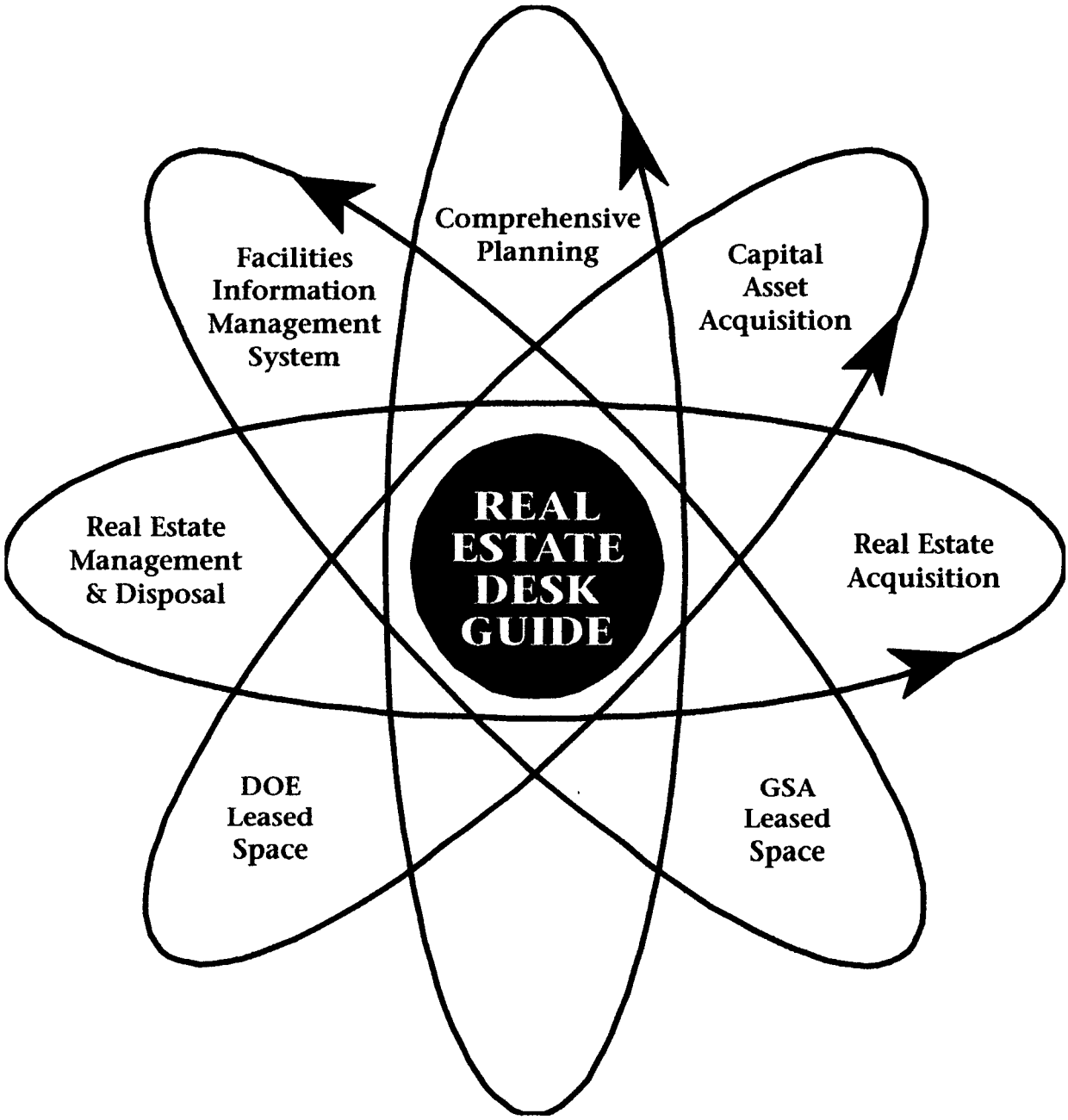
DEPARTMENT OF ENERGY
REAL ESTATE PROCESS



APPENDIX

DEPARTMENT OF ENERGY
REAL PROPERTY PROCESS

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Office of Field Management

For more information, please contact the
Office of Project and Fixed Asset Management
at (202) 586-9157

Appendix 1

APPENDIX 1-1

U.S. Department of Energy
Washington, D.C.

PAGE CHANGE

DOE O 430.1 Chg 1

10-26-95

SUBJECT: LIFE CYCLE ASSET MANAGEMENT

1. PURPOSE. To transmit revised pages to DOE O 430.1, LIFE CYCLE ASSET MANAGEMENT, of 8-24-95.

2. EXPLANATION OF CHANGE. Based on a decision by the Directives Management Board, Departmental Safety Orders, and other selected Orders, will reflect no expiration date to clarify that they will remain in effect until superseded or replaced. Therefore, these Orders will show only an Approval Date and Review Date. The Directives System review cycle is discussed in DOE M 251.1-1, DIRECTIVES SYSTEM MANUAL, of 10-16-95.

3. FILING INSTRUCTIONS.

a.

Remove Pages	Dated	Insert Pages	Dated
1 and 2	8-24-95	1	10-26-95
		2	8-24-95

b. After filing the attached pages, this transmittal may be discarded.

BY ORDER OF THE SECRETARY OF ENERGY:

ARCHER L. DURHAM
Assistant Secretary for
Human Resources and Administration

DISTRIBUTION:
All Departmental Elements

INITIATED BY:
Office of Human Resources and Administration

APPENDIX

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U.S. Department of Energy

Washington, D.C.

ORDER

DOE O 430.1

Approved: 08-24-95
Review Date: 08-24-97

SUBJECT: LIFE CYCLE ASSET MANAGEMENT

Chg 1: 10-26-95

1. OBJECTIVES. The Department of Energy (DOE), in partnership with its contractors, shall plan, acquire, operate, maintain, and dispose of physical assets as valuable national resources. Stewardship of these physical assets shall be accomplished in a cost-effective manner to meet the DOE mission. This shall incorporate industry standards, a graded approach, and performance objectives.

2. IMPLEMENTATION. This Order shall be implemented on a site-by-site basis through the establishment, by contract or financial assistance agreements, of site-specific performance criteria and a performance measurement system. The existing Orders listed below and already implemented in current contracts remain in effect until such incorporation takes place. Additionally, for specific facilities under the purview of the Defense Nuclear Facilities Safety Board, DOE 4330.4B, MAINTENANCE MANAGEMENT PROGRAM, and DOE 6430.1A, GENERAL DESIGN CRITERIA, remain in effect until 10 CFR 830.340, MAINTENANCE MANAGEMENT, and DOE O 420, FACILITY SAFETY, for defense nuclear facilities are issued as finals by the Assistant Secretary for Environment, Safety, and Health. For sites not managed by a contractor, implementation shall occur when the responsible DOE organization has completed the development of appropriate performance measures.

3. CANCELLATION. The following directives are deleted or consolidated into this Order and shall be phased out as noted in paragraph 2:

DOE 1332.1A	UNIFORM REPORTING SYSTEM
DOE 4010.1A	VALUE ENGINEERING
DOE 4300.1C	REAL PROPERTY MANAGEMENT
DOE 4320.1B	SITE DEVELOPMENT PLANNING
DOE 4320.2A	CAPITAL ASSET MANAGEMENT PROCESS
DOE 4330.4B	MAINTENANCE MANAGEMENT PROGRAM
DOE 4330.5	SURPLUS FACILITY TRANSFER
DOE 4540.1C	UTILITY ACQUISITION AND MANAGEMENT
DOE 4700.1	PROJECT MANAGEMENT SYSTEM
DOE 4700.3	GENERAL PLANT PROJECTS
DOE 4700.4	PROJECT MANAGER CERTIFICATION
DOE 5700.2D	COST ESTIMATING, ANALYSIS, AND STANDARDIZATION
DOE 6430.1A	GENERAL DESIGN CRITERIA

Vertical line denotes change.

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Office of Field Management

4. APPLICABILITY. This Order applies to all DOE elements except the Naval Reactors/Naval Nuclear Propulsion Program. This Order does not preclude issuance of program directions unrelated to asset management systems. While this Order applies to all the physical assets in DOE, there are additional requirements for special and nuclear facilities that are the responsibility of the Assistant Secretary for Environment, Safety, and Health to develop and maintain.

5. DEFINITIONS. See Attachment 1.

6. REQUIREMENTS.

   a. DOE elements shall use a value-added, quality driven, graded approach to life-cycle asset management.

   b. Every site shall be supported by a Headquarters program office that functions as the landlord. Landlords shall coordinate their facilities management activities to provide a consistent corporate approach to facilities management, especially at multi-program sites. At single program sites, the responsible program office shall perform the landlord responsibilities.

   c. Assets management performance measures shall be based upon best industry practice and shall be commensurate with the value and importance of the asset using a graded approach.

   d. Asset management performance measures shall ensure formal, comprehensive, integrated, documented planning, and control methods for the acquisition, use, maintenance, and disposal of physical assets, including real estate and energy and utilities. This shall address, but shall not be limited to, the following:

      (1) A comprehensive land-use planning process with stakeholder involvement.

      (2) The efficient and effective acquisition, management, and use of energy and utilities.

      (3) The management of backlogs associated with maintenance, repair, and capital improvements.

      (4) A method for the prioritization of infrastructure requirements.

      (5) A method to declare assets surplus.

   e. The process for physical asset acquisition shall be an integrated, systematic approach that shall ensure, but shall not be limited to, the following:

(1) Use of a comprehensive land-use process with stakeholder involvement.

(2) Use of a process tool, such as value engineering, to improve efficiency and cost-effectiveness when analyzing physical asset acquisition.

(3) Specification of the appropriate state, regional, or national building codes to which physical assets shall be designed and constructed.

(4) Consideration of maintainability, operability, life-cycle costs, and configuration integrity in designs and acquisitions.

(5) Consideration of current mission needs and an appropriate scope.

(6) Use of a DOE-certified real estate specialist for the execution of real estate acquisitions.

(7) A project management system based on effective management practices that is sufficiently flexible to allow for the size and complexity of the project. For line item projects, the following requirements are considered minimal:

(a) Prior to the commencement of conceptual design, include the following in project planning for approval:

1 mission need,
2 minimum technical functional requirements,
3 proposed cost and schedule ranges,
4 preliminary environmental strategy,
5 identification of project technical and organizational interfaces, and
6 integration with other projects and activities.

(b) Prior to the commencement of execution, include the following in project planning for approval:

1 project objectives,
2 scope, schedule, and cost baselines, including contingencies,
3 life-cycle cost analysis,
4 preliminary safety assessment,
5 project controls, including baseline change control, change control thresholds, and statusing,
6 completion of National Environmental Protection Act documentation prior to final commitment to an alternative,

7 verification of performance criteria through test and evaluation, and
8 design alternatives.

(c) Prior to operation, a plan for turnover of a facility shall be prepared; verification of performance criteria through test and evaluation shall be accomplished; and operational readiness shall be verified.

f. The process for the operation and maintenance of physical assets shall ensure, as a minimum, the following:

(1) The identification, inventory, and periodic assessment of the condition of physical assets in the maintenance program.

(2) The establishment of requirements, budgets, and a work management system to maintain physical assets in a condition suitable for their intended use.

(3) The preventive, predictive, and corrective maintenance to ensure physical asset availability for planned use and/or proper disposition.

(4) A configuration management process to ensure the integrity of physical assets and system.

(5) The efficient and effective management and use of energy and utilities.

(6) A method for the prioritization of infrastructure requirements.

(7) The management of backlogs associated with maintenance, repair, and capital improvements.

g. The process for the disposition of physical assets shall ensure, as a minimum, the following:

(1) The use of a signed agreement to document items and conditions when transferring assets between DOE program offices.

(2) The use of a DOE-certified real estate specialist to execute the disposal of real estate, including the disposal of DOE improvements without the underlying land.

(3) A method of timely identification and reporting of surplus assets.

(4) In addition, for nuclear facilities, as a minimum the following apply:

(a) The development of a decommissioning turnover plan.

(b) The development of a decontamination plan if appropriate for the facility.

(c) The completion of a deactivation readiness review.

h. Utility services shall be acquired and disposed of through a DOE prime contract.

i. The DOE corporate physical assets database shall be maintained as a complete, current inventory of the DOE physical assets. The corporate database is Facilities Information Management System (FIMS).

j. In the acquisition, operation, maintenance, and disposition of physical assets, DOE elements shall ensure that all applicable Federal, state, and local laws and regulations are followed.

7. RESPONSIBILITIES.

a. Secretary.

(1) Authorizes actions to acquire title to or interest in real property by condemnation.

(2) Accepts donations of physical assets from outside DOE.

(3) Approves critical decisions on strategic systems.

b. Associate Deputy Secretary of Field Management.

(1) With General Counsel and participation of field elements, jointly represents DOE consumer interests by intervening, or otherwise participating in, hearings or proceedings before utility regulating bodies, when these proceedings affect DOE operations.

(2) With General Counsel and the Office of Clearance and Support, jointly reviews and approves documents for the acquisition and sale of utility services.

(3) With DOE elements, coordinates the possible reuse of facilities that field elements report as excess.

(4) In coordination with program offices and program offices with landlord responsibilities, takes the lead in verifying that field elements have the asset management performance criteria and measures in place to effectively oversee the contractors.

(5) Provides technical assistance to the program offices, landlords, and field elements.

(6) Coordinates among program offices and field elements to support an efficient, economic approach to physical asset management.

(7) Manages the certification program for DOE real estate specialists.

(8) Supports the planning and budgeting process for physical assets.

(9) Sponsors and coordinates the Life-Cycle Asset Management Planning and Analysis Group.

(10) Acts as the DOE point-of-contact for external activities and issues relating to life-cycle asset management.

(11) Supports the Secretary in the strategic systems critical decision process.

(12) Supports the development of Departmental performance objectives.

(13) Facilitates the assignment of the landlord program office responsibility.

(14) Conducts independent cost assessments on strategic systems (or on other projects, as requested) to verify a sound basis for critical decision making that commits large expenditures of DOE resources.

c. Program Office.

(1) Leads in defining, planning, and budgeting for program needs, including operations, facilities, and projects.

(2) Leads in verifying that program objectives are met and is accountable to the Secretary for program direction and execution through the field element.

(3) Notifies field elements of plans to close program facilities.

(4) Coordinates with the Office of Field Management and field elements to support an efficient, economic approach to physical asset management.

(5) Develops, documents, and maintains a system to prioritize the acquisition of programmatic physical assets, including upgrades.

(6) Participates in the Life-Cycle Asset Management Planning and Analysis Group.

(7) Supports or, if delegated, leads the critical decision process for strategic systems funded by the program.

(8) Conducts reviews of field element performance, including design, scope, and cost peer reviews for program elements under their programmatic authority.

(9) Issues policy relative to its programmatic planning, budgeting, and execution activities.

(10) Leads in establishing and clearly stating expected program performance objectives and program performance criteria and supports the contracting officer in implementation of performance criteria for stated objectives.

(11) Supports the Office of Field Management to verify that field elements have the asset management performance criteria and measures in place to effectively oversee programmatic facilities.

(12) Supports, including funding, the field elements in the management of inactive and surplus program facilities that have not been transferred to the Office of Environmental Management.

(13) For single program sites, performs responsibilities of the landlord.

(14) For multi-program sites, provides support, including resources, to the program performing the responsibilities of the landlord.

(15) Leads oversight of field elements to ensure that performance criteria and measures are in place to effectively achieve program and project objectives related to the program office's programmatic authority.

(16) Assumes the responsibilities of the field element for project management and physical asset management not delegated to the field element.

d. Program Office Designated as Landlord.

(1) Supports DOE field element's management of site infrastructure by prioritizing and budgeting for real property needs in a manner consistent with current and planned site mission activities. For multi-program sites these responsibilities include coordination of funding requirements with other program offices.

(2) Issues policy relative to its infrastructure planning and budgeting activities.

(3) Leads in establishing infrastructure performance objectives and supports the contracting officer in developing performance criteria for the site.

(4) Supports the Office of Field Management in verifying that field elements have asset management performance criteria and measures in place to effectively oversee nonprogrammatic facilities.

(5) Leads reviews of field elements infrastructure activities, in coordination with the program offices and the Office of Field Management.

(6) Develops, documents, and maintains a system to prioritize the acquisition of nonprogrammatic physical assets.

(7) Supports, including funding, field elements in the management of inactive and surplus landlord facilities that have not been transferred to the Office of Environmental Management.

(8) Supports or, if delegated, leads the critical decision process for strategic systems funded by the landlord.

(9) Leads issue resolution between program offices regarding possible conflicts in planned infrastructure uses at multi-program sites.

(10) Supports field elements in site-wide and external facilities management and infrastructure issues requiring Headquarters involvement.

