" deep)
7. Telecom Room (80sf) (room must be secure and temperature controlled)
8. Accessible Staff Restrooms (Client and Staff restrooms will be separate and will not share a plumbing wall)

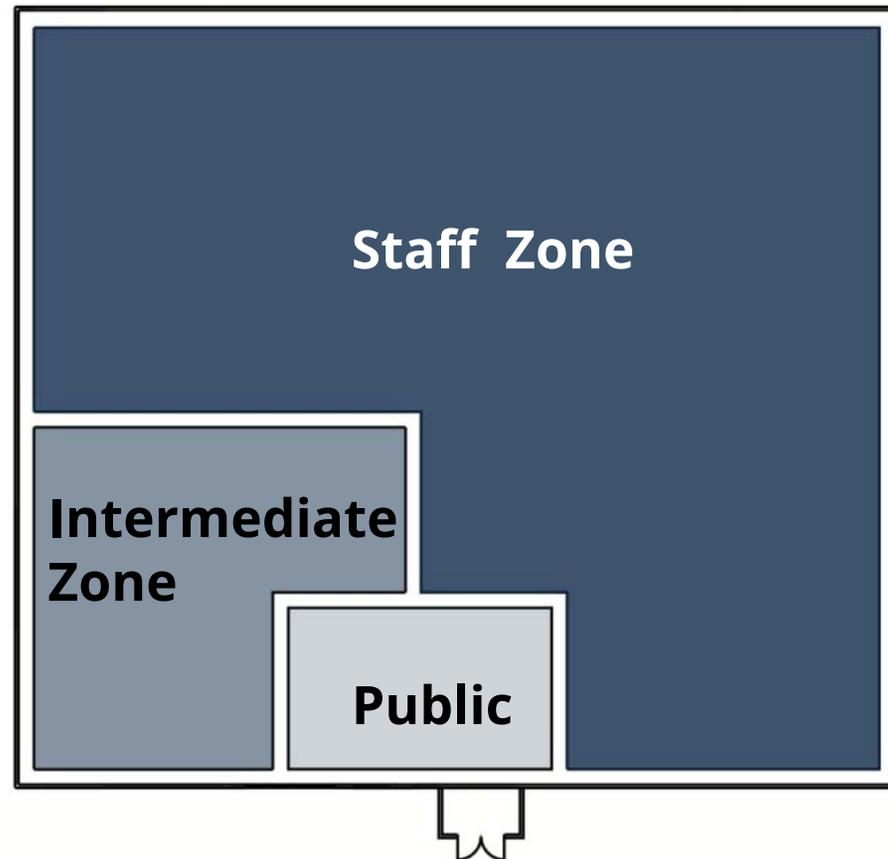
Open Office (systems furniture)

1. Assigned Workstation (49sf) – 14*
 Front Desk Secretary – 1
 Team Coord. – 2 Glass Cubicles
 ASA3 – 1
 CM2 – 2
 CM3 Sup. – 2
 FCCR – 1
 Team Lead/CM4 - 5
2. Free Address Workstations: 20
 Quiet Workstation (49sf) – 4*
 Quiet Pinwheel (25sf) - 8
 Quiet Hotelling (30sf) – 8
 *Includes 4 hotelling stations for visitors
3. Locker Units (64sf) - 4
4. 33 Lateral File Cabinets in Open Area (264sf)
5. Mail Area (48sf) – 1
6. Multi-Function Copier Area (50sf) – 1
7. Fax Machine Area (5sf) – 1
8. Recycle Bin (6sf) – 1
9. Shredder Bin (6sf) - 1

