

0110.03 Facility Leasing

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PURPOSE

To specify procedures for the procurement of space for state operations when state-owned facilities are not available.

APPLICATION

Executive Branch Departments and Sub-units.

CONTACT AGENCY

Department of Technology, Management and Budget (DTMB)
State Facilities Administration (SFA)
Real Estate Division (RED)
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SUMMARY

Obtaining and leasing of space for Executive Branch departments is performed by DTMB, State Facilities Administration (SFA), Real Estate Division (RED). To initiate a request for lease services, an agency must furnish a DTMB-0618 Space Request form, which details the program and space needs and requirements of the requesting agency.

A DTMB-0618 Space Request is also necessary for renewals, exercise of previously negotiated renewal options, relocations of an existing office to another equivalent location, seasonal or temporary space, emergencies, space additions or reductions, renegotiated renewals or relocations due to programmatic reasons, or modifications to the facility.

Other applicable regulations: Executive Order 2002-20; Administrative Code Section 1E, Rules 18.501 through 18.509; and the Management and Budget Act, Public Act 431 of 1984, Sections 219, 221 and 237.

APPLICABLE FORMS

DTMB-0618 Space Request

PROCEDURES

Agency

- Submits DTMB-0618 Space Request to RED justifying need for leased space. Where necessary, DTMB Design and Construction Division will contract for preparation of programs, plans and specifications.

RED

- Advises agency of existing state-owned or leased facilities.
- Notifies and consults with local units of government on space needs.
- Seeks potential locations through use of bidder's list and posts RFP to DTMB website.
- If existing building, verifies suitability of space and site with agency. If new construction, verifies suitability of vacant site(s).
- Submits plans and specifications to Design and Construction Division for review. (Note: This step may take place before or after a lease is signed.)

Design and Construction Division

- Reviews plans and specifications according to DTMB space standards.
- Submits recommendation to RED.

RED

- Prepares and sends out bid/proposal packages.
- Receives and reviews bids/proposals.
- Recommends bid/proposal to agency.

Agency

- Reviews bid/proposal recommendation and notifies RED of concurrence.

RED

- Prepares lease document.
- Submits to the Department of Attorney General, State Operations Division for review.
- If necessary, submits either notification or request for approval to Joint Capital Outlay Subcommittee (JCOS).
- Obtains lessor and department signatures.

Attorney General

- Reviews lease documents and approves as to legal form.

JCOS

- Approves or rejects lease, if required.

RED

- Submits recommendation for approval to State Administrative Board (SAB).

SAB

- Approves or rejects lease and submits to the director of DTMB.

DTMB Director

- Reviews and executes the lease.

RED

- Delivers executed lease to lessor and sends copy to agency.
- Arranges for professional inspections of construction and/or remodeling through Design and Construction Division.
- With assistance from Design and Construction Division, approves plan changes and Contract Change Orders; and monitors compliance with DTMB Building Design Standards and code throughout the construction process.
- With agency assistance, reviews and inspects space for compliance with lease.
- Authorizes rent payments.

Agency

- Takes occupancy and makes required lease payments.
- Handles day-to-day maintenance problems with lessor.
- Informs RED when lessor fails to abide by the provisions of the lease.
- Reports actual tenant-paid expenses for each lease to RED biannually.

RED

- Makes annual operating adjustments on leases and approves payment of rent adjustments to agency, if applicable.
- Amends, interprets and takes required action under the terms of the lease.
- Manages lease occupancy and compliance problems.
- Maintains tenant-reported expense and base rent data.