(11) Coordinates landlord facilities management activities with other DOE landlord programs to provide a consistent approach to landlord facilities management.

e. Field Elements.

(1) Serve as contracting officers for site contracts and all other contracts and financial assistance agreements executed by field elements.

(2) Prepare initial budget requests and planning for physical assets.

(3) Obtain necessary approvals for projects from the sponsoring program offices including mission need and project baselines, as appropriate.

(4) Oversee projects delegated to them and oversee those projects executed by contractors to verify requirements are met.

(5) Notify the Office of Field Management of excess real property that has a significant remaining useful life.

(6) Verify adequate management of inactive and surplus facilities until a reuse is found or the real property is disposed of.

(7) Lead the verification of an efficient, economic approach to physical asset management in coordination with program offices and the Office of Field Management.

(8) Participate in the DOE certification program for real estate specialists.

(9) Participate in the Life-Cycle Asset Management Planning and Analysis Group.

(10) Support the strategic systems critical decision process.

(11) Support the program offices in development of performance criteria for program performance objectives and lead in implementing program criteria.

(12) Lead in negotiating the performance criteria and measures with the contractor to meet the defined performance objectives.

(13) Lead in evaluating the performance of the contractor against the performance measures in the contract.

(14) Are accountable to the program offices and the landlord program office for contractor performance.

(15) Coordinate all review and external oversight activities of the contractors.

(16) With General Counsel and the Office of Field Management, participate in the DOE's utility intervention process.

(17) When project size and complexity warrants, conduct independent design, scope, and cost reviews.

8. ASSISTANCE. For answers to questions, contact the Office of Field Management at (202) 586-2850.

BY ORDER OF THE SECRETARY OF ENERGY:

ARCHER L. DURHAM
Assistant Secretary for
Human Resources and Administration

DEFINITIONS

1. Assets. See Physical Assets.

2. Asset Management Systems. Processes and/or procedures that are employed for non-programmatic management of a facility or physical asset.

3. Baseline. A quantitative expression of projected costs, schedule, and technical requirements; the established plan against which the status of resources and the progress of a project can be measured.

4. Certified Realty Specialist. A DOE employee that is certified in one or more of the four specialty realty areas: acquisition, non-GSA leasing, GSA leasing, and land management and disposal. Employees so certified may authorize or contract for real estate actions within certified specialty area(s).

5. Commencement of Execution. The beginning of the project phase that accomplishes development and remedial action/construction. This project phase advances the project from conceptual design to turnover to operations, through the execution of the design, construction/building-/remediation and acceptance of the project. During this project phase, preliminary design, detailed design and construction/remedial design and remedial actions take place.

6. Conceptual Design. The activities required to evaluate project design alternatives and to develop sufficient detail to baseline the scope, cost and schedule for project authorization.

7. Corporate Facilities. See DOE Facilities.

8. Corrective Maintenance. See Repair.

9. Critical Decision. A formal determination at a specific point in a project that allows the project to proceed. Critical decisions occur in the course of a project, for example: prior to commencement of conceptual design, commencement of execution and prior to turnover.

10. Disposal. Permanent or temporary transfer of DOE control and custody of real property to a third party who thereby acquires rights to control, use, or relinquish the property.

11. Disposition. Those activities that follow completion of program mission, including, but not limited to, stabilization, deactivation, decontamination, decommissioning, dismantlement, and/or reuse of physical assets.

12. DOE Elements. First tier organizations at Headquarters and in the field. Field elements include all operations offices, field offices, energy technology centers, and power marketing administrations.

13. DOE Facilities. Any of the DOE-owned, -leased, or -controlled facilities.

14. Excess. Physical assets that are not required for DOE needs and the discharge of its responsibilities.

15. Facilities. Land, buildings, and other structures, their functional systems and equipment, and other fixed systems and equipment installed therein, including site development features outside the plant, such as landscaping, roads, walks, and parking areas; outside lighting and communication systems; central utility plants; utilities supply and distribution systems; and other physical plant features.

16. Facilities Management. A documented process by which facilities are operated and maintained.

17. Facility. The buildings, utilities, structures, and other land improvements associated with an operation or service and dedicated to a common function.

18. Graded Approach. The depth of detail required and the magnitude of resources expended for a particular management element to be tailored to be commensurate with the element's relative importance to safety, environmental compliance, safeguards and security, programmatic importance, magnitude of the hazard, financial impact, and/or other facility-specific requirements.

19. Infrastructure. All real property and installed equipment and personal property that is not solely supporting a single program mission.

20. Landlord Program Office. (Landlord) The Headquarters program office responsible for the support, planning, acquisition, operation, maintenance, and disposition of physical assets related to infrastructure.

21. Life-Cycle. The life of an asset from planning through acquisition, maintenance, operation, and disposition.

22. Line Item Project. Those separately identified project activities that are submitted for funding and are specifically reviewed and approved by Congress.

23. Maintenance. Day-to-day work, including preventive and predictive maintenance, that is required to maintain and preserve plant and capital equipment in a condition suitable for it to be used for its designated purpose.

24. Maintenance Backlog. The amount of maintenance and repair work not accomplished at the end of the fiscal year that is needed or planned to sustain the assigned mission.

25. Partnership. A process in which individual stakeholders create a team approach to achieve mutual goals and objectives or to resolve problems.

26. Performance Criteria. A condition or set of conditions that, when satisfied, indicate successful completion of the performance objective.

27. Performance Measures. Any evaluation, comparison, or judgement toward meeting the performance objective.

28. Performance Objective. A statement of wants, needs, and expectations of customers that sets the direction for all contract effort.

29. Personal Property. See Physical Assets.

30. Physical Assets. All DOE-owned or DOE-used and -controlled land, land improvements, structures, utilities, motor vehicles, equipment, and components are included.

    a. Real Property or Real Estate. Real property includes land, improvements on the land, or both, including interests therein. All equipment or fixtures (such as plumbing, electrical, heating, built-in cabinets, and elevators) that are installed in a building in a more or less permanent manner or that are essential to its primary purpose are usually held to be part of real property.

    b. Related Personal Property. Related personal property means any personal property that, once installed, becomes an integral part of the real property in which it is installed or is related to, designed for, or specially adapted to the functional or productive capacity of the real property. The removal of related personal property will significantly diminish the economic value of the real property or the related personal property. Examples of related personal property are communications and telephone systems.

    c. Personal Property. Generally, capitalizable property that can be moved, or that is not permanently affixed to and part of real estate. Generally, items remain personal property if they can be removed without seriously damaging or diminishing the functional

value of either the capitalizable property or the real estate. Examples of personal property are shop equipment and automated data processing and peripheral equipment.

31. Programmatic Management. Functions that include planning and developing the overall program; establishing broad priorities; providing program technical direction; preparing and defending the program budget; controlling milestones; integrating all components of the program; providing public and private sector policy liaison; expediting interface activities and follow-up actions; and retaining overall accountability for program success.

32. Project. In general, a unique effort that supports a program mission with defined start and end points, undertaken to create a product, facility, or system with interdependent activities planned to meet a common objective/mission. Projects include planning and execution of construction/renovation/modification/environmental restoration or decontamination and decommissioning efforts, and large capital equipment or technology development activities. Tasks that do not include the above elements, such as basic research, grants, and operations and maintenance of facilities, are not considered projects.

33. Property. See Physical Assets.

34. Related Personal Property. See Physical Assets.

35. Repair. The restoration of failed or malfunctioning equipment, system, or facility to its intended function or design condition. Repair does not result in a significant extension of the expected useful life.

36. Site. A geographic entity comprising leased or owned land, buildings, and other structures required to perform program activities.

37. Strategic System. (formerly Major Systems Acquisition) A special type of line item project(s) that is a single, stand-alone effort within a program mission area that is a primary means to advance the Department's strategic goals. Designation of a strategic system is determined by the Secretary based on cost, risk factors, international implications, stakeholder interest, and/or national security.

38. Strategic System Critical Decision Process. See Critical Decision.

39. Surplus. Any facility that the responsible program office declares available for other use.

40. Utility. A system, or any of its components, that generates and/or distributes (via pipelines, wires, buses, or electromagnetic waves) a commodity or service to itself and/or to other facilities.

41. Utility Service. A service, such as the furnishing of electricity, natural gas, steam, water, and sewer service and the furnishing of appurtenant facilities and systems. Telecommunication services or the removal and disposal of garbage, rubbish, and trash are not included.

42. Value-added. A decision-making process that leads to an improvement in an operation or process, based on effectiveness, efficiency, cost-effectiveness, safety, etc.

43. Value Engineering. An organized effort, directed by a person trained in value engineering (VE) techniques, to analyze the functions of systems, equipment, facilities, services, and supplies to achieve the essential functions at the lowest life-cycle cost that is consistent with required performance, reliability, availability, quality, and safety. (Terms such as value analysis, value control, value improvement, value management, and functional analysis are synonymous).

Appendix 2

APPENDIX 2-1

Appendix 3

APPENDIX 3-1

LIFE

CYCLE

ASSET

MANAGEMENT

Good Practice Guide
GPG-FM-033

Comprehensive Land-Use Planning Process Guide

March 1996

Department of Energy
Office of Field Management
Office of Project and Fixed Asset Management

LIFE

CYCLE

ASSET

MANAGEMENT

Good Practice Guide
GPG-FM-033

Comprehensive Land-Use Planning Process Guide

March 1996

Department of Energy
Office of Field Management
Office of Project and Fixed Asset Management

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1. INTRODUCTION

This Guide is intended to assist[1] Department of Energy (DOE) Field Office and contractor personnel in implementing a comprehensive land-use planning process, as required by DOE Order (DOE O) 430.1, Life-Cycle Asset Management (LCAM). After briefly describing the policy, history, and importance of effective land use planning in sections 2-3, the Guide delineates the major steps that should be taken as part of the comprehensive planning process in section 4. This section also discusses some of the major processes and issues that should be considered to develop a planning approach suited to individual site needs. In section 5, the Guide describes DOE headquarters' expectations for the comprehensive land use planning process.

Throughout the Guide, examples are provided to illustrate how sites have already begun to effectively implement comprehensive land use planning. Appendices A-E provide supporting information, definitions, and examples which address specific issues, related to the planning effort, such as public involvement, intergovernmental collaboration, geographic information systems, and performance measurement.

[1] This document is for guidance purposes only. The contents of this Guide do not constitute a basis for an audit. The Guide will be updated periodically to reflect lessons learned in Headquarters' expectations and objectives. This information is provided for guidance only. In no way should this information or the supplemental information in this section be seen as a requirement of how a comprehensive planning process will be managed.

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2. POLICY

The Secretary's Land and Facility Use Policy concisely articulates the need for effective land use planning as part of DOE's stewardship responsibilities. It states:

> It is Department of Energy policy to manage all of its land and facilities as valuable national resources. Our stewardship will be based on the principles of ecosystem management and sustainable development. We will integrate mission, economic, ecologic, social, and cultural factors in a comprehensive plan for each site that will guide land- and facility-use decisions. Each comprehensive plan will consider the site's larger regional context and be developed with stakeholder participation. This policy will result in land and facility uses that support the Department's critical missions, stimulate the economy, and protect the environment[2].

Background. The comprehensive land use planning process came about in response to concerns raised by senior management concerning the short and long-term uses and management of DOE land and facilities. Effective comprehensive land use planning can serve as a vehicle for addressing questions, such as the following:

- What land and facilities does DOE own?
- What is the condition of specific facilities and parcels?
- What are specific facilities or parcels used for?
- What can specific sites or facilities be used for?
- What are secondary uses of specific facilities or parcels?
- What opportunities are available for public uses?
- What future uses do affected communities recommend for sites with cleanup missions?
- How do we know that we are exercising proper stewardship of resources?

To help provide answers to these questions, the comprehensive land-use planning process is used to identify an appropriate mix of land uses at each site and guidelines for development. Each site should use the comprehensive land-use planning process to develop and examine multiple land-use options based on probable future budget and mission scenarios.

Comprehensive land-use planning should be used to site management a clear view of land-use issues, capabilities, opportunities, and limitations of the site. In the coming era of

[2] Secretary's Land and Facility Use Management Policy, December 21, 1994

tight construction and operational budgets, difficult land-use decisions will have to be made to guide the following decisions and responsibilities regarding

- sites for new missions and supporting ongoing mission;
- appropriate land uses and clean-up levels;
- site closings or functional realignment;
- interagency land management;
- protection of species and natural asset stewardship;
- facilitating multi-use of sites and facilities with other entities; and
- reuse, disposal, demolition, and privatization of excess land and facilities

Integration with Other Planning Processes. To effectively do this, it should also function as the integrator of disparate planning actions on the site. Sites, as a rule, have multiple facility, infrastructure, operation, and compliance projects at all levels of development. There are also a myriad of other land and facility related management initiatives which are outside the traditional project planning processes. Although incremental land-use decisions are necessary throughout the life cycle of an individual project or an entire site, a document with a sitewide vision is also needed to clearly and consistently identify near-term constraints and opportunities, while articulating the stakeholders' long-term land-use goals for the site and its stakeholders. Agency comprehensive land-use planning efficiencies are directly related to or predicated on a timely and interdisciplinary approach to the Departmental planning and decision-making process.

A case in point is the National Environmental Policy Act (NEPA) process. It is designed as a mechanism for incorporating environmental values (both public and institutional) into Federal planning and decision making. The NEPA process should never be separate from the Department's planning and decision-making apparatus. Sites should integrate NEPA requirements with planning and environmental review procedures required by law or by agency practice so that procedures run concurrently rather than consecutively. Integration will encourage and facilitate public involvement in decisions which that affect the quality of the human environment. Sites should use the NEPA process to identify and assess the reasonable alternatives to proposed actions that will avoid or minimize adverse effects of these actions upon the quality of the human environment. (See appendix A for further guidance)

3. PRINCIPLES

The comprehensive land-use planning process relies on many supporting principles and processes. To understand the origin, intent, and direction of the comprehensive land-use planning process, it is necessary to become familiar with the related principles.

3.1 Ecosystem Management Principles[3]

The Secretary's Land and Facility Use Management Policy states that DOE will exercise stewardship over its assets based on ecosystem management principles. The principles have evolved over the last decade in response to regulatory lessons learned and the realization that the environment and the economy have to be mutually supporting to provide long-term benefits to an area's residents[4]. Implementing the following nine principles are the organizing basis for the process described throughout section 4.

1. Establish baseline conditions for ecosystem functioning and sustainability against which change can be measured. Monitor and evaluate actions and their outcomes to determine whether goals and objectives are being achieved.

2. Integrate the best science and knowledge available into the decision-making process while continuing scientific research to improve the knowledge base.

3. Recognize that ecosystems and institutions are characteristically complex, dynamic, heterogeneous over space and time, and are constantly changing.

4. Develop a shared vision of the desired ecosystem condition, taking current social and economic conditions into account and identifying ways in which all parties can contribute to achieving common ecosystem goals.

5. Support actions that incorporate sustained economic, sociocultural, and community goals consistent with the vision.

6. Develop coordinated approaches among Federal agencies to accomplish ecosystem objectives, and collaborated with local, State, and Tribal parties based on recognition of mutual concerns.

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[3] The Report of the Interagency Ecosystem Management Task Force, The Ecosystem Approach: Healthy Ecosystems and Sustainable Economies, Volume II-Implementation Issues PB95-265591, November 1995

[4] Evolution of Ecosystem Management IECMG, 1994

7. Respect private property rights, and work cooperatively with land owners to accomplish shared goals.

8. Use ecological approaches that restore and sustain the biological diversity, health, and productivity of ecosystems.

9. Use an adaptive approach to management to achieve both desired goals and a new understanding of ecosystems.

3.2 Sustainable Development Principles

The comprehensive land-use planning process uses the goals and shared vision of the ecosystem management principles as its guiding compass. The ecosystem management principles are in turned based on the principles of sustainable development. Sustainable Development is the trans-generational ideal that the assets we pass on to our children are usable and can be passed on to their children.

The President's Council on Sustainable Development[5] has produced national goals for sustainable development. They are truly interdependent and flow from the Council's understanding that it is essential to seek economic prosperity, environmental protection, and social equity together. The achievement of any one goal is not enough to ensure that future generations will have at least the same opportunities to live and prosper that this generation enjoys: all are needed. Although they are national in scope, they can and will need to be adapted to the scale, resources, and functions of the site and the region around each site.

HEALTH AND THE ENVIRONMENT. Ensure that every person enjoys the benefits of clean air, clean water, and a healthy environment at home, at work, and at play.

ECONOMIC PROSPERITY. Sustain a healthy U.S. economy that grows sufficiently to create meaningful jobs, reduce poverty, and provide the opportunity for a high quality of life for all in an increasingly competitive world.