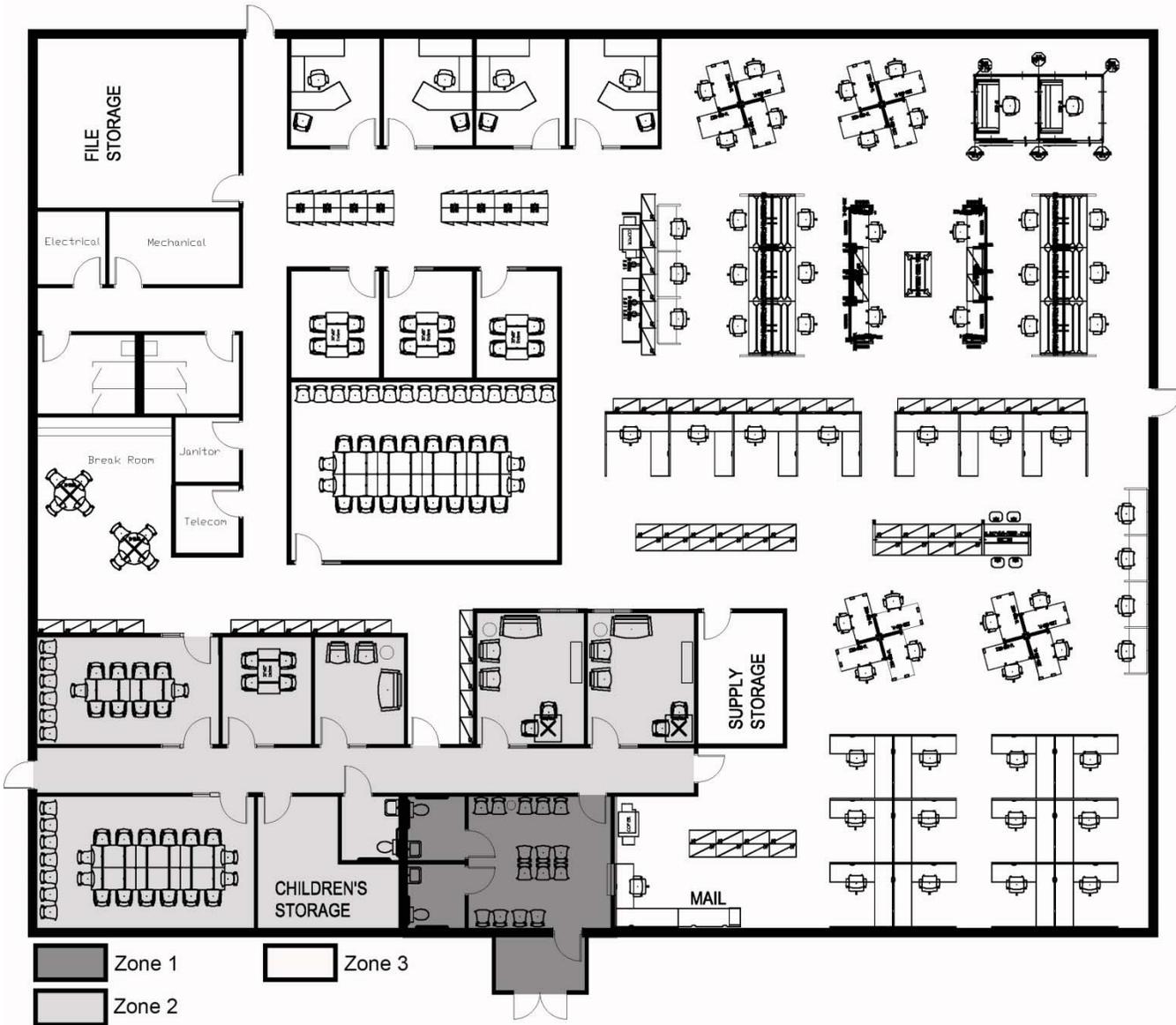
General Notes

1. Visitation room, viewing room, and enclave doors shall have passage hardware. Large conference room doors shall have keyed locks. Drug testing room door shall have locking hardware with "emergency lock-out" feature, that allows employees to gain access to a room when a client may have locked themselves inside, whether accidentally or intentionally. This does not apply to secure rooms such as hardwall offices, file and storage rooms, or large meeting rooms.
2. Agency expense items include any needed convex mirrors in the waiting room, card readers and associated electric strike, panic hardware on lobby doors, and wi-fi throughout the space.

Spatial Zones



Sample Plan



Space Needs Analysis (SNA) Example

Area Needed: 5,516
 Major Circulation: 50% 2,758
 Total Net Usable Needed: 8,274

SNA Note: AWS project. Report created from information supplied and approved by Rachel. 2

