

Q & A from Lease Procurement Webinar

- Q What is the typical time frame from when the Landlord provides an "as-built" CADD file (for an existing building/layout) to when the State provides a floor plan so that the Landlord can price it accordingly?
- A It depends for each procurement but pursuant to Section 19 of the lease template (provided on our website, www.tn|pr.gov), Landlord must provide a CADD file within 30 days of lease execution and State must provide approval of a floor plan within 150 days after receipt of the CADD file. PLEASE NOTE: You must estimate reasonable pricing **before** an award is made for a new lease. There is no opportunity after the lease is signed to amend the lease or submit change order.
- Q Is the cost of the renovation added to the cost of the present lease and then divided by the number of years of the lease including extensions?
- A The cost of renovations should be included in the rental rate for the **base term of the lease only**.
- Q Can you briefly tell me what was said about the lease proposal and the 120 days?
- A 120 days is the amount of time that proposers hold proposal terms.
- Q What is the site where the bids are published before the proposal is awarded?
- A Lease Proposal Requests (LPR) are published at www.tn|pr.gov. All proposals remain confidential but are subject to the Public Records Act.
- Q What is the state discount rate purpose?
- A The discount rate is used to indicate the cost of financing. The same rate is applied to all proposals and is available at <https://www.tn.gov/osa/capital---real-estate/real-estate---leasing-information.html>.
- Q Do you still have State designated Brokers? And, are they the only ones permitted to work with Property Owners to submit proposals on your RFP request?
- A Yes, the State has three separate contracts, by Grand Division, for lease brokerage services. The State has four Leasing Agents in addition to broker-partners to work lease procurements.
- Q What is the website for the state discount rate?
- A <https://www.tn.gov/osa/capital---real-estate/real-estate---leasing-information.html>.

- Q For certain agencies are there specific security requirements that do not typically fall within the scope of TI, and would be the responsibility of the State and their 3rd party contractor to perform and pay for? For example, if a Probation and Parole office needs security cameras, access controls on doors, intercom systems, etc. Is this something a Landlord would need to price and include in their TI? Or, are there any build out needs for any TN state agency that would fall outside the scope of TI, and be covered by the State? Negotiation: If paint and flooring is in good condition, should I still anticipate cost of replacing flooring and new paint for the entire space?
- A Yes, some agency requirements are specific and not standard for commercial real estate. In these situations, you may be asked to provide a quotation for approval. Upon approval, you may be asked to proceed with work and submit an invoice for reimbursement. Please refer to security requirements in Exhibit D of the lease. These items should be excluded from rent estimates.
- A Regarding flooring/painting. Please refer to Exhibit D of the lease. Although flooring and paint may be in good condition, a STREAM Project Manager may assess otherwise. We do our best to be efficient and prevent unnecessary expenditures but also consider the space needs and use of Agency-partners.
- Q Evaluation – Can you please go into further detail on the \$2.50/square ft cost for a non-incumbent location. how is the cost is incorporated and/or passed on, or who is responsible to pay it, etc.
- A \$2.50 per square foot is applied to all non-incumbent locations as there are costs that State incurs when considering a new location, such as storage crates, moving company, furniture tear-down and/or furniture rebuild, etc. \$2.50 per square foot is a consistent estimate that is applied to all non-incumbent locations. There are circumstances when there is a fee applied to incumbent locations as well, depending on scope and logistics of renovations.
- Q Space Planning: how are logistics coordinated such as connecting an electrician with someone running cables?
- A STREAM’s Project Managers will ccoordinate timing and logistics as work requires. It is important to have your Architect and/or General Contractor provide a project schedule immediately after reciving state fire marshal office (SFMO) approval.
- Q Am I required to have an Architect before having a signed lease?
- A You are not required to have an Architect before having a signed lease; however, it is recommended that you have an Architect that has reviewed the Space Needs Analysis.
- Q Will my space be planned before an award is issued so I know exactly what scope of work is required?
- A No, the State does not have resources to plan each proposed space. A signed contract/lease develops accounting codes that permits the planning of a specific location as there are costs, such as furniture, that State incurs but cannot incur without a signed contract/lease.
- Q Do all projects require SFMO approval?
- A All projects require state fire marshal office (SFMO) review. Some projects may qualify for a letter of no review from SFMO. Your General Contractor or Architect should be able to advise further or you can visit SFMO website at https://www.tn.gov/content/dam/tn/commerce/documents/fire_prevention/posts/0780-02-03.20100627.pdf.

- Q Advertising: Am I limited on how many proposals I submit?
- A No, you are encouraged to submit as proposals as you need for each location and you can submit proposals for as many locations that are able to accommodate and deliver the space requested/advertised.
- Q If I see the newspaper ad, how can I prepare a quote in two weeks to meet the deadline? Do we have construction budget templates or construction schedules that can be shared as Contractors may not always been great with paperwork?
- A The Lease Proposal Request process is different than the former Request for Proposal process in that proposers are not required to provide a bond for each proposal, nor are proposers required to have an Architect or CADD file of the floor plan in order to propose. The Lease Proposal Quotation form (www.tnlpr.gov) is shorter and simpler and so long as it is filled out and submitted by the closing deadline, it permits Leasing to further evaluate your proposal.