EQUITY: Ensure that all Americans are afforded justice and have the opportunity to achieve economic, environmental, and social well-being.

[5] Established by Executive Order 12852. Council's URL is http://www2.whitehouse.gov/WH/EOP/pcsd/index.html

CONSERVATION OF NATURE. Use, conserve, protect, and restore natural resources —land, air, water, and biodiversity—in ways that help ensure long-term social, economic, and environmental benefits for ourselves and future generations.

STEWARDSHIP. Create a widely held ethic of stewardship that strongly encourages individuals, institutions, and corporations to take full responsibility for the economic, environmental, and social consequences of their actions.

SUSTAINABLE COMMUNITIES. Encourage people to work together to create healthy communities where natural and historic resources are preserved, jobs are available, sprawl is contained, neighborhoods are secure, education is lifelong, transportation and health care are accessible, and all citizens have opportunities to improve the quality of their lives.

CIVIC ENGAGEMENT. Create full opportunity for citizens, businesses, and communities to participate in and influence the natural resource, environmental, and economic decisions that affect them.

POPULATION. Move toward stabilization of U.S. population.

INTERNATIONAL RESPONSIBILITY. Take a leadership role in the development and implementation of global sustainable development policies, standards of conduct, and trade and foreign policies that further the achievement of sustainability.

EDUCATION. Ensure that all Americans have equal access to education and lifelong learning opportunities that will prepare them for meaningful work, a high quality of life, and an understanding of the concepts involved in sustainable development.

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4. IMPLEMENTATION

The basic model process presented in this Guide is derived from the ecosystem management principles and should be used to establish the site's initial process framework. This information is provided for guidance only. In no way should this information, or the supplemental information later in this section, be seen as a requirement of how a comprehensive planning process will be managed. The public should be consistently and constructively involved in every step of the process. The steps of the process are described below.

1. Evaluate the condition of the site's external and internal ecologic, economic, social, and cultural factors within their regional context. Build on existing data, where available.

2. Develop and analyze the site's internal land and facility use options that support mission requirements or other appropriate uses and are based on stakeholder future use preferences, asset management process inputs, ecosystem sustainability goals, economic sustainability goals, NEPA reviews, and other relevant site and programmatic information.

3. Evaluate land and facility use options for opportunities and constraints with existing and planned activities, which may include NEPA activities, Community Reuse Organization initiatives, existing and treaty rights and obligations, interagency and intergovernmental actions, legal and regulatory requirements, and other activities that may affect the comprehensive land-use plan.

4. Select recommended land and facility use options through a systematic process.

5. Prepare a comprehensive land-use plan that documents the results of the process and provides directions to achieve the selected future use options.

6. Implement the comprehensive land-use planning through actions under strategic planning, NEPA, other related planning efforts, and budget processes.

7. Monitor and evaluate land-use planning decisions to determine progress toward site goals.

4.1 Process Steps

Though each site is allowed to tailor this basic process, an explanation of the intent of each of the steps is shown below.

Process Step 1

Evaluate the condition of the site's external and internal ecologic, economic, social, and cultural factors within their regional context. Build on existing data, where available.

Condition Assessment. Information on the condition of the natural and manmade environment is needed to begin the comprehensive land-use planning process. Establishing the natural and socioeconomic boundaries within the regional context, is the most important step. Affected governments and the public can help to identify boundaries of the various factors in establishing the regional context.

Technical Site Information (TSI). The site should already have some relevant regional information and analyses in their TSI. The TSI should be supplemented with available information from local, Tribal, and State governments, and other Federal Agencies, regarding external zoning and land-use planning, socioeconomic factors, growth trends, environmental assessments, cultural assets, census tract analysis, and other information, before determining if any other information is needed.

The TSI should include the following:

- NEPA, Resource Conservation and Recovery Act, Comprehensive Environmental Restoration, Liability, and Compensation Act, Environmental Justice, compliance and mitigation reports related to Endangered Species Act, and other environmental documents;
- Environmental baselines and baseline reports (BEMR, NERP Reports, etc.);
- Future Use Project, Final Report recommendations;
- National Environmental Research Parks research, resource management, and public education efforts;
- Public Laws;
- Office of Environment, Safety and Health's Cultural Resource Management Program (cultural and archeological assets);

- Community reuse organization initiatives;
- Privatization initiatives and economic development plans; and
- Other plans: 5-year plans, budget plans, capital asset management plans, etc.

Lessons Learned.

The use of Geographic Information Systems (GIS) has many advantages for consolidating TSI information for analysis and presentation. Analysis of land-use options, constraints, changes over time, and the ability to uncover and highlight spatial relationships between attributes are advantages over legacy and currently stand-alone data.

Hanford has consolidated their existing GIS data/systems, including previously un-coded, regulation required information Through this process they uncovered instances of inconsistent duplicate data, parallel collection efforts, and unrecognized constraints. As a result of this effort, they have linked their data to other Agencies, both Federal and State and begun data sharing with local government. The consolidated GIS will be used as a common information source by 19 organizations (State, Tribal, Local, Federal, and site), involved in its development. (For further information see Appendix A)

Process Step 2

Develop land and facility use options that support mission requirements or other appropriate uses and are based on site sustainability goals, stakeholder future use preferences, asset management process inputs, NEPA reviews, and other relevant programmatic and site information.

Site Goals. Site (environmental and economic) sustainability goals for the site, support the Department and Program strategic plan (mission) and reflect input from community and other stakeholders, guide the comprehensive land-use planning process and its outcomes. Involving the public to develop an overall vision unifies these approaches before DOE plans projects and leads to better comprehensive land-use planning results. Establishing an overall direction that relates the site's mission and stakeholder's vision through collaborative goals is essential to the planning process and the need to identify, enable, and demonstrate results from the process.

Mission. Landlord Programs and the other programs on the site need to provide the process with current mission needs and future mission requirements (See section 5 for further guidance). From this information the mission land-use requirements are developed and analyzed. Mission land-use requirement analysis is already part of the site's TSI and may also include information and analyses from the following sources:

- Departmental and programmatic strategic plans, programmatic multi-year development plans:
- planned capital and General Plant Projects; 5 year construction plans, all project plans;
- Preconceptual Design Report and Conceptual Design Report, are needed to provide answers to what requires support in the near- and mid-term.
- Programmatic or sitewide NEPA reviews for current or new missions;
- Community Reuse Organizations initiatives, Work for Others, Technology Transfers, Cooperative Research and Development Agreements (CRADAs), or other initiatives when they require land or facilities;
- the current condition of facilities and infrastructure and mid- to long-term usability of existing facilities;
- Safety Analysis Reports and security requirements; and
- other documents which justify mission needs.

Land-Use Option Development. Land-use options should answer the question: What sustainable (mission based) use can I have today (or in the near future) on a particular piece of land over an indefinite time period? Comprehensive land-use planners should develop options based on current and planned missions, site sustainability goals, regional and site conditions, and the physical suitability of the land. With significant and meaningful involvement of affected governments and the public, comprehensive land-use planners should develop site land-use options to support the site mission requirements.

To help to determine the practicality of a particular use and whether the unit area could have one or multiple primary and secondary potential uses, site management should evaluate the initial assumptions and projections regarding:

- potential cleanup levels;
- final programmatic and sitewide NEPA actions (land uses or management approaches);
- new project approvals;
- budget levels;
- staffing;
- environmental, physical, and safety constraints;
- life-cycle costs;
- compatibility of adjoining uses; and
- other factors.

Future Use Recommendations. The comprehensive planning process should incorporate land use recommendations and data analysis generated through the site's future use planning effort. These recommendations should be serve as the basis for developing specific land and facility use options. Developed with significant involvement of affected governments and the public, the future use recommendations fall within seven land use categories: agricultural, residential, recreational, industrial, open space, storage and disposal, and open space/recreational.

Options for Dealing With Excess Property. Comprehensive land-use planning and the processes for determining excess property under DOE 430.1 LCAM, should be used together to identify current and future excess land and facilities and/or approaches to reduce their long-term management costs.

Executive Order 12512 "Federal Property Management" requires that agencies ensure the effective use of real property in support of mission-related activities. The Federal Property and Administrative services Act of 1949 as amended, requires all agencies to periodically review and identify property not needed, underutilized, or not being put to optimum use.

"Resourceful Reuse", a guide intended to assist managers in dealing with excess and temporarily not needed property, should be reviewed before formulating strategies for these properties. Real estate disposal, through sale, lease, or return to the Department of the Interior or the General Services Administration, requires a separate clearance and decisional process as well as NEPA review.

Lessons Learned. Sites that have begun a comprehensive land-use planning process have been able to more easily identify duplicative efforts, conflicting efforts, and informational disconnects. Sites should put together a crosscutting Federal/contractor team to identify, coordinate, and develop potential uses. Sites may have multiple requirements or constraints that need to be addressed on a sitewide basis.

Safety Analysis Requirements change over time in response to cleanup decisions, changes in material disposition, and facility decontamination and demolition. It is important to remember that safety and security buffer zones are the primary land use for most of the acreage at our sites.

Process Step 3

Evaluate land and facility use options for opportunities and constraints with existing and planned activities, which may include NEPA activities, Community Reuse Organization initiatives, existing and treaty rights and obligations, interagency and intergovernmental actions, legal and regulatory requirements, and other activities that may affect the comprehensive land-use plan.

Assessing the feasibility of the Options. Some of the land-use options developed during Step 2, may involve implementation issues that make them impractical. These options may also affect or support other initiatives not previously identified. The options need to be carefully compared with other site activities and regulatory requirements to determine their viability. Potential conflicts or opportunities from the following activities and requirements may be present.

- conflicts with land-use options in ongoing NEPA and other environmental regulatory-based processes (cleanup),
- environmental justice reviews,
- cultural preservation activities,
- tribal treaty rights and requirements,
- economic development activities,
- intergovernmental actions,
- privatization and commercialization activities, and
- recently started projects and other initiatives.

Lesson Learned. Regulators now see the need to look at more than just the protection of a single species or the impact of a single discharge permit. The Environmental Protection Agency's Office of Enforcement and Compliance Assurance is developing strategy to include ecosystem-based management in compliance and enforcement[6].

Tribal involvement in the evaluation of options is important. At Idaho National Engineering Laboratory, in accordance with the 1868 Treaty of Fort Bridger, the Shoshone-Bannock Tribes' rights to subsistence and traditional activities are protected on unoccupied Federal lands; therefore, if the site eventually becomes excess to the Federal Government's needs, the tribes could exercise their full treaty rights on the site. Given their interest in preserving their rights to use the site for subsistence and traditional activities in the future, the Shoshone-Bannock did not support continued use of the site but were particularly interested in minimizing adverse impacts of site activities on the environment and cultural resources.

At Brookhaven National Laboratory, intergovernmental actions have to be considered in evaluating development options. With more than 500 hectares of the site within the Core Preservation Area of the State of New York's Pine Barrens Management Plan, the Laboratory has agreed to use the Management Plan as a guide in site development and future use planning.

Process Step 4

Select recommended land and facility use options through a systematic process.

An Iterative Process. Though this step may seem out of place, it is important to consider that selecting a recommended land and compatible facility use is an iterative process. Since missions, budget, and the environment change, the selection will need to be monitored continually and revised as necessary through adaptive management.

Selection of a recommended use is also iterative from an implementation stand point. Other processes (such as the land-use decisions through the NEPA process and/or the siting of facilities) are needed to implement any selection decision. Regulatory Records of

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Ecosystem Management Strategy for Compliance and Enforcement, EPA Home Page (http\\www.epa.gov) Dec 1995

Decisions, which specify land uses, must be incorporated into the comprehensive land-use planning process as the selected uses.

Determining the Land-Use Selection Authority and Process. The Federal Site Manager, with the supporting involvement of the Landlord Program, is the responsible land-use selection official. The selection process for land-use recommendation should be consistent and documentable at each site. Finalizing the land and facility use draft recommendation will involve coordinating with:

- all programs at the site to ensure inclusion of all mission needs;
- the public to maintain their trust and involvement in the process;
- local and Tribal governments to maintain their trust and involvement in the process; and
- other Federal entities responsible for regulatory and ecosystem management activities.

Process Step 5

Prepare a comprehensive land-use plan that documents the results of the process and provides directions to achieve the selected future use options.

The Plan. The requirement in LCAM for a documented, comprehensive, integrated land-use planning process with stakeholder involvement. Federal Site Management, supported by the Landlord Program should develop a published plan.

The scope of any written plan is determined by the Landlord Program and Federal Site Management. Specifications for a written plan should reflect customer needs and add value. The plan should address the DOE and Landlord Program objectives, communicate the results of the process, and provide implementing strategies for achieving the desired future land-use option(s).

Lessons Learned. The EM-40 Management Action Plan (MAP) was developed to tie together regulatory, land-use, and programmatic activities into an actionable strategy for cleaning up contaminated sites. A comprehensive land-use plan with stakeholder involvement is an integral part of the MAP. The comprehensive land-use plan provides the recommended land uses and the MAP provides direction for achieving the selected future uses.

At Rocky Flats, the Future Use Site Working Group recognized a potential future problem with the gravel mining in the site's northwest buffer zone. Though the mining land-use category was in their recommendations, the group felt that the Federal Government should purchase the mineral rights to preclude any future mining within the buffer zone.

Identifying of the implications of budget shortfalls and proposing possible ways to work around theses potential problems (of using secondary land-use options) are also important ways to prevent premature dating of the land-use planning efforts.

Process Step 6

Implement the comprehensive land-use planning through actions under strategic planning, NEPA, other related planning efforts, and budget processes.

Strategic Planning. The preferred land use options, selected in Step 4, should be used as a significant input in guiding strategic planning efforts at the site and Headquarters. These land uses imply certain opportunities and constraints that must be considered. Program Management and the Assistant Secretary for Policy need to be fully aware of the comprehensive plans' implications for site and complex-wide activities.

The Department's Strategic Management System and its requirement to link strategic efforts and annual performance plans to the budget will necessitate full programmatic involvement in a "big-picture" process like comprehensive land use planning to ensure that their actions can be supported and executed at a site.

Active coordination with the site's Landlord site and Headquarters Program Office is also a necessity. Landlord Programs and other site programs should be fully involved in the comprehensive land-use planning process from the beginning.

NEPA Implementation. Implementation of recommendations for land-use decisions can be accomplished through the NEPA process and several levels of analysis (e.g.,

programmatic, site-wide or project specific: Environmental Assessment or Environmental Impact Statements; or project specific categorical exclusions).

NEPA provides a ready-made framework, as well as a mandate, for inter- and intra-agency coordination regarding proposals that may significantly affect the environment. NEPA mandates consultation, at various stages during the development of an environmental impact statement (EIS), with any Federal Agency that has jurisdiction or special expertise with respect to any environmental impact involved, and it provides that "affected" Federal and non-Federal agencies must be notified of the proposed action and afforded and opportunity to comment on the proposal. An EIS must address possible conflicts between the proposed action and the objectives of, among other things, State and local land-use plans and policies in the area at issue.

Site planners should actively pursue partnering with the site NEPA organization to explore the possibilities of developing implementation strategies through appropriate NEPA documentation.

Other Planning Actions. At the site/landlord program discretion, more detailed planning processes which deal with parcel-level master planning, integration with project planning, pollution prevention, site selection (For further guidance see GPG-21, Site Selection Process), utility easements planning, definition of interim uses, parcel disposal plans, endangered species recovery plans, habitat enhancement plans, and transitional zoning designation, can be used to aid in the implementation of the site's comprehensive land-use plan. Integrate other Headquarters and Field Element practices that support or are associated with land and facility use and planning decisions into the comprehensive land-use planning process.

When sites cover significant acreage, the comprehensive land-use planning process should be extensively coordinated and integrated with the Natural Resource Management Plans. When other agencies provide these services, they should not only be informed of the planned use but should be brought into the comprehensive land-use planning process as stakeholders and customers. For example: land-use management plans or services provided through agreements with Department of Interior may already exist at sites. Sites should use implementation to integrate their current land-use management practices and planning products.

Process Step 7

Monitor and evaluate land-use planning decisions to determine progress toward site goals.

Monitoring the results of land-use decisions is critical to the planning process. The planning team should monitor the process to ensure implementation of the comprehensive plan as well as measure the effectiveness of the plan in meeting DOE site goals. Based on the results of this review, planners may choose to restructure certain elements of the process.

After land-use decisions are made, a program should be established to monitor the impacts of the land-use decisions on mission, environment, economic, cultural, and social factors. Monitoring when part of a performance measurement system provides essential feedback for adaptive management and can be implemented in five basic steps discussed in section 4.2.3.