Space Type	Standard	Description	Wall	Area	Count	Memo
P	73183	ASA 3	0	49	1	
P	79186	Case Manager	None	0	22	Case Manager 1, 2 and 3 positions. Mobile. Space included in Free Address area. Positions will use Free Address area when in office.
P	00000	Case Manager 2	0	49	2	
P	00000	Case Manager 3 Supv.	0	49	2	
P	00000	FCCR	0	49	1	
P	02942	Secretary	0	49	1	Front desk receptionist.
P	00000	Team Coordinator	0	49	2	
P	00000	Team Leader	0	49	5	
S	BR	Break Room	H	255	1	With base and wall cabinets counter top with sink.
S	CSR	Childrens Storage Room	H	120	1	
S	DTR	Drug Testing Room	H	100	1	With watercloset counter top with sink.
S	E	Enclave	H	120	2	
S	FMA	Fax Machine Area	0	5	1	
S	FR	File Room	H	384	1	
S	FAH	Free Address Hoteling	0	25	8	
S	FAH	Free Address Hoteling	0	49	4	
S	FAH	Free Address Hoteling	0	30	8	
S	FAO	Free Address Office	H	120	2	
S	LCR	Large Conference Room	H	475	1	Seating for 30.
S	MA	Mail Area	0	48	1	
S	MCR	Medium Conference Room	H	325	1	Seating for 20.
S	MFP	Multi-Function Printer	0	50	1	
S	MPR	Multi-Purpose Room	H	120	2	
S	PL	Personal Lockers	0	84	4	Space for 4 - Locker Units. Each unit will contain 6 individual lockers. Centrally located where needed. For use by free address staff.
S	RB	Recycle Bin	0	6	1	
S	SCR	Small Conference Room	H	250	1	Seating for 15.
S	SS	Supplemental Space	0	264	1	Includes space for 33 - Lateral File Cabinets that will be located in wide hallways. Used by Free Address staff.
S	SAS	Supplies and Storage	H	120	1	
S	TC	Telecom. Closet	H	80	1	For telephone and computer equipment. Room must be temperature controlled.
S	VR	Viewing Room	H	70	1	With one-way glass windows and mini-blinds for viewing into visitation rooms.
S	VR	Visitation Room	H	180	2	
S	WA	Waiting Area	H	300	1	Seating for 15. With transaction counter top and pass thru-window to Secretary.

Suggested Range: Min. Max.
 Usable: 8,300 9,200
 Rentable: 9,200 10,100



Strategy & Draft Statement of Procurement Goal

- Strategy
 - Statistics of the lease portfolio such as # of leases in county, average cost, etc.
 - Recommends term of new lease based on agency input and current status of lease portfolio. Is subject to change based on market and economic factors.
 - Check for owned or leased availability within the current portfolio.
- Draft Statement of Procurement Goal
 - Includes SNA & SSS
 - Informs agency-partner of term of lease, boundary, parking info, etc.



MARKET PHASE

Market Survey & Assessment

- Market Survey
 - Identify solution efforts made
 - Insert software/internet search (Costar, LoopNet, Catalyst, etc)
 - Site visit of incumbent location
 - Tour prospective locations
 - Provide form handouts (SNA, LPQ, Lease, Exhibit D, concept study, sample plan, etc)
 - State market rate and anticipated lease rate (range)
 - Survey Recommendation
 - Procurement Method (Direct negotiate, advertise , waive advertising)
 - Likelihood of stay or move
 - Provide supplemental information
- Conflict of Interest

Advertising pursuant to SBC Policy

- LPR (website) WWW.TNLPR.GOV
 - (Register to be included in the email blasts)***
 - Obtain Compliance Approval prior to publish
 - Example LPR
- Email Blast
- Newspaper Ad
 - 2 weeks (sometimes longer)
 - Continue to affirm receipt of proposals prior to closing (survey efforts do not stop)

Lease Proposal Request

www.tn1pr.gov



State Lease Expectations

- Gross Lease
- Turnkey
 - Proposed rent rate INCLUDES estimated cost of improvements
 - Understand Space Needs Analysis (SNA)
 - Understand Space Summary Sheet (SSS)
- Termination for Convenience
- State form lease template

What YOU should understand

- Procurement specific info
 - Boundary
 - Size ranges: usable vs. rentable
 - Proximities (neighbors, distance to restaurants or other public services, etc)
 - Preferences (bus line)
 - Parking
- LPR Exhibits:
 - SNA, SSS & Concept Plan
 - Exhibit D
 - Specific build/reno information
 - Phase in place
 - Minimal interruption