The land-use recommendations developed, in many cases, should be thought of as experiments. The results of the experiments need to be collected, analyzed, and communicated. Ecosystem management principles recognize that ecosystems and institutions are constantly changing and current knowledge is somewhat limited. As more information becomes available, the scope of the next comprehensive land use planning cycle can be modified to reflect new concerns, responsibilities, and areas of emphasis.

4.2 Additional Process Information

The steps shown in Section 4.1 provide the general guidance for developing a comprehensive land-use planning process. This section should be considered as guidance in developing the written plan and refining the planning process at each site.

4.2.1 Public Participation in the Comprehensive Land-Use Planning Program

To develop a shared vision of the desired ecosystem conditions requires the involvement of the public. DOE's Public Participation Policy clearly states that the public must be involved in the comprehensive land-use planning process with, *"The public is entitled to play a role in Departmental decision making."*

For comprehensive land-use planning to be effective, sites must consider an educated public's perceptions and values concerning ecosystems and operations. DOE's Field Office Manager should balance the public, local, regional, and national stakeholder recommendations carefully with the Department's strategic missions to make appropriate land-use management decisions. The Department, as responsible managers of Federal land, retains the ultimate responsibility for decision making.

Continuous, consistent, and direct public participation is needed to keep the expectations of the process realistic. Public participation helps to integrate use of the natural and social sciences and the environmental design arts in planning and in decision making that may have an impact on the human environment. Public participation activities allow the public to communicate their values and goals.

With this information, sites can move forward with fewer unresolved issues a better understanding of the site and its potential uses. Effective public participation in decision making reduces the possibility of adverse surprises. Members of the public can help DOE and sites with the immense task of grasping the often overlooked human scale of problems in comprehensive land-use planning and the gathering of pertinent information across the region.

Common concerns include frustration with the cumbersome process of dealing with DOE. Some other problems can be attributed to normal policy shake-down issues and working under the Federal Advisory Committee Act (see Appendix A). Other issues are reflect the need for a basic cultural change.

Federal officials (Ops Office Managers, Field Office Managers and Area Office Managers) need to be involved in establishing the type of interaction with and among community members that aids consensus building—a critical requirement in the comprehensive land-use planning approach. Site and Federal officials need to accept input, and encourage the constructive dialogue that can lead to collaborative solutions.

Once the planning process is underway, providing feedback to the public is very important. Ensure that the public gets feedback on its comments, suggestions, outcomes of efforts, and research and monitoring results. (Further guidance is found in Appendix A.)

4.2.2 Adaptive Management

Adaptive management is an iterative approach to decision making involving a cycle of planning, implementation, monitoring, research, and subsequent reexamination of management decisions based on new information that may alter existing plans and priorities. Adaptive management necessarily cuts across comprehensive land-use planning issues, including:

- budget issues (such as funding for monitoring),
- institutional issues (such as guidelines for decision-making processes),

- science and information issues (such as access to applicable and reliable scientific information),
- and legal issues (such as statutes that hinder or facilitate adaptive processes).

4.2.3 Monitoring the Results of the Planning Process

Monitoring the results of land-use decisions is critical to the planning process. It provides essential feedback for adaptive management and is implemented in five basic steps:

1. Design monitoring programs to collect data on results of past land-use decisions and assumptions.

2. Implement monitoring programs.

3. Establish a process for making monitoring data accessible to future decision makers and future monitoring programs. This process should be designed to ensure that the information collected is useful for assessing the results of past management actions, and is of the type and in a form that would be useful to decision makers.

4. Use the monitoring information to evaluate the results of past actions so that future decisions can benefit from lessons learned.

5. Examine the site information collection systems to improve process quality. Comprehensive land-use planning relies heavily on existing data and information collection systems such as environmental impact assessments conducted under the NEPA process and TSI. At the end of the current iteration of the comprehensive land-use planning process, and before the start of the next iteration, site management should identify data gaps and re-target information that should be gathered to demonstrate performance trends. Planners should be aware of other site planning, monitoring, and data collection systems; and, where necessary, efforts should be made to influence, consolidate with, or modify these systems to address identified data gaps critical to the next planning iteration.

4.2.4 Tribal Governments and Their Treaty Rights

American Indian Tribes have sovereign rights under treaties and other agreements. All American Indian Tribes, Alaskan Native Villages, and Native Hawaiian Organizations have vital interests in the comprehensive land-use planning process. Federal planners must

involve the Tribes in the planning processes. They also should consult with Tribal Governments to help in cultural asset identification, protection, and management.

Planners should know and understand the Department's obligations under DOE's American Indian Policy. Sites must also ensure that their comprehensive land-use planning process supports DOE's government-to-government relationship with Tribal governments. DOE recognizes and commits to government-to-government relationship with American Indian Tribal Governments. It recognizes Tribal Governments as sovereign entities with, in most cases, primary authority and responsibility for Indian country. In keeping with the principle of American Indian self-government, DOE will view Tribal Governments as the appropriate non-Federal parties for making decisions affecting Indian country, its energy resources and environments, and the health and welfare of its populace. (Further guidance is found in Appendix A.)

4.2.5 Working with Other Government Units

Working with other governmental units is essential to implementing ecosystem management principles. Coordination with local government has always been a discrete activity within the NEPA process and the DOE site development planning process. Throughout the planning process Federal and site personnel should look for opportunities for coordination. Several opportunities for coordination with other governmental units are discussed in the following subsections.

Agreement in Principle with Local Governments

Local governments are responsible for land-use planning on property outside the site. When land-use planning and management issues arise, strong differences of opinion may also arise. Sometimes differences over processes and policies necessitate the development of a formal agreement which, to avoid further misunderstandings, defines roles and responsibilities, objectives, time lines, and resolution of other issues to the satisfaction of all parties. Agreements in Principle are negotiated tools for formalizing intergovernmental relationships. Joint planning efforts can be pursued through an Agreement in Principle.

Memorandums of Understanding between Federal Agencies to Foster the Ecosystem Management Approach

The Department and other Federal agencies are making increasing use of Memorandums of Understanding (MOUs) to ensure coordination on issues of interest to several agencies. In particular, the MOU between the members of the Interagency Task Force on

Ecosystem Management focuses on ensuring the use of an ecosystem management approach in administering their programs. Agencies will provide leadership and cooperate with the public, local, Tribal, and State governments in activities that foster an ecosystem approach to resource management.

Participation in local MOUs should enable the area's Federal agencies to coordinate land-use management activities and evaluation of ecosystem conditions and impacts that are beyond the capacity of one agency to address.

Ex-officio Membership on Planning Boards

Site and Federal comprehensive land-use planners or members of planning teams should seek out local land-use authorities on zoning and planning boards to pursue the development of an ex-officio relationship for addressing common issues in land use, transportation, economic development, and natural and cultural resource planning.

Community Reuse Organizations/Economic Development Authorities

The Office of Worker Transition has encouraged the establishment of Community Reuse Organizations (CROs) at sites affected by significant worker downsizing. These CROs are established to identify opportunities for reuse of site land and facilities to offset the local consequences of DOE downsizing. They are not intended to be chartered under the Federal Advisory Committee Act. Independent of the Site Advisory Boards, CROs are usually associated with local governments and economic development authorities. Because many land-use option developments and decisions involve the CRO, coordinating or informal ties with them are critical to the comprehensive land-use planning process.

4.2.6 Using the Best Available Information in the Planning Process

The land uses developed by the comprehensive land-use planning process are intended to support the goal of sustainable use or development on our sites. Many initial decisions will have to be based on available information. Collecting all the information needed for an exhaustive evaluation of all possible alternatives will always be difficult. As a result, land-use decision will be made under circumstances that may contain varying degrees of uncertainty. Planners must use available corporate information to reduce uncertainty while developing their land use options.

Strategic Knowledge Sharing and Integration

Knowledge management technology now exists to enable the Federal Government to improve and coordinate Federal plans, functions, programs, and resources in a safe, healthful, and environmentally sound manner consistent with our responsibilities as stewards of resources for succeeding generations. Knowledge management technologies can help resolve the lack of continuity in corporate knowledge by cataloguing accumulated data about the impacts of Agency activities.

Publishing the comprehensive land-use plan and environment, safety, and health information for each site on the World Wide Web would improve mission performance by optimizing resources capable of delivering information from a variety of previously un-integrated, specialized information sources that address planning, environment, safety and health issues. Web technology facilitates timely delivery of the right information to Agency planners and decision makers. Existing DOE World Wide Web sites contain, corporate information; compliance status at DOE facilities; corrective action activities; management and contractor performance and budgetary requirements; and links to other Federal, State, Tribal and international data sets useful in land-use planning. Use of the Web to publish documents can also assist managers in cross-program coordination, strategic planning and information transfer, identification of near- and long-term issues, employee orientation and training needs, staffing requirements, and provide a strategic link for interagency cooperation and information exchange. (For further information see Appendix A.)

Sites and local governments also spend a great deal of resources to collect information and build databases, which link a variety of facts with a geographic site or facility. Data layers in GIS are often duplicated or could benefit from information that resides in another GIS system. Site personnel should attempt to consolidate all data layers into a common collection. These efforts should be extended to State, local, and Tribal governments; this may eliminate duplication of efforts.

4.2.7 Graded Approach

Though the objectives and results of sites should be similar, the individual site planning processes will be different. Slightly different approaches are needed to reflect the diversity of sites, their missions, and their resources. Sites are graded by physical size and conditional factors that may add to or subtract from the scope of potential efforts. Though the generalizations in this section may be useful when initially scoping the comprehensive land-use planning process at a particular site, exceptions will abound. A better way to apply a graded approach is to develop collaborative site planning goals,

objectives, and desired outcomes through work with programs, neighboring land owners, and stakeholder involvement to identify the needed level of effort.

Geographically Small Sites (less than three square miles)

The scope of the comprehensive land-use planning process at a small site should be similar to the site development plan for the site when:

- the impact on the larger ecosystem is limited,
- few watershed issues are involved,
- very little natural habitat is managed,
- its impact on local social factors is not great,
- the site has a good cultural asset management process
- planning staff has a high knowledge level about all site activities,
- few government entities wish to be included in the process, and
- the site has a stable mission.

The scope will become more extensive when:

- a site's budget and employment produces significant local economic impact and the need to actively plan with the local government;
- fragile wetlands, unique natural resources, or endangered species are present and necessitate management plans/strategies;
- missions are changing or declining and oblige privatization and Office of Worker Transition efforts;
- the lack of an existing involvement effort for the public, and local and Tribal governments on their quality of life, local economic, environmental, and cultural asset issues require its establishment;

- development of comprehensive land-use planning goals, objectives, and desired outcomes through ongoing work with neighboring Federal and private land owners is needed (Future Use Process); and

- the site's TSI has significant known data gaps.

Geographically Medium Sites (more than 3 but less than 15 square miles)

Based on their size, these sites have a higher potential for significant impact on the larger ecosystem and local economy. These sites usually contain multiple watersheds, significant portions of regional habitats, and multiple government entities to interact with. Steady-state sites with few natural constraints and a completed Future Use Process would experience about the same land-use planning effort while:

- transitioning, declining, or consolidating missions will need additional efforts,

- the presence of hot-button or complex local issues will present problems for coordination and data collection efforts,

- the presence of fragile wetlands/unique natural resources/endangered species will necessitate management plans/strategies,

- the lack of an existing involvement effort for the public, and local and Tribal governments on their quality of life, local economic, and cultural asset issues require its establishment,

- the lack of (Future Use Process) planning goals, objectives, and desired outcomes through ongoing work with neighboring Federal and private land owners will require additional efforts,

- the lack of recent NEPA actions or mature TSI process will add to the level of effort.

Geographically Large Sites (greater than 15 square miles)

These sites have significant potential for impact on the surrounding or contained ecosystem and regional economies. They usually are in transition to the cleanup phase and/or have multiple missions that complicate the strategic and comprehensive land-use planning effort. They have numerous government entities and regulators to deal with. All have developed public involvement efforts and Future Use Process land-use

recommendations for goals and desired outcomes. The scope and level of effort depend on:

- whether the decision to integrate separate planning efforts becomes a key part of the scope of planning efforts;
- the need to develop supporting or detailed plans;
- the presence of unidentified natural resources or endangered species that will add to planning efforts;
- the ability to join efforts with local and Tribal governments on their quality of life, local economic, and cultural asset issues; and
- the completion of recommendations for collaborative planning goals, objectives, and desired outcomes through ongoing work with neighboring Federal and private land owners.

4.2.8 Management Issues

Institutions change over time. The land-use planning process change requires the planners and managers attention. Each site and Federal Field Office should use quality and process improvement methods to examine its existing site development planning process and develop its comprehensive land-use planning process. Organizational and performance issues should be addressed early in the development of the site's comprehensive land-use planning process.

Planning Organizations

To implement the ecosystem management-based, comprehensive land-use planning approach, DOE must acknowledge and overcome any hurdles presented by the Federal/M&O contractor organizational structure and limitations in planning resources. Organizational structures often present barriers to crosscutting processes like comprehensive land-use planning in the areas of communication, coordination, interdisciplinary hiring and training, planning process budgeting, and public participation. Sites and Field Offices are encouraged to use quality, customer-focused methods to improve the organizational support of the comprehensive land-use planning process.

Site Contractors

Through performance-based contracts, the site contractor is tasked with developing comprehensive land-use planning process that fulfills the requirement in the LCAM Order, reflects headquarters and Landlord Program objectives, and fulfills performance measures developed by the Field Office. Site personnel have a key role to play in ensuring that the comprehensive land-use planning process is goal oriented, produces measurable results, identifies and eliminates barriers to crosscutting processes, is adaptable to changing circumstances, and is responsive to strategic program needs. Site personnel should also ensure that the products of the process are useful to the process's customers.

Federal

The Department's Federal structure, with sites having several autonomous programs, multiple contractors, and the Federal management divided between staff and operational functions at both headquarters and field may pose a significant barrier to internal issue identification, information collection, communication for those who need planning information or coordination, land-use decision making, and funding for the comprehensive planning process. To ensure that its structure does not present additional obstacles, each Federal Field Office should examine the role and effect of its organization on the comprehensive land-use planning process.

Some Field Offices now working on comprehensive land-use plans have organized Federal planning process teams and have found them to be the best avenue for identifying the organizational and internal process changes needed to meet near- and long-term process development and implementation goals. They have also found the importance of a point of contact for comprehensive land-use planning with the authority to manage the process; secure funding; identify and resolve implementation issues; and coordinate the approach across the Federal (field and headquarters), contractor, and intergovernmental entities.

5. MEASURING FOR RESULTS

5.1 Government Performance and Results Act of 1993

Performance accountability from the Government Performance and Results Act of 1993 provides the framework for measuring program and policy outcomes against a common standard and organized information for effective use by all stakeholders (Public, Congress, and the President). DOE's Strategic Plan, required by the Act and OMB A-11 guidance, is the starting point for all programmatic decisions and success measurements. The plan's annual desired outcomes are reflected in the Secretary's Performance Agreement with the President. Budget outlays have to be explicitly linked to the Strategic Plan and as funds are obligated, results and process performance must also be reported. Performance Agreements for Secretarial Officers and Site Managers must eventually reflect these same basic requirements.

The Act serves to strengthen the need to plan for results. Though the comprehensive land-use plans of local governments are driven by their citizens' values and desires, the site's comprehensive land-use planning process must be directed by the Department's strategic direction, implementation strategies, and commitment of resources. Ultimately, land-use decisions and their results will need to be associated to the Department's strategic goals and be linked to results. The results of the comprehensive land-use planning process are rational planning decisions and successes, which are realized over time and are anticipated in the Secretary's Performance Agreement with the President.

Performance-Based Contracting and Departmental Performance Objectives

Under LCAM and the Contract Reform Initiative, Field Offices are given the responsibility to develop asset management performance measures for M&O and other types of management contracts to ensure, comprehensive, integrated, documented, planning and control methods for the acquisition, use, maintenance, and disposal of physical assets. comprehensive land-use planning with stakeholder involvement is an area that is to be addressed by the performance measures.

Ideally, a site's comprehensive land-use planning process documentation (plans) should focus on endpoints (site goals) and on developing a set of working principles or strategies to guide development and to resolve issues that arise (e.g., budget shortfalls, new initiatives, etc.). Milestones can be developed to assess progress to toward endpoints. Process and condition monitoring (feedback) efforts should be developed to answer the questions identified, especially those dealing with "sustainable" development and goal direction indicators.

Performance-based contracting presents a challenge for long-term focused processes like comprehensive land-use planning. Successful planning approaches will be developed over time, but the performance measures are very difficult to develop and use, especially when initiating the process. Managers should consider having an implementing strategy at both the site and Field Office levels. Measuring the activities (or targeting an activity level) and activity results of the strategies can function as initial process performance measures for self-assessments or contracts.

5.2 Measuring Implementation Performance

There should be two basic focuses for planning measures: results and responsibilities for implementing actions. The Federal focus should be on developing a set of working principles or direction and strategies for implementing LCAM requirements and identifying Federal responsibilities and processes. The endpoints, which are the needed results from the contractor's efforts, depend entirely on the inclusion of the LCAM requirements and performance measures in the site M&O contract. Federal implementation milestones should be developed to assess progress toward those endpoints.

Performance measures developed by the Field Office for the M&O contract should address ways of demonstrating performance in attaining site sustainability goals through management directions. Usefulness (through survey or interview of process stakeholders) and incremental successful actions attributed to comprehensive land-use planning also should be measured for any plan developed. By definition, planning is intended to prevent problems. Problem-free execution of programmatic and Departmental strategic actions that can be attributed to the comprehensive land-use planning, may also be a measure of success.

5.3 Departmental Performance Objectives for the Comprehensive Land-Use Planning Process

Under LCAM, Departmental objectives, criteria, and possible measures are intended to be used by the Landlord Program and Field Office to develop site-specific objectives, criteria, and measures for performance-based contracts. These objectives and criteria should be updated periodically .

Objective

Comprehensive land-use planning should support the site's Departmental missions and be based on the Secretary's Land and Facility Use Management Policy.

Criteria

- Develop a comprehensive and documented land-use planning process, which is ultimately integrated with NEPA, real estate management, utility planning, asset management, project planning and other processes involved in land-use planning.

The process should involve evaluating conditions; identifying constraints; designating recommended land uses to support ongoing site mission and land uses for cleanup levels of environmental restoration projects; providing management with options for the development and redevelopment of land and facilities; monitoring results; and adapting the process to achieve the site's planning goals.

- Involve the public, local, State, and Tribal governments, and other Federal Agencies in the site's comprehensive land-use planning process.

- Develop implementation and direction strategies to take advantage of land-use opportunities and mitigate constraints.

  These strategies (for Federal actions and contractor guidance) should fashion land-use management actions related to current and future mission support; aid in reducing the level of excess land and facilities; support economic development; and improve the effectiveness of the planning process.

5.4. References to Other Relevant LCAM Guides

Other LCAM Good Practice Guides are available at Uniform Resource Locator (URL) address **<http://doe.ipsg.com/fm-50/lcam/index.htm>**. Pertinent sections will eventually be referenced in this section.

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Appendix A. Supplemental Information

Assistance

This appendix of the Guide provides additional information on various topics. The Office of Project and Fixed Asset Management is responsible for developing and maintaining this Guide. For assistance please send a message by electronic mail to **<fmland.ideas@hq.doe.gov>** or call (202) 586-1191.

GIS

Sites and local and Headquarters DOE management level need to place a greater emphasis on standardization (to a national standard under Executive Order 12906), on establishing common technical data sets, consolidating data layers, and collecting data on broader spatial and temporal scales. Sites are strongly encouraged to consolidate GIS systems and data bases whenever possible. Consolidated and standardized data can be shared with the National Geospatial Data Clearinghouse, which is also a source for land and plant coverage data. For questions regarding GIS systems in use throughout DOE and Meta-Data standards for data, call Robert Haar at (202) 586-6243.

NEPA

NEPA was the first statute that opened agency decision making to the public. The goal of NEPA is to foster excellent action. The NEPA process must be completed prior to the go/no-go decision point for programmatic and project decisions as well as project decisions. It is intended to provide a flexible framework to help federal decision-making officials incorporate environmental values into the planning process: the attainment of other societal goals and to make quality decisions (like traditional planning objectives) but also make decisions based on an understanding of environmental consequences; and (secondarily) to take actions that protect, restore, and enhance the environment. The NEPA process is not relegated to applying only in cases where the nature of when the Federal planning and decision making is environmental in nature (i.e., waste management mgt programmatic decisions); it but applies to every federal decision whether incremental phased project planning or a huge programmatic decision. NEPA process milestones (See GPG-21, Site Selection Process for further guidance) were established with respect to program/project management theories and practices, and were designed to overlay/coincide with the Agency's planning and decision-making time-line.

Data Sources

Sites that are have with National Environmental Research Parks have a ready-made systems for examining mission impact on the environment over time. The parks and their ParkNet information network can also play a major role in the development and interpretation of collected data.

During Throughout the past 25 years of NEPA actions, numerous environmental analyses have been performed that contain valuable information about regions and ecosystems, but this data was not stored in a retrievable manner. In October 1993, the DOE made its corporate NEPA information resource, the DOE NEPA Web, available through via a World Wide Web site on the Internet. The DOE hopes to use information technology to enhance the effectiveness of the NEPA process by providing the instantaneous responsiveness needed for closer Federal coordination, and to enhance opportunities for public involvement in Federal planning and decision making. The Uniform Resource Locator (URL) address for the DOE NEPA Web is: **<http://www.eh.doe.gov/nepa>**.

Sites should make full use of any valuable analytical resource. Partnerships with a university environmental management programs looking for research sites, with other Federal/State Agencies or, conservation groups are also encouraged as a way to develop needed monitoring data. URL addresses for other Government, Universities, and private/nonprofit ecosystem management related sites are available from the Office of Project and Fixed Asset Management on (202) 586-9157.

Department planners shall should use corporate resources made available under the National Information Infrastructure and the Department's Information Management Strategic Plan. An example of one such comprehensive data set that is useful in regional ecosystem management is EnviroText, an on-line, searchable library that provides easy access to most environment, safety, and health Federal and State Statutes and Regulations, as well as Indian Tribal Codes and Treaties, and International Agreements. The URL address for this resource is: **<http://tamora.cs.umass.edu/envirotext/index.html>**.

Tribal Involvement

The DOE will recognize the right of each Tribe to set its own priorities and goals in developing and managing its resources. The Department recognizes that some Tribes have treaty-protected interests in resources outside reservation boundaries. The Department recognizes that a trust relationship derives from the historical relationship between the Federal Government and American Indian Tribes as expressed in certain treaties and Federal Indian Law. In keeping with the trust relationship, the DOE will

consult with Tribal Governments regarding the impact of DOE activities on the energy, environmental and natural resources of American Indian Tribes when carrying out its responsibilities. The DOE will take a proactive approach to solicit input from Tribal Governments on Departmental policies and issues. The Department will encourage Tribal Governments and their members to participate fully in the national and regional dialogues concerning departmental programs and issues. Consistent with Federal Cultural Resource Laws and the American Indian Religious Freedom Act (P.L. Public Law 95-341), each field office or DOE installation with areas of cultural or religious concern to American Indians will consult with them about the potential impacts of proposed DOE actions on those resources and will avoid unnecessary interference with traditional religious practices. The DOE will incorporate this policy into its ongoing and long-term planning and management processes.

Public Involvement

Educating Stakeholders and Planners

The public must be educated about the relationship between DOE missions, public health, and the health of the surrounding ecosystems in which we all live. The enormity of ecosystem-based management, the complexity of site activities, and the technical knowledge required to fully understand both of them can be overwhelming. Education of the involved public on technical, administrative, and budget issues is essential for making their role in the comprehensive land-use process effective.

Planners and managers need to possess must also acquire the interpersonal skills to effectively participate in two-way communication. The communication must be a dialogue, where site personnel listen and respond to the public. Listening more intently is critically important to in our efforts to involve the public in the comprehensive land-use planning approach.

Federal Advisory Committee Act and Its Implications

Effective use of the Federal Advisory Committee Act (FACA) groups is essential. Sites that have established FACA-chartered advisory board are strongly encouraged to continue to use them for land-use option recommendations and their other intended purposes. Organizational models are important. Two models that have been used effectively in other Agencies for input, especially technical, are he master and umbrella charters.

In the master charter model, the master committee receives and evaluates advice from other entities and relays the advice. Because its meetings with other individuals and

entities are not subject to FACA, the master committee enjoys a level of flexibility and freedom from procedural burdens. It also allows for permits individuals who do not want to be on the advisory panel to provide advice.

Under the umbrella model, subcomponents, which function as subcommittees are simultaneously chartered under a single committee. In many situations this organization makes sense from a management perspective.

A great deal of concern was expressed in studies at other Agencies about how requirements affect citizen advisory groups. Although these committees can be effective in representing the views of selected interests, they do not necessarily represent the views of the public. Where a citizen advisory group is used, other means of informing and education the public and of soliciting public input should also be expected.

FACA Restrictions

The Clinton administration has imposed stringent limitations on the creation and use of FACA advisory committees. Executive Order 12838 (February 10, 1993) directs each executive department and agency to terminate at least one-third of its advisory committees subject to FACA. The Executive Order also prohibits creation or sponsorship of new advisory committees subject to FACA except where (1) required by statute or (2) the Agency head finds that "compelling considerations necessitate creation" of the committee, and the Director of the Office of Management and Budget approves the advisory committee. The Administration has also announced a policy of opposing legislative language that "establishes new advisory committees or seeks to exempt groups from the requirements of the FACA." The Executive Order does not prohibit new advisory groups.

The FACA has often been criticized for its chilling effect on public participation in Federal decision making. The Act restricts non-Federal committees that advise Federal Agencies. Often they are formed under legislative or judicial directive. Some committees that were formed without a charter have been dissolved, while others have struggled on, with little or no funding. Some groups have concluded that advising Federal Agencies is futile due to interminable delays in obtaining a charter to provide input that will not be used. Some Federal personnel are equally frustrated, fearing that many activities designed to obtain public input risk violating the Act.

Other Options Are Available for Enhancing Public Involvement

Other options for enhancing public participation are open to the sites. First, section 204 of the Unfunded Mandates Reform Act of 1995 creates a FACA exemption for meetings

between Federal officials and State, local, and Tribal officials for exchanging views, information, or advise related to shared responsibilities. Comprehensive land-use planning can be defined as having shared responsibilities with local, State, Tribal, and national governments

NEPA already provides another very important ways of involving the public in land-use planning and decision making, disseminating public information, and educating the public on DOE's missions. The Act requires all Federal Agencies to assess and disclose the full consequences of their major actions (including biological and human health impacts beyond their jurisdictions), thereby encouraging all interested and affected stakeholders to become involved. Partnering comprehensive land-use planning and NEPA processes, benefit all parties in the long run, focuses efforts, promotes timely decisions, and reduces costs.

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Appendix B. Definitions

- **Adaptive Management**. Implementing management decisions in an ongoing process requires monitoring and evaluation. This strategy applies scientific principles and methods to adapt resource management activities incrementally based on monitoring and evaluation, new scientific findings, and social changes and demands.

- **Community Reuse Organization (CRO)**. The groups established in association with the Office of Worker and Community Transition to develop and carry out development or reuse proposals for Departmental sites.

- **Comprehensive Land-Use Plan**. This plan is a new or existing document or series of documents for guiding future site development based on the shared long-term goals and objectives of the Department, site, and stakeholders. This plan documents the land and facility use alternatives for achieving these goals and objectives.

- **Comprehensive Land-Use Planning Process**. The planning process associated with managing DOE's land and facilities in a holistic manner that integrates missions, ecology, economies, and cultural and social factors in a regional context.

- **Cultural Factor**. This factor is the total product of human creativity and intellect from a particular time and still exists in the region or on the site. They include, but are not limited to, religious sites, historic facilities, petroglyphs, archaeological sites, and other artifacts.

- **Ecologic Factor**. This factor include those items related to the idea of an association among all organisms, including humans, and their environments across time and space. They include, but are not limited to, the capabilities, stability, condition, function, diversity, resiliency, and sustainability of natural communities and physical features.

- **Economic Factor**. This factor include those items related to the development, production, and management of material wealth in the region, including the salaries, employment levels, products, and services generated on and for the site.

- **Economic Sustainability**. This is defined as the globally recognized idea for the essential partnership between economic development and responsible environmental management in which the ability to maintain desired conditions,

uses, yields, products, values, and services over time is dependent on maintaining the renewability, resiliency, and integrity of the ecosystem.(Syn. sustainable development)

- **Economic Sustainability Goals**. These goals are the desired role of Departmental land, facilities, and programs in the regional economy and their potential contribution to the community's economy while maintaining ecosystem stability over an extended period of time.

- **Ecosystem**. This is a dynamic community of biological organisms, including humans and the physical environment with which they react. This unit is a given area where a flow of energy leads to clearly defined trophic structure, biotic diversity, and material cycles.

- **Ecosystem Management**. This is defined as the integration of ecological principles and economic and social factors to manage ecosystems to safeguard ecological sustainability, biodiversity, and productivity. It is a proactive, goal-driven approach to sustaining ecosystems and their values. It needs a cooperatively defined vision of desired future ecosystem conditions that integrate ecological, economic, and social factors affecting a management unit defined by ecological, not political, boundaries.

- **Ecosystem Sustainability**. The ability of an ecosystem to maintain the integrity of ecological processes and functions, biological diversity, and productivity over time. Related to ecologic stability (balance of nature) and indefinite renewability.

- **Ecosystem Sustainability Goals**. This is the statement of desired objectives or conditions in the ecosystem related to its ability to sustain over time: diversity, uses, aesthetics, natural balances, carrying capacities, and material cycles.

- **Facilities**. These are land, buildings, and other structures, their functional systems and equipment, and other fixed systems and equipment installed therein: outside plant, including site development features such as landscaping, roads, walks, and parking areas; outside lighting and communication systems; central utility plants, utilities supply and distribution systems; and other physical plant features.

- **NEPA Reviews**. Information from categorical exclusions, findings of no significant impact, environmental assessments, and environmental impact statements, and options developed under 10 CFR 1021, National Environmental Protection Act Implementing Procedures.

- **Regional Context**. This is defined as the examination of the site's land-use issues at a scale large enough to capture each of the site's four planning factors (ecologic, economic, social, and cultural) full extent.

- **Stakeholder**. A stakeholder is defined as those individuals and groups in the public and private sectors who are interested in and/or affected by the Department's activities and decisions.

- **Social Factor**. This is defined as the tangible and intangible relationships the site has with people and organizations within surrounding communities. These factors are important because of their potential impact on use decisions. Executive Order 12898, "Environmental Justice," requirements are addressed through the assessment and actions relating to this factor.

- **Systematic Process**. This is a publicly open, procedural activity established by the Operations Office Manager or Head of Applicable Field Element to decide the choice of land and facility use options for the site or portions of the site.

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Appendix C. Suggested Reading

- Executive Order 12898. Federal Actions to Address Environmental Justice in Minority and Low-Income Populations, 1995.
- Durett, 1994. *Environmental Justice: Breaking New Ground.*
- Ecosystem Management Task Force Report, Volumes I, II, and III (1995, 1995, 1996).
- Congressional Research Service, 1995. *Report on Ecosystem Management in the Federal Agencies*
- Ecological Society of America, 1996. *Report on the Science Behind Ecosystem Management*
- National Environmental Policy Act, 1969, as amended (Public Law 91-190, 42 United States Code 4321 et seq.).
- National Performance Review, ENV-02, *Develop Cross-Agency Ecosystem Planning and Management,* 1994.
- Slocombe, 1993. *Implementing Ecosystem Management.*
- General Accounting Office, 1995. *Implementing Ecosystem Management*
- Szaro, 1995. *Ecosystems and Adaptive Management.*
- *Majority Staff Report: Ecosystem Management: Sustaining the Nations Natural Resource Trust,* 1994.
- *Interim Report of the Federal Facilities Environmental Restoration Dialogue Committee Recommendations for Improving the Federal Facilities Environmental Restoration Decision Making and Priority-Setting Processes,* 1993 (Keystone Report).
- *Evolution of Ecosystem Management IECMG,* 1994.
- Moote et al., 1994. *Principles of Ecosystem Management.*

- DOE. 1995. *Stewards of a National Resource,* DOE/FM-0002.
- DOE. 1994. *Forging the Missing Link*
- DOE. 1995. *Role of Future Use in Ecosystem Management,* Draft.
- DOE. 1996. *Future Use Summary Report*
- DOE 1996. *Resourceful Reuse -- Planning Future Uses of DOE Sites.* Office of Environmental Management Guide.
- DOE. 1995. *Environmental Guidelines for Development of Cultural Resource Management Plans.* Final Report. DOE/EH-0501.
- DOE. 1995. *Procedures for DOE Environmental Justice Assessment*
- DOE. 1995. *DOE Public Participation Policy*
- DOE. 1993. *Public Participation Guidance for Environmental Restoration and Waste Management,* Department of Environmental Management.
- DOE. 1995. *The Development of Site Future Use Options: Recognition of Issues Specific to American Indian Tribes, Alaskan Native Villages, and Native Hawaiian Organizations.* June 30.
- DOE/EM-0283. 1996. *Charting the Course: Future Use Summary Report.* Department of Environmental Management

Appendix D. Related Training

- Site Development Planning PMMS-15 (to be revised FY 96-97)
- (Muther) Systematic Site Planning (being revised by Muther and Associates into Pre-Engineered Planning)
- Public Involvement for Managers (EM Class)

The Department has established a home page clearing house for training available within the DOE. Other related training can be found at URL address **<http://cted.inel.gov/cted/>**.