Example: LPR



How to submit a proposal

EXAMPLE: Lease Proposal Quotation Form

- Submit ON or BEFORE deadline via:
 - E-mail: rfp.coordinator@tn.gov
- **OR**
 - Physical Copy: Attn. Steve Lusk, WRS TT, 24th Floor, 312 Rosa Parks
- Attachments to YOUR proposal (**proposal held for 120 days*)
 - Floor plan
 - Existing space
 - Test Fit (showing how you plan to accommodate space need)
 - Construction Budget
 - Pictures (aerial, maps, etc.)
 - Lease comments

Evaluation

- **Proposal Evaluation (per policy):** Analysis of proposals to determine the Best Value and Lowest Cost
 - Evaluate each received proposal against each item requested in the LPR
 - Compare size, parking, RTS vs BTS, FS vs MG
 - Disqualification for bids not meeting request
 - Initial economic evaluation (NPV, Discount Rate)
 - Map proposed locations
 - Site evaluation with agencies or virtually
 - Best and Final round (optional)– changes to proposed lease rate must be in writing
 - Scope of improvements: projected Tenant Improvement costs
 - Base building deliverable vs tenant improvements
 - BTS vs RTS
 - Final Economic Evaluation - Lowest NPV Cost
 - Rankings and Recommendations
 - Notice of Intent to Award (external)

Negotiation

- Bids not opened or discussed until after submittal deadline
- \$2.50psf Move costs – new locations only
- TI costs – scope of improvements
- Base Building deliverables and Tenant Improvements
- Lease items: Exhibit D, “project specific requirements”, “phasing”, parking (free, secured), signage (exterior and interior)
- NPV for the maximum potential lease term (5 base + 2 Option= 7 years)
- Internal reviews, discussions, and approvals
- Notice of Intent to Award
- Draft lease – State Standard Pro Forma Lease Template at www.tnlpr.gov

Please submit questions to panelists.



**We'll take a
5-minute
break now**



EXECUTION PHASE

Execution Phase

- Lease Recommendation
- Conflicts of Interest
- Notice of Intent to Award
- Compliance redline of lease
- Request appropriate waivers/approvals of Compliance
- Executive Sub Committee (ESC) of State Building Commission (SBC)
- Lease Signatures – Lease Administration

The logo consists of a red square with the letters 'TN' in white, serif font. Below the red square is a thin dark blue horizontal bar.

TN

A large, solid dark blue horizontal bar that serves as a background for the text.

**SPACE PLANNING
PHASE**

Key Points

- Timing
 - Lease Execution/Signatories
- Must obtain State approval before commencing improvements
- Interior Planner takes lead on project
 - Broker responsible to resolve negotiation differences
- Effective Communication & Engagement
- Lease Details
- Project Milestones
- Vacating lease locations
- Rent Commencement Notice
- Advice
 - Identify deviations from lease

Interior Space Planning

- Interior Planning Project Managers are the main point of contact when communicating with the State of Tennessee during this phase.
- Efficient communication with Interior Planning is a vital and necessary aspect of the process to ensure efficient planning, maintaining project schedule, etc.

Lease Exhibit A – Section 19 Highlights

- 30 days of execution of Lease: Landlord shall provide a **current CADD drawing** of the Leased Premises.
- 120 days thereafter, Tenant shall provide **test fits** for the build out of the Leased Premises.
- 150 days thereafter, SFMO approves **construction drawings**
- Landlord agrees that the work set forth in the Build Out Plans will be substantially completed and the Leased Premises ready for occupancy on _____ (the “Occupancy Date”). **Estimated delivery date**

Lease Exhibit D

- **SPECIAL BUILDOUT AND OTHER SPECIFICATIONS**
- **PROJECT SPECIFIC REQUIREMENTS**
- **GENERAL SPECIFICATIONS**

- General
- Site (Parking Requirements)
- Structure
- Building Skin and Roof
- Building Common Areas
- Common Walls
- Electrical
- Communications
- Lighting (includes exterior)
- Plumbing
- HVAC
- Building Directory & exterior signage
- Keys

- **INTERIOR BUILDOUT SPECIFICATIONS**

- Ceiling
- Electrical and Communication
- Partitions
- Glazing
- Doors and Frames
- Window Treatments
- Finishes
- Break Rooms
- Access Control
- Copy Rooms / Areas
- Telecom Rooms
- Conference Rooms
- Restrooms
- Janitor Closet
- Building Interior
- Building Exterior

Project Milestones

- **Preliminary Phase (2-10 days):**
 - Request/Receive Architect-verified Current CAD drawings – Due within 30 days of lease execution; refer to Exhibit A
 - Test Fits – Due 120 days thereafter; refer to Exhibit A
 - Pre-Kickoff Conference call (lessor, TS, IPPM, leasing)
- **Schematic Phase (3-5 weeks):**
 - Create Preliminary Floor Plan
 - Kick-Off Meeting (onsite agency contact, central office agency contact, lessor, sts, IPPM, lessor's contractor/architect, leasing agent, JLL etc.). Review preliminary plan, preliminary project schedule, agency to submit IT tickets, etc), discuss chain of communication.
 - Revise Preliminary Furniture Plan per Kick-off meeting notes
 - Gain agency approval
- **Program Design & Drawing Phase (4-5 weeks):**
 - Begin/Complete Program Drawings
 - Distribute to Lessor, Architect, leasing agent
 - Work with Lessor regarding request for samples for finish selections to occur in a later phase
- **Procurement Phase (2 weeks):**
 - Move bid
 - Quotes/Budget/Pos
- **Construction Documents Phase (2 weeks):**
 - Receive CDs from Lessor/Architect of Record (AOR)
 - Review/approval process from IPPM
 - SFMO submittal/Revisions (if needed)/approval
 - Submission to STS for coordination

Project Milestones

- **Secondary Program Design & Drawings Phase (3 weeks):**
 - Request detailed construction schedule from Lessor
 - Begin Construction
 - Finalize Furniture
 - Complete Finish selection/approval process; send to lessor
- **Furniture Installation & Move Coordination Phase (4 weeks)**
 - Create Move and Installation Schedule; distribute to Lessor, Agency, STREAM, JLL, movers, vendors, STS, etc.
 - Create Install Drawings; review with vendor
- **Punch Phase (4-6 weeks):**
 - Site Visit
 - Complete Punch
 - Decommission previous location (if applicable)
 - Project Completion
- **Closeout Phase (2 weeks):**
 - Cleanout, organization, digitization of files
 - Hard copies
 - Notice to leasing for Lease Commencement

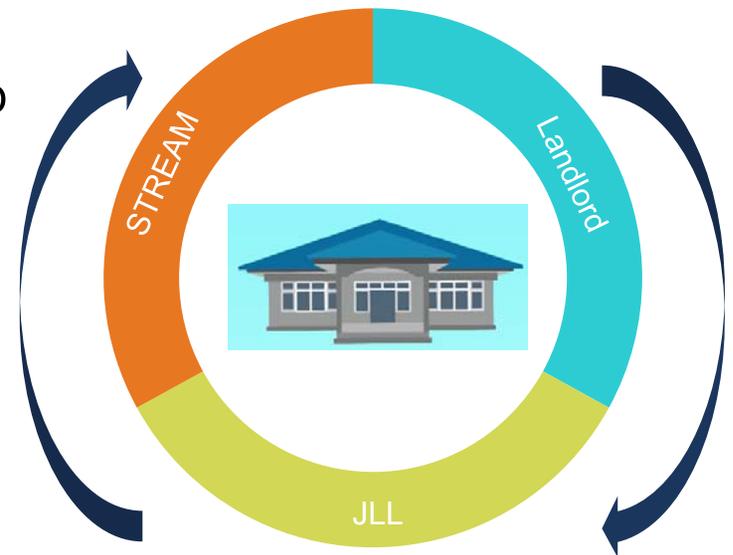
Lease Administration

- Lease Administration
 - Contacts
 - Rick Pease, Leasing Coordinator
 - Loretta Baltz, Lease Administration Manager
 - Rent Commencement (Exhibit C)
 - Financial Forms (at lease execution)
 - W9
 - Bank Account Info
 - Financial Interest

Facility Management



- Typical JLL responsibilities*
 - Oversight of facility maintenance performed by landlord/owner/property manager to ensure timely and satisfactory completion
 - Oversight of JLL janitorial and/or grounds service partners
 - Reporting maintenance related needs to landlord/property manager
- Typical non-JLL responsibilities *
 - Maintenance of interior and/or exterior structure
 - Lease terms
 - Payment or collection of rent
 - Utilities
 - Tenant move in or out
 - Final inspections