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Appendix E. Examples

InterAgency Land Management Support Agreements at Idaho National Engineering Laboratory

At the request of the Idaho National Engineering Laboratory's facility and land management personnel, a meeting was held with the Idaho Falls Office of the Bureau of Land Management to discuss land management policies and practices on neighboring lands and investigate areas where cooperative land management initiatives and agreements could improve quality and productivity. An agreement has been reached to develop a cooperative fire control initiative that could decrease fire response time and realize optimum use of government equipment and manpower. The Idaho site continues to work with the Bureau of Land Management to identify and implement cooperative agreements and complementary land-use policies.

Ecosystem Management Plan/Interagency Agreement with the U.S. Forest Service at Sandia National Laboratory

DOE entered into an Interagency Agreement with the U.S. Forest Service to analyze fuels, recreation, wildlife, and other resource needs within the withdrawn lands and in non-withdrawn lands to the east of Kirtland Air Force Base. In response to a congressional Inquiry by Congressman Steven Schiff, DOE, U.S. Forest Service, and Kirtland Air Force Base entered into an agreement to establish a fuel break between the military withdrawal and the private lands located east of withdrawal boundary.

Public Involvement in the Future Use Project at the Savannah River

DOE Savannah River did not attempt a consensus process in defining the recommendations on future use at the site, but the recommendations do reflect the majority of input from internal and external stakeholders. The recommendations are based on the Citizen Advisory Board's recommendations, the Land Use Technical Committee, the site's strategic plan, the Citizens for Environmental Justice recommendations, and comments from the public a numerous public meetings. The Citizen Advisory Board and Land Use Technical Committee recommendations were reached by consensus within each of those groups DOE Savannah River agreed with the sentiment of the Citizen Advisory Board recommendation, with three minor exceptions.

Public Involvement in the Future Use Project at Rocky Flats

Stakeholder future use recommendations for the Rocky Flats site have been developed through the efforts of the Future Site Use Working Group. These recommendations will serve as key input in the conceptual vision that will help guide the future direction of the site, currently being developed by the Rocky Flats Field Office, Environmental Protection Agency, and the Colorado Department of Public Health and Environment.

This "Vision" focuses on all actions at the site, including cleanup, plutonium consolidation, safety, physical plant conversion, and land use. Ultimately, the "Vision" could define the intermediate site conditions for Rocky Flats at the completion of all major environmental remediation, decontamination, and decommissioning activities, and the decision on the final site conditions after all stored special nuclear materials and containerized wastes have been removed.

Facility Use Plan at Rocky Flats

The Facility Use Plan at Rocky Flats will provide a vehicle for sitewide integration of building-use planning, development of strategic input for planning budget allocation, and establishment of facility use to achieve strategic objectives. The contractor, Kaiser-Hill will complete the initial Facility Use Plan in October 1995. The site is responsible for the final Facility Use Plan.

Public Involvement in the Future Use Project at Fernald

The Fernald Task Force, its site-specific citizens' advisory board, met monthly for 2 years using a combination of discussions, workshops, site tours, technology demonstrations, and an extensive packet of background information. "Future Site" a modeling game for site cleanup, was developed for and used extensively by the Task Force as an educational tool to help them understand the ramification of each cleanup level and land use.

From the beginning the Task Force recognized that no single group could represent every viewpoint of the public. Members believed the Task Force needed to conduct its own outreach efforts to make clear that it was a separate entity from DOE and to obtain specific input from the public on issues. Particular emphasis was placed on public input on more controversial issues such as waste disposition. To ensure that all sides were heard, the Task Force mailed personal invitations to stakeholders in which the issues and decisions to be addressed in upcoming meetings were identified.

Fernald's Envoy Program

The Fernald envoy program was established in February 1994 to promote one-on-one communication between Fernald personnel and local community groups in the tri-state area. In this program, DOE and the contractor employees serve as envoys to a wide range of stakeholder groups such as adjacent property owners, business leaders, schools, environmental groups and agencies, and public officials. The program facilitates two-way communication and improves the decision-making process at Fernald by building closer relationships with numerous stakeholder groups. An important element of the program is for envoys to listen to the ideas, suggestions, concerns, questions, and values of stakeholders. Input from stakeholders is given to Fernald's decision makers before final cleanup decisions are made.

Public Involvement in the Future Use Project at Hanford

Hanford future use planning has benefitted from extensive and active stakeholder participation. The Hanford Working Group held open public meetings and comment opportunities at several points during the 9-month period in 1992 during which they developed consensus recommendations. Like the Working Group, the current Hanford Advisory Board is a broad-based stakeholder group that includes representatives from Federal and State regulators; State, county, and city governments; environmental activist groups; local business, economic development, and labor interests; civic groups, and the public-at-large.

The monthly Hanford Advisory Board meetings are open to the public and include allotted times for public comment. The recommendations of the Working Group, with subsequent refinements by the Hanford Advisory Board, have contributed significantly in defining appropriate exposure scenarios for site risk assessments, proposed plans, and Records of Decision produced during the past 3 years.

They are now being formalized into a final, legal, decisional site document the Hanford Remedial Action-Environmental Impact Statement and the comprehensive land-use plan). They are considered to be extremely valuable stakeholder consensus input and interim land-use goals. Until such a sitewide land-use decision document is developed and signed, the Working Group recommendations will continue to be considered strongly in all environmental restoration activities and Records of Decision.

Appendix 4

APPENDIX 4-1

U.S. Department of Energy

Washington, D.C.

ORDER

DOE 4320.2

3-13-92

SUBJECT: CAPITAL ASSET MANAGEMENT PROCESS

1. PURPOSE. To establish policy and responsibilities for the management of Department of Energy (DOE) capital assets; for prioritization of capital asset resource requirements; for implementing the Condition Assessment Survey (CAS); and for preparing the Capital Asset Management Process (CAMP) Report.

2. SCOPE. This Order applies to capital assets DOE owns, leases, or controls for production, operation, research, development, or demonstration; except for the exclusions stated below or as otherwise provided by statute or by separate delegation of authority from the Secretary of Energy. The provisions of this Order apply to all Departmental Elements and to covered contractors to the extent implemented under a contract or other agreement. A covered contractor is a seller of supplies or services under a management and operating contract. All paragraphs of this Order are to be applied to covered contracts except paragraph 8.

3. EXCLUSIONS.

   a. This Order does not apply to capital assets entirely controlled and maintained by the General Services Administration (GSA).

   b. Executive Order 12344, (Order), Title 10 Code of Federal Regulations (CFR) 445.1 *et seq.*, reprinted in Title 42 United States Code (U.S.C.) § 7158 note, establishes the responsibilities and authority of the Director, Naval Nuclear Propulsion Program (Deputy Assistant Secretary for Naval Reactors, NE-60) over all facilities and activities that comprise the joint Navy-DOE program. In view of the unique nature of Naval nuclear propulsion applications, the Director shall determine the appropriate maintenance and repair criteria applicable to this program's property and activities. Such determination shall include consideration of appropriate parts of the criteria set forth in this Order. Public Law (P.L.) 98-525, Title XVI, § 1634, directs that provisions of this Order pertaining to the Naval Nuclear Propulsion Program shall remain in force until changed by law.

   c. In accordance with Section 302 of the Department of Energy Organization Act of 1977 (P.L. 95-91, 91 Stat. 578), the Secretary operates and maintains the Power Marketing Administrations (PMA) electric power transmission systems by and through the PMA Administrator. The PMAs have in place maintenance management programs, that are geared to the special needs of utility operations, are responsive to coordinated multi-utility system requirements, and are in conformance with prudent utility practices. In view of the unique nature of the Administrators'

obligations to meet their statutory and public utility responsibilities for the safety, security, and reliability of electric power transmission and of their legal and contractual obligation, the Administrators shall determine the appropriate maintenance management program for their facilities, that shall include consideration of appropriate parts of the criteria set forth by this Order.

4. REFERENCES.

a. DOE 1300.2, DEPARTMENT OF ENERGY STANDARDS PROGRAM, of 12-18-80, that establishes general policy guidelines, authorities, and responsibilities for DOE standards programs and guidelines for participation in private sector standards organizations.

b. DOE 2200.6, FINANCIAL ACCOUNTING, of 10-24-88, that is the Accounting Handbook for the Department.

c. DOE 4320.1B, SITE DEVELOPMENT PLANNING, of 1-7-91, that establishes policies and assigns responsibilities and authorities for the planning and development of Department of Energy (DOE) sites.

d. DOE 4330.4A, MAINTENANCE MANAGEMENT PROGRAM, of 10-17-90, that establishes policy and procedures for the maintenance and repair of DOE property.

e. DOE 4700.3, GENERAL PLANT PROJECTS, of 9-16-91, that establishes policies, responsibilities, and guidance for Headquarters offices and field elements for the budgeting, funding, and execution of general plant projects (GPP).

f. DOE 5100.3, FIELD BUDGET PROCESS, of 8-23-84, provides requirements and procedures for the preparation and submission of field budget material required for preparation of the DOE budget.

g. DOE 5440.1D, NATIONAL ENVIRONMENTAL POLICY ACT COMPLIANCE PROGRAM, of 2-22-91, that establishes internal responsibilities and procedures to implement the National Environmental Policy Act of 1969 (NEPA).

h. DOE 5480.1B, ENVIRONMENT, SAFETY, AND HEALTH PROGRAM FOR DEPARTMENT OF ENERGY OPERATIONS, of 9-23-86, that establishes the Environment, Safety, and Health (ES&H) Program for DOE operations.

i. DOE 5483.1A, OCCUPATIONAL SAFETY AND HEALTH PROGRAM FOR DOE CONTRACTOR EMPLOYEES AT GOVERNMENT-OWNED CONTRACTOR-OPERATED FACILITIES, of 6-23-83, that establishes requirements and procedures to ensure that occupational safety and health standards prescribed pursuant to the Atomic Energy Act of 1954, as amended, the Energy Reorganization Act of 1974, and the Department of Energy Organization Act of 1977, provide occupational safety and health protection for DOE contractor employees

in Government-owned-contractor-operated (GOCO) facilities that is consistent with the protection afforded private industry employees by the occupational safety and health standards promulgated under the Occupational Safety & Health Act of 1970 (OSHA), P.L. 91-596, 84 Stat. 1590.

j. DOE 5632.6, PHYSICAL PROTECTION OF DOE PROPERTY AND UNCLASSIFIED FACILITIES, of 2-9-88, establishes DOE policies and procedures for the physical protection of DOE property and unclassified facilities and establishes baseline physical protection requirements and standards for those interests.

k. DOE 6430.1A, GENERAL DESIGN CRITERIA, of 4-6-89, that provides general design criteria for use in the acquisition of the Department's facilities and establishes responsibilities and authorities for the development and maintenance of these criteria.

5. DEFINITIONS. (See Attachment 1)

6. POLICY. It is the policy of the Department that capital assets be managed in a manner demonstrating good stewardship, sufficient to ensure facility preservation and to ensure safe, secure, environmentally sound, and cost-effective operations; that these capital assets be maintained in accordance with policies and practices that reflect Departmental standards and national priorities; and that DOE priorities be objectively determined on the basis of sound, traceable engineering and management judgment.

7. OBJECTIVES.

a. Provide an annual report on the condition of the DOE physical plant to serve as the basis for an ongoing planning process to maintain that plant. The report is an annual event to justify budgets to sustain the capital assets and is not intended to be an iterative budget mechanism in and of itself.

b. Ensure that those capital assets needed to meet assigned missions are sustained in operational condition.

c. Identify capital asset maintenance and technical support requirements.

d. Provide a standardized and auditable process that is objectively and consistently applied DOE-wide to assess capital asset conditions and identify and prioritize corrective actions and allocate resources and establish schedules. Implement this process in a cost-effective manner in full consultation with the Program Secretarial Officers (PSO) and related parties.

e. Ensure that appropriate actions are planned and sufficient resources budgeted.

f. Provide a mechanism to consistently sequence or prioritize execution of planned actions within a constrained resource environment.

g. Ensure that responsibility, authority, and accountability for management of DOE capital assets are clearly defined and appropriately assigned.

h. Provide a credible, consistent, auditable, and technically sound process to forecast, plan, program, and budget for all capital asset needs through decommissioning and site restoration.

i. Encourage capital asset maintenance, repair, modification and reuse, and eventual replacement based solely on the need for the capital asset to meet mission requirements effectively, efficiently, and in compliance with applicable laws, regulations, and standards based on an effective inspection program that consistently uses standards and methods that are traceable to sound engineering and industry practices.

j. Estimate functional obsolescence and make decisions on modification and upgrade.

k. Estimate remaining useful life and make decisions on repair versus replacement.

l. Estimate facility use and make decisions on modification of under-used facilities to new missions.

m. Estimate decommissioning and remediation costs.

n. Provide capital asset managers with a comprehensive look at the condition of their capital asset inventory and serve as a vehicle to effectively plan and budget projects consistent with expected future events.

o. Develop and maintain at the site and Headquarters a database management system for information resulting from CAMP implementation, with one central repository of all CAMP data accessible by appropriate Headquarters and field elements.

8. RESPONSIBILITIES AND AUTHORITIES.

a. The Secretary has overall responsibility and authority for CAMP and shall take necessary management actions, through the Director of Administration and Human Resource Management (AD-1), in coordination through the Chief Financial Officer (CFO) (CR-1) for the financial management aspects of CAMP, to ensure that the Department's capital assets are effectively managed and maintained.

b. The CFO (CR-1) has oversight responsibility for the financial management aspects of CAMP systems that maintain and generate information that impacts Departmental financial information and has approval authority for CAMP reports that impact Departmental financial management, including the annual CAMP report for submission to the Office of Management & Budget (OMB).

c. Director of Administration and Human Resource Management (AD-1) shall provide management direction and coordination in the development, implementation, and oversight of the comprehensive Departmental CAMP program. AD-1 shall:

(1) Advise the Deputy Secretary and Under Secretary on an annual basis, or more frequently if needed, on the condition of the Department's capital assets.

(2) Based on Secretarial decisions resulting from the internal review budget (IRB) process, prepare a DOE CAMP Report in coordination with the CFO (CR-1), for submission to OMB along with the Department's budget request. The report will present a consolidated picture of DOE's capital asset needs and will ensure there is no duplication of effort between Heads of Headquarters Elements.

(3) Coordinate with the CFO (CR-1) on financial management aspects of CAMP systems that maintain and generate information that impacts Departmental financial information and obtain CFO (CR-1) approval on CAMP reports that impact Departmental financial management, including the annual CAMP report for submission to OMB.

(4) Provide support, as needed, to Heads of Headquarters Elements to explain the condition of capital assets and resources needed to sustain the assigned missions.

(5) Advise Heads of Headquarters Elements on an annual basis, or more frequently if needed, on the status of CAMP activities under their purview and provide recommendations as appropriate.

d. Director of Professional and Technical Training and Development (AD-70), through the Director of Employee Development and Training (AD-72), shall provide management direction and coordination to ensure the development and implementation of training for line management to implement the policies and procedures of this Order.

e. Director of Organization, Resources, and Facilities Management (AD-10), through the Director of Real Property and Facilities Management (AD-14), shall:

(1) Develop, promulgate, and maintain all policies, procedures, and guidance materials necessary to implement and sustain an effective CAMP within the Department.

(2) Serve as the Departmental oversight body to ensure that CAMP is effectively implemented by Headquarters line management through the field elements and the sites. Oversight includes surveys of capital assets to assess their condition and to monitor, review, and analyze CAMP documentation.

(3) Appoint the AD CAMP Administrator.

(4) Issue the annual CAMP call, including schedule and database software package.

(5) Develop and maintain CAMP standards and methods, including the CAS and CAMP database management software systems.

(6) Support CAS teams as appropriate and necessary.

(7) Develop and maintain the Department's database on CAMP. This may include the development of analytical methods and reports.

f. Heads of Headquarters Elements have the primary stewardship responsibility to implement CAMP policies and procedures in an effective manner and shall:

(1) Provide the budget for the capital assets required to meet mission assignments. In addition, Heads of Headquarters Elements shall take all actions necessary to meet their statutory responsibilities to maintain their program's capital assets in the most reasonable and economical manner possible.

(2) Provide clear and explicit delegations of authority and responsibilities. Include in a procurement request package, for each procurement requiring the application of this Order, the following: (a) identification of the Order, (b) identification of the specific requirements with which a contractor or other awardee is to comply, or, if this is not practicable, identification of the specific paragraphs or other portions of this Order with which a contractor or other awardee is to comply, and (c) requirements for the flowdown provisions of this Order to any subcontract or subaward.