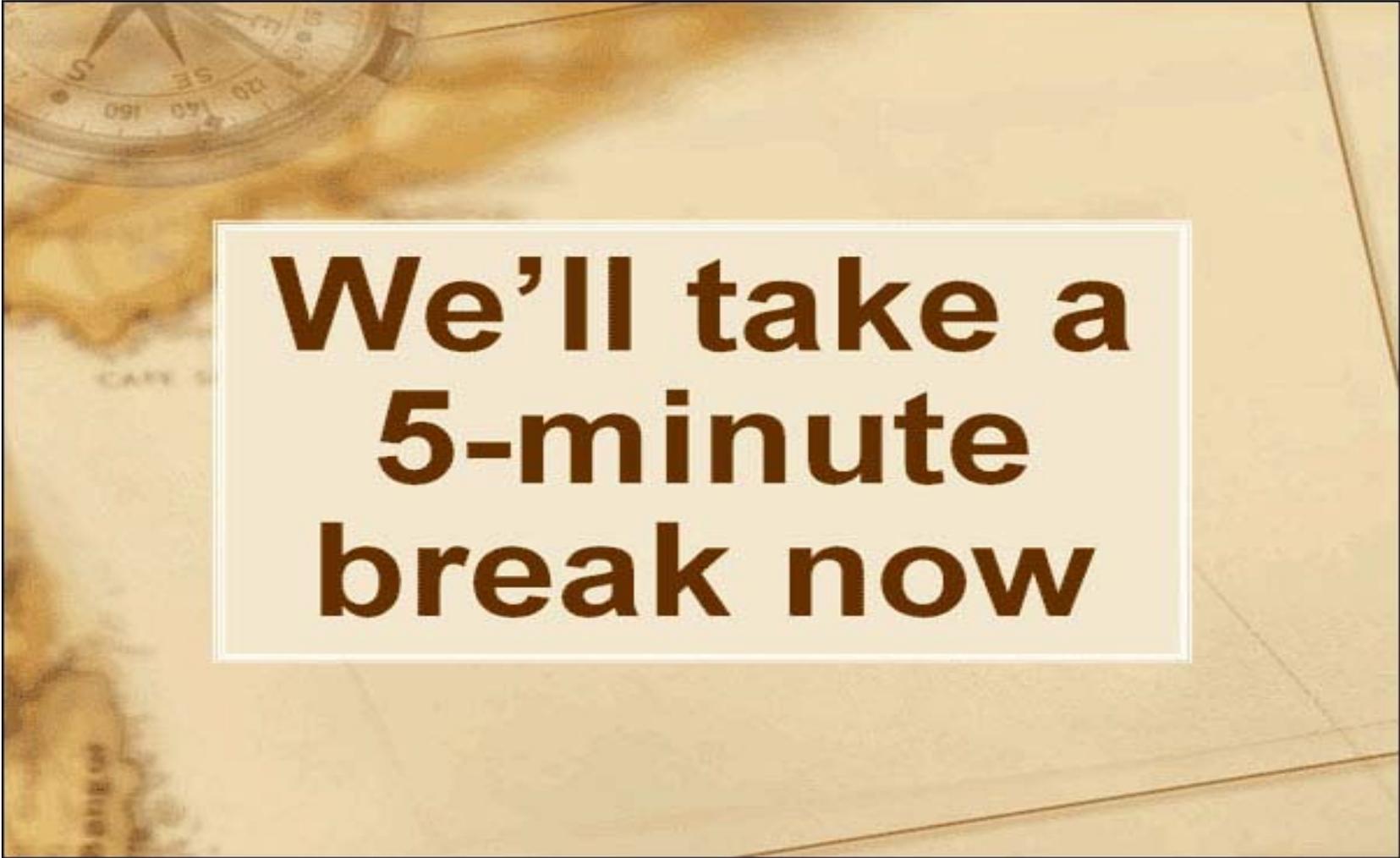
*As determined by the terms of the individual lease



What YOU need to know

- Lease Requirements/Template
- Space Standards
- Expectations
 - Gross or Modified Gross Lease (utils/janitorial)
 - Termination for Convenience, 90 days notice
 - Turnkey, tenant improvements (TI) included in proposed rate
 - Provide estimated TI cost & tentative budget with proposal
 - Section 19 – RTS/BTS timing, SFMO, estimated delivery
 - Section 20 – Rent Commencement (30 days), must have CO
 - Exhibit D: State Specifications
 - FLEXIBILITY. State-approved floor plan is not provided until AFTER lease execution.
 - No cost change orders OR amendments

Please submit questions to panelists.



**We'll take a
5-minute
break now**

Questions received in chat

Thank you for your time and participation.

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