(3) Provide annual program direction and guidance to field elements according to the schedule provided in the annual CAMP call. This guidance shall include workload and strategic planning assumptions necessary for the preparation of site CAMP reports.

(4) Ensure that lower line organizations have the necessary resources and organizational structure to effectively manage capital assets consistent with this and other related orders.

(5) Review site CAMP reports and CASs for consistency and adequacy. Ensure that performance trends are detected and used to develop optimum CAMP strategies.

(6) Based on the site CAMP reports, prepare a consolidated CAMP Report for their program and provide to AD-1 in preparation for the annual IRB process.

(7) Ensure that budget proposals for their assigned functions provide sufficient resources for CAMP and that AD-1 recommendations are addressed in the formulation of budget requests.

(8) Ensure that maintenance requirements for the capital assets in each functional unit (FU) are addressed in their annual site CAMP reports. This shall include the maintenance backlog. A maintenance backlog reduction strategy that identifies annual funding requirements and projected future backlog levels shall be submitted along with the normal maintenance requirement until the backlog is reduced to a working level. Detailed guidance for maintenance programs is found in DOE 4330.4A, MAINTENANCE MANAGEMENT PROGRAM.

(9) Designate an organizational element specifically responsible for the program element CAMP.

(10) Provide annual CAMP data requirements and instructions to the AD CAMP Administrator to develop and release the consolidated CAMP Call.

g. Heads of Field Elements shall:

(1) Ensure that capital assets under their purview are managed consistent with this and other related orders.

(2) Provide for the capital assets required to meet mission assignments. In addition, Heads of Field Elements shall take all actions necessary to meet their line management responsibilities to maintain their capital assets in the most reasonable and economical manner possible.

(3) Provide guidance and direction to site operating contractors consistent with this and other related orders. Include in a procurement request package, for each procurement requiring the application of this Order, the following: (a) identification of the Order, (b) identification of the specific requirements with

which a contractor or other awardee is to comply, or, if this is not practicable, identification of the specific paragraphs or other portions of this Order with which a contractor or other awardee is to comply, and (c) requirements for the flowdown provisions of this Order to any subcontract or subaward.

(4) Prepare annual site CAMP reports and provide them to the appropriate Heads of Headquarters Elements in accordance with the schedule provided in the annual CAMP call.

(5) Designate an organizational unit specifically responsible for the field element CAMP.

(6) Advise the responsible Headquarters Element of CAMP-related problems that may have significant site or Department level impact.

(7) Comply in a timely manner with all CAMP reporting requirements in accordance with Chapter II of this Order.

(8) Ensure that budget proposals provide for sufficient resources for CAMP and that recommendations from the responsible Headquarters Element are addressed in the formulation of budget requests.

(9) Ensure that maintenance requirements for the capital assets in each FU are addressed in their annual site CAMP Reports and budget submittals. This shall include the maintenance backlog. A maintenance backlog reduction strategy that identifies annual funding requirements shall be submitted along with the normal maintenance requirement until the backlog is reduced to a working level. Detailed guidance for maintenance programs is found in DOE 4330.4A, MAINTENANCE MANAGEMENT PROGRAM.

BY ORDER OF THE SECRETARY OF ENERGY:

JOHN J. NETTLES, JR.
Director of Administration
and Human Resource Management

ABBREVIATIONS

ALARA - as low as reasonably achievable

CAMP - Capital Asset Management Process

CAS - Condition Assessment Survey

CDR - Conceptual Design Report

CE - capital equipment

CFO - Chief Financial Officer

CFR - Code of Federal Regulations

D&D - decontamination & decommissioning

DOE - Department of Energy

ES&H - Environment, Safety & Health

FU - functional unit

FUBS - functional unit breakdown structure

FUDS - functional unit data sheet

GOCO - Government-owned-contractor-operated

GPP - General Plant Project

GSA - General Services Administration

I&E - inspection and evaluation

INPO - Institute of Nuclear Power Operations

IRB - internal review budget

LCP - life cycle plan

NEPA - National Environmental Policy Act of 1969

OMB - Office of Management & Budget

OSHA - Occupational Safety & Health Act of 1970

P.L. - Public Law

PMA - Power Marketing Administration

PSO - Program Secretarial Officer

R&D - research & development

S&S - Safeguards & Security

SNM - special nuclear material

TSA - technical safety appraisal

U.S.C. - United States Code

GLOSSARY

1. CAPITAL ASSET. A tangible product of value, generally property or equipment, that has an anticipated service life of 2 years or more and a cost equal to or greater than $5,000. (See DOE 2200.6, FINANCIAL ACCOUNTING).

2. CAPITAL ASSET MANAGEMENT PROCESS. The standardized, auditable process for determining condition, forecasting life cycle events, and identifying, planning, and prioritizing meeting of requirements.

3. CAMP DATABASE. The database of line item and major expense projects, GPP, CE, significant maintenance activities, related expense items, and project development efforts needed to correct deficiencies or meet other requirements. It will be formulated on the CAS software.

4. CAMP REPORT. Combines the functional unit life-cycle plans (LCP) and supporting functional unit data sheet (FUDS) into a site CAMP report, that will be prepared annually and submitted in support of budget submittals to the appropriate Heads of Headquarters Elements and AD-1 through the responsible field element. The CAMP report provides the narrative basis for evaluating and justifying funding requests for capital asset requirements.

5. CATEGORIES. The four major functional areas of consideration for project prioritization ranking. They are health and safety, environment/waste management, safeguards and security, and programmatic.

6. CONDITION ASSESSMENT SURVEY. A periodic inspection of capital assets using universally accepted methods and standards. A CAS results in a determination of the current condition of capital assets, their estimated time to failure, and the estimated cost to correct the identified deficiencies. These methods and standards will be found in the CAS Manuals discussed in Chapter II. CAS assesses the condition of all capital assets including architectural, structural, mechanical, and electrical features; communications, safety, and security systems; exterior features and grounds; and equipment. CAS provides a consistent assessment of capital assets for planning purposes based on actual conditions.

7. CRITERIA. Standard benchmarks for each major category and its respective subcategories on which a decision can be made for rating a specific problem/project.

8. CRITICALITY CATEGORY 1: DEVIATION. Minor change from approved conditions or procedures.

9. CRITICALITY CATEGORY 2: INFRACTION. More significant change from approved conditions or procedures but no realistic way to cause a criticality.

10. CRITICALITY CATEGORY 3: VIOLATION. Loss of control to the extent that a logical continuation of the activity would significantly increase the probability of a criticality.

11. CRITICALITY CATEGORY 4: NEAR CRITICALITY. Loss of control to the extent that only random factors prevented a criticality.

12. CRITICALITY CATEGORY 5: CRITICALITY. An unplanned and uncontrolled nuclear reaction.

13. FUNCTIONAL UNIT. A logical and systematic group of capital assets with similar life-cycles that is necessary to support the site mission. A functional unit shall be described in a breakdown structure for each site in order that it be properly identified and managed. Functional units will vary in size and scope within sites and from site to site, depending on the type or types of activities being carried out. A functional unit will often comprise a total facility (not including Capital Equipment as defined in DOE 2200.6, FINANCIAL ACCOUNTING), but may also be a portion of a facility (e.g., production line, shop, clean-room or tooling). A functional unit is the basic entity for justifying individual projects and shall be auditable in terms of mission requirements or performance standards.

14. FUNCTIONAL UNIT DATA SHEET. A report of information from the CAMP database.

15. HEADS OF HEADQUARTERS ELEMENTS. Senior program managers within a line organizational structure. For purposes of this Order, these positions include the Program Secretarial Officers and the Administrators of the Bonneville and Western Area Power Administrations.

16. INSPECTION & EVALUATION (I&E) RATINGS

    (a) SATISFACTORY. The safeguards and security element being evaluated meets identified protection needs or provides plausible assurance that those protection needs will be met should they arise.

    (b) MARGINALLY SATISFACTORY. The safeguards and security element being evaluated only partially meets identified protection needs or provides questionable assurance that those protection needs will be met should they arise.

    (c) UNSATISFACTORY. The safeguards and security element being evaluated does not meet identified protection needs or does not provide adequate assurance that those protection needs will be met should they arise.

17. LANDLORD. A Head of a Headquarters Element with overall capital improvement and common support responsibility for a site; also represents the various Headquarters interests at the site.

18. LIFE-CYCLE PLAN. An analysis and description of the major activities in the life of a FU from planning through decommissioning. The plan documents the history of the FU and forecasts significant future activities and their duration, relationships, and impact on life expectancy. The plan also describes maintenance practices and costs.

19. LINE ORGANIZATION. The organizational chain of command responsible for carrying out Departmental policies and procedures. For purposes of this Order, line management flows from the Secretary through the Deputy Secretary and Under Secretary, to the Heads of Headquarters Elements, then to the Heads of Field elements.

20. MAINTENANCE. Day-to-day work that is required to maintain and preserve plant and capital equipment (CE) in a condition suitable for it to be used for its designated purpose and includes preventive, predictive, and corrective (repair) maintenance.

21. MAINTENANCE AND REPAIR BACKLOG. The amount of maintenance and repair work not accomplished at the end of the fiscal year that is needed or planned to sustain the assigned mission.

22. PROGRAM SECRETARIAL OFFICER. A Program Secretarial Officer (PSO) is a senior outlay program official and includes the following Assistant Secretaries: Conservation and Renewable Energy, Defense Programs, Environmental Restoration and Waste Management, Fossil Energy, and Nuclear Energy. PSOs also include the Directors of Energy Research, Civilian Radioactive Waste Management, and New Production Reactors. (See SEN-6E-92, DEPARTMENTAL ORGANIZATIONAL AND MANAGEMENT ARRANGEMENTS of 2-21-92.)

23. PROJECT. A project is the selected alternative listed and prioritized in the CAMP report for meeting a capital asset requirement. A project may involve a single capital asset or an entire functional unit. CAMP projects include significant maintenance; reduction of the site's existing maintenance backlog; CE; GPP; expense-funded line-item project development activities, such as conceptual design report (CDR) and NEPA activities, and construction activities; or line-item projects.

24. RANKING. Ordering of projects in terms of priority.

25. RATING. Estimate of the severity of a problem or assessment of a condition.

26. REMEDIATION. Elimination of any problems remaining after decommissioning.

27. REPAIR. The restoration of failed or malfunctioning equipment, system, or facility to its intended function or design condition. Repair does not result in a significant extension of the expected useful life.

28. SCORE. The numerical scale for the benchmark criteria in each category and subcategory.

29. SHALL. Denotes a requirement.

30. SHOULD. Denotes a recommendation.

31. SITE. Geographic entity comprising land, buildings, structures and utilities that are or will be used to support one or more objectives.

32. SUBCATEGORIES. Those functional characteristics/requirements for prioritization ranking in each major category.

33. TIGER TEAM PRIORITIES.

    (a) PRIORITY 1. Actions that are necessary to prevent significant risk to the public, worker health and safety, and the environment, whether or not it is required by statute or DOE Orders.

    (b) PRIORITY 2. Actions that are necessary to meet statutes and DOE Orders although lack of action would not result in a significant risk to the public, worker health and safety, or the environment.

    (C) PRIORITY 3. Actions that are consistent with Best Management Practices.

    (d) PRIORITY 4. Practices that are not required by law, regulation, or agreement but would be desirable to accomplish.

34. TECHNICAL SAFETY APPRAISAL (TSA) PRIORITIES (SAFETY PERFORMANCE REVIEW).

(a) TSA PRIORITY 1. Addresses a situation for which an imminent danger exists to workers or the public. Has the potential for causing a severe injury or fatality, potentially fatal occupational illness, severe radiation over exposure, or loss of the facility. A concern in this category is to be immediately conveyed to the managers of the facility for corrective action. Consideration shall be given to whether the operation should be immediately suspended.

(b) TSA PRIORITY 2. Addresses a significant risk to environment, safety, and health but does not involve a situation for which an imminent danger exists to environment, safety, and health. Does have the potential for causing injury or occupational illness to personnel or public, property damage, or has the potential for resulting in or contributing to personnel exposure or environmental insult.

(c) TSA PRIORITY 3. Has little potential for threatening safety, health, or property, but needs to be addressed.

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CHAPTER I

ELEMENTS OF THE CAPITAL ASSET MANAGEMENT PROCESS

1. INTRODUCTION. CAMP is a credible, consistent, auditable, and technically sound process for the Department to forecast, plan, and budget for capital assets on a functional unit level. It provides an objective, rational basis for allocating budgeted resources for maintenance, repair, modification and reuse, and eventual replacement based solely on the need for the capital assets to meet mission requirements effectively, efficiently, and in compliance with applicable laws, regulations, and standards. The following paragraphs discuss each of the key elements of CAMP in roughly a chronological order. A flow diagram illustrating the annual CAMP cycle is shown on Attachment I-1. This Chapter notes the later paragraphs of this Order where each key element is discussed in detail. As an integrated process, CAMP requires the performance of each of these elements to be fully effective.

2. ASSIGN CAPITAL ASSETS. Assign each capital asset to an appropriate FU as it comes into service. No capital asset may be assigned to more than one FU. The management and reporting level used for the Department level CAMP is the functional unit. PSOs and sites may manage at lower levels as desired. (See Chapter III, Paragraphs 3b and 5.)

3. RECEIVE HEADQUARTER'S GUIDANCE. Heads of Headquarters Elements will send multiyear strategic mission and program-specific planning guidance to the field at least annually and sometimes more frequently. A CAMP call will also be sent annually, through the PSOs. The CAMP report shall integrate this guidance. (See Chapter III, Paragraphs 3a and 4.)

4. IDENTIFY DEFICIENCIES/REQUIREMENTS. CAS, as a tool to meet the facilities inspection requirements of DOE 4330.4A, MAINTENANCE MANAGEMENT PROGRAM, will identify site capital asset deficiencies. Capital asset related deficiencies from other sources such as Tiger Teams, OSHA reviews, and others shall be added to the CAS database as appropriate. Additional requirements may result from such factors as changes in mission, codes, standards, laws, regulations, etc.; and shall also be added to the database as appropriate. The CAS database will allow manipulation of this information for site capital asset management purposes. (See Chapter II; Chapter III, Paragraph 6; and Chapter III, Paragraph 8.)

5. EVALUATE ALTERNATIVES. Develop and evaluate alternatives for meeting each FU's requirements. Alternatives may include, but are not limited to, maintenance and repair of existing capital assets, modification and upgrade of existing capital assets, or replacement of existing capital assets. (See Chapter III, Paragraphs 6 and 7.)

6. IDENTIFY PROJECTS. Identify the preferred projects, including scope, cost, and schedule. Note the broad definition of the term "project" in Attachment 1 of this Order. The root cause for the requirement shall be identified and adequately addressed in the preferred project. (See Chapter III, Paragraph 7.)

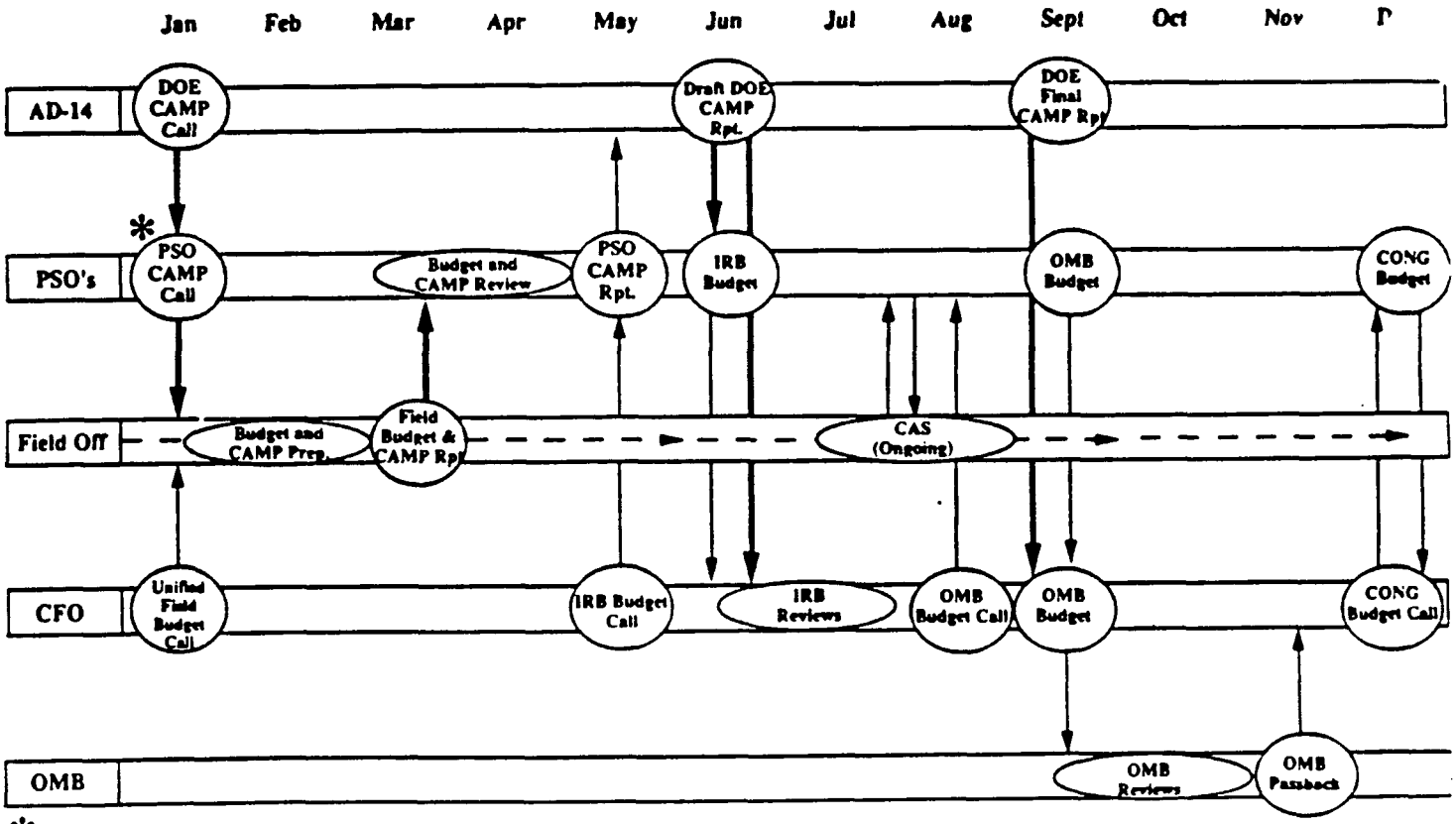
7. PRIORITIZE PROJECTS. Prioritize the identified projects to ensure the most cost-effective application of limited resources to meet the most critical needs. Sites shall validate, compare, and normalize initial project rating scores across the entire site without respect to the source of funding. (See Chapter IV.)

8. DEVELOP LIFE-CYCLE PLANS. Develop an LCP for each FU based on its life-cycle requirements and the prioritized projects designed to meet those requirements. These LCPs become the justification for the new projects. (See Chapter III, Paragraph 6.)

9. PREPARE CAMP REPORT. Prepare the CAMP report in accordance with the format and schedule provided in the annual CAMP call. The report shall include both the LCPs for all FUs and the corresponding FUDS' listing the selected and prioritized projects. (See Chapter III.)

10. BUDGET FOR AND EXECUTE PLANNED ACTIONS. Determine levels of capital investment in the annual budget submission based on the CAMP planning. Use CAMP priority rankings to decide which projects will be budgeted in various budget cases. Reflect differences between the budget submission and the execution year in the intervening year's CAMP report and budget submission.

CAMP ANNUAL CYCLE OF EVENTS



* NOTE: PSOs may issue internal CAMP calls on a different schedule.

CHAPTER II

CONDITION ASSESSMENT SURVEY

1. INTRODUCTION.

   a. CAS is a systematic process to identify capital asset conditions, and is an important input to CAMP. DOE 4330.4A, MAINTENANCE MANAGEMENT PROGRAM, requires facility condition inspections. They shall be performed within the context of the CAS program. This Chapter provides general information on CAS, the basic method for implementing CAS throughout the Department, and the relationship to the CAMP report discussed in detail in Chapter III of this Order.

   b. The primary objective of CAS is to assist all sites in DOE in assessing the condition of their capital assets. CAS will be based on a set of consensus standards, methods, and technologies to conduct the surveys and to collect and disseminate the survey and inspection information. This assembly of data, the CAS database, forms the basis for the basic maintenance and capital asset management programs necessary to sustain DOE plants and equipment. The CAMP Report is based upon the data gained through the CAS, providing the DOE with a complete record of required program funding necessary to maintain DOE facilities in adequate working condition.

2. RESULTS. A systematically applied CAS assesses the condition of one capital asset or a group of capital assets and its remaining useful life. It facilitates time-phased budgeting of maintenance, repair, rehabilitation, or replacement. A successful CAS will produce the following results:

   a. Identification of deficiencies classified as requiring recurring maintenance and that would require annually appropriated operating funds to address.

   b. Identification of deficiencies classified as requiring repair and that would require the use of operating or line item funds to correct.

   c. Identification of technical or functional deficiencies that are beyond maintenance or repair as an accepted solution, and must be classified as items requiring modifications, expansions, rehabilitations, improvements, etc., normally considered to be capital improvements.

   d. Identification of technical or functional deficiencies that require the complete replacement of the capital asset using GPP, CE, or line item funds.

3. PROJECTION OF MAINTENANCE REQUIREMENTS. CAS will enable managers to project current deficiency data into the future. Managers can develop annual funding profiles for maintenance, repair, rehabilitation, or replacement of capital assets. Also, DOE will be able to adjust the funding for maintenance of capital assets identified to be approaching the end of their useful lives. The identification of facilities projected for disposal can trigger requests for planning support and design funding for replacement capital assets.

4. IMPLEMENTATION. The effective implementation of CAS depends upon the systematic application of consistent standards for inspection, the formation of inspection teams, the application of quality assurance procedures, the use of a flexible database, and the exercise of consistent management oversight. The CAS Deficiency Standards Manual, Inspection Standards Manual, and Training Manual will contain adequate detailed information for field implementation of CAS. Heads of Field Elements shall implement CAS in accordance with these Manuals. These Manuals will include checklists and other information to enable field inspectors to make a determination of the condition of existing plants relative to the standards. The following paragraphs outline DOE's approach to the implementation of CAS through the Manuals:

   a. The CAS Database. The effective implementation of CAS requires the use of standard, commercially available, flexible, relational database management software designed to store and manipulate basic levels of inspection data to satisfy contractor, field office, and HQ requirements for managing capital assets. AD-14 shall develop and maintain this system. Capital asset data shall be capable of being summarized to an FU level as described in Chapter III of this order.

   b. Quality Assurance. To ensure that routine inspections performed by site personnel reflect current standards and techniques, CAS will incorporate a quality assurance program to certify the credibility of the various parts of the system. AD-14 shall establish teams of independent specialists to inspect a statistically based sample of previously inspected capital assets and compare their results with operating contractor derived deficiencies. The standards and methods used shall be periodically evaluated against state-of-the-art engineering practice, procedures, and requirements to determine both the accuracy and applicability of the Department's CAS process.

   c. Frequency of Inspections. The CAS Manuals will define the frequency at which inspections will take place by type of capital asset.

   d. Inspectors. The CAS Manuals will outline how inspectors shall be trained in the use of DOE standards and methods, procedures for developing consistent and accurate inspection results, and the use of special tools, equipment and software. Experience, educational, and qualifications requirements will be defined in the Manuals, as well as

requirements for refresher training and certification in specialized areas.

e. Formation of Specialized Inspection Teams. Certain capital assets unique to DOE may require highly specialized techniques and equipment to perform periodic inspections. To minimize the cost of the anticipated frequent inspections required, DOE will establish teams of specialists who will inspect these capital assets at all DOE sites. Variables that may affect the decision to use such a team include, but are not limited to, the following examples:

(1) Nuclear facility versus non-nuclear facility.

(2) The safety significance of nuclear facility systems.

(3) Active facility versus partially active or inactive facility.

(4) Short-term versus long-term facility mission.

(5) Modernization or Decontamination and Decommissioning plans.

(6) Lack of CAS standards.

f. Use of Standards. CAS standards and procedures shall be jointly developed and periodically updated in accordance with DOE 1300.2, DEPARTMENT OF ENERGY STANDARDS PROGRAM. These standards and procedures shall be delineated in the CAS Manuals. They shall be designed to ensure that one location does not announce a capital asset deficient when another site would declare a like capital asset with similar problems as not deficient. Until the CAS Manuals are developed, the current group of standards found or referenced in such documents as DOE 6430.1A, GENERAL DESIGN CRITERIA, current OSHA and environmental regulations, specialized industry standards such as those defined by the Institute of Nuclear Power Operations (INPO), professional groups, and others, shall be adopted as appropriate for DOE use.

g. Prioritization. Except for the significance of an identified deficiency, or the hazards identified as part of the inspection process, CAS does not provide the means to systematically prioritize maintenance, repair, rehabilitation, or replacement requirements. Chapter IV of this Order describes the method to prioritize capital asset needs.

h. Input from Other Inspection Systems. The Department will use the CAS database to incorporate the results of other specialized inspection programs that may contribute to the identification of capital asset related deficiencies. Some examples are: OSHA inspections, Tiger Team findings, safeguards and security reviews, preventive maintenance program findings, and safety reviews.

CHAPTER III

CAPITAL ASSET MANAGEMENT PROCESS REPORT

1. INTRODUCTION. This chapter provides information and direction for the preparation of the site CAMP report. The annual CAMP call will contain additional guidance. For each site, the CAMP report provides consistent capital asset planning information comprised of a comprehensive assessment of the site's material condition and a life-cycle projection of the capital asset funding requirements. These requirements are derived from an analysis of the operating performance and expected useful life of the site's capital assets. This information provides a standardized database on the material condition of DOE capital assets and the maintenance and projected capital investment requirements needed for their sound management. Preparation of accurate and meaningful site CAMP reports enhances the overall effectiveness and utility of the CAMP within the Department and is a prerequisite for the preparation of the site's budget request. CAMP is standardized at all DOE sites. It aids in identifying health and safety, environmental and waste management, safeguards and security, and programmatic projects and activities that are then prioritized as described in Chapter IV. The CAMP also identifies maintenance and maintenance backlog requirements at the site and helps to ensure that repairs, rehabilitation, and replacement needs are identified and planned.

2. RELATIONSHIP TO THE BUDGET PROCESS. CAMP is an analytic management tool that supports both near-term and long-range facilities planning. One of the primary goals of CAMP is to shift DOE capital asset management and planning away from a predominantly single-year, budget-oriented approach and toward a multi-year, coordinated long-range approach.

   a. Schedule. As a planning and management tool, the CAMP report serves as the starting point for facilities budgets. The annual CAMP call will contain a schedule for the preparation and forwarding to HQ of completed CAMP reports. This schedule will allow time for individual organizations to prepare detailed and accurate CAMP reports and permit inclusion of updated accounting data for the prior year.

   b. CAMP Database. A site's CAMP database is dynamic, always changing, and receiving input on an *ad hoc* basis. However, the version of the CAMP database used to create the annual CAMP report shall be "fixed" at the time of submission of the final CAMP report. In no circumstances shall that version of the CAMP database be updated to reflect decisions made at the various stages of the budget process: Internal Review Budget, OMB Budget, Congressional Budget. CAMP is to serve as the "starting point" of the facilities budget process, only. Additional data needed

for budgetary purposes have no effect on the "statement of needs and requirements" concept that is a foundation of CAMP.

3. KEY ELEMENTS. Key elements in the preparation of the CAMP Report are listed in this paragraph and are discussed in detail in the following paragraphs. The specific format of the annual CAMP report will be delivered in the annual CAMP call.

   a. Basic Guidance. A program specific planning basis, derived from HQ multiyear and strategic planning guidance. The planning basis and planning guidance are updated and issued annually by DOE Heads of Headquarters Elements.

   b. Functional Units. FUs allow field and HQ's capital asset managers to plan and manage a group of capital assets as if it were one complete asset. Capital assets may be managed at the sites at the capital asset level or the functional unit level. However, the annual CAMP report shall report on capital assets at the functional unit level.

   c. Identification of Projects. Significant projects in the life cycle of a FU shall be identified through CAS and other formal sources.

   d. Life-Cycle Plans. LCPs show forecasted major activities in the life of an FU and the associated investment projects.

   e. Electronic Database. A CAMP electronic database provides descriptive information on the material condition of the site's capital assets by FU. It also contains cost, schedule, and funding information on the current and proposed efforts to correct deficiencies identified by CAS or other sources.

   f. Maintenance Plan. A summary of the plan produced in compliance with DOE 4330.4A, MAINTENANCE MANAGEMENT PROGRAM.

   g. Project Prioritization. A prioritized listing of the site's projects, derived from the method discussed in Chapter IV of this Order.

   h. Functional Unit Data Sheets. FUDS, derived from the electronic database, provide roll-up and cross-cut information for various categories of funding and types of activities.

4. BASIC GUIDANCE. For the purposes of the annual CAMP report, capital assets shall be managed at the functional unit level. However, PSOs and field elements may use other levels for site level management and reporting. The following guidance shall also be used when preparing the site CAMP report:

   a. Assume that funding will be provided for facilities maintenance, preservation, and FU-related projects that are essential to provide for worker and public health and safety, satisfy ES&H requirements, satisfy

Safeguards & Security (S&S) requirements, or meet mission requirements. Funding for activities that enhance or improve capabilities, but which are not essential for mission performance, may be provided on an available basis.

b. Assume that the expected useful life of FUs will be realized through reduction of the maintenance backlog, the application of proper maintenance programs, and the repair, replacement, and rehabilitation of components as required. The projected remaining useful life of all FUs shall be assessed with sufficient frequency to preclude unanticipated failures that necessitate the wholesale replacement of the FU.

c. Assume that all applicable laws, regulations, and Departmental requirements will be met as a precondition of operations.

d. The site CAMP report shall be updated annually to reflect detailed FU funding information from the actual budget in effect for the current and FY+1 fiscal years.

e. Planning and budgeting information that is as detailed as possible shall be provided for the entire life of an FU. Identification of known activities allows development of more realistic cost estimates as the period approaches.

f. The site CAMP Report shall be prepared in accordance with a CAMP data call that shall be updated to reflect the Department's strategic planning guidance and issued annually by the AD CAMP Administrator. The data call will provide specific instructions concerning the contents, format, and schedule of the CAMP Report and will include standardized electronic database software that shall be used. The CAMP data call will be issued through program line management who may add program-specific planning guidance.

g. AD-14 shall oversee a Planning and Analysis Group under the direction of the CAMP Administrator. The Planning and Analysis Group ensures that the CAMP Order is consistently applied and observed throughout DOE. They also analyze the results of the CAMP and provide feedback and recommended enhancements to improve its performance, assist users with specific technical problems, and update and maintain the CAMP Order.

5. FUNCTIONAL UNIT. FUs have specific characteristics, though size and scope may vary. The 30 functional unit codes listed in Attachment III-1 shall be used for CAMP reports. Examples of buildings, other structures and facilities, and equipment included under each of these codes are also listed in Attachment III-1. Guidance for integrating these codes into a site functional unit breakdown structure (FUBS) and using a higher level of

site detail if desired is given in Attachment III-2. Guidance on preparing and using FUDS is given in Attachment III-3.

a. Functional Unit Characteristics. FUs shall be established to meet the specific management and planning needs of the site. Site personnel shall use good engineering practices and sound management principles when defining their FUs, entering individual activity and FU summary information into the database, and preparing their CAMP reports. FUs shall be capable of being audited to mission requirements; facilitate analysis and planning for achieving and maintaining compliance with ES&H or S&S requirements; relate to specific site functions or capabilities; support the creation and use of concise and logical LCPs; and permit data summarization through the FUDS. FU descriptions shall include the coordinates of the location from the Site Development Map and/or the property identification number of each capital asset making up the FU.

b. Functional Unit Scope. A FU will usually be comprised of a collection of similar capital assets or a complete facility, such as a special-purpose building (not including its Capital Equipment) or a single production line within a larger general-purpose structure. A FU may be as large as a group of buildings, or utility plant, or it may be as small as a unique machine tool, a shop, or a clean room. The functional unit shall be the basic entity for justifying individual projects and shall be capable of being audited in terms of mission requirements and performance standards. A FU may also vary in size from site to site depending upon the logistics and geographic dispersion of the site's facilities and activities. A FU may be thought of as an aggregation of one or more capital assets for a logical capital asset management purpose.

6. LIFE-CYCLE PLANS. The LCP provides an overview of a specific FU and an assessment of the activities and resources needed to sustain it over its mission life or a 20-year planning period, whichever is less. LCPs shall be developed for each FU and shall depict the major events and activities through the planning period and identify what will be required to either maintain operations with the existing FUs or to upgrade or replace them as necessary. Specific additional instructions concerning format and preparation of the LCPs shall be included in the CAMP Report data call. Specific sections that are included in the LCP are:

a. Planning Basis. The planning basis is a discussion that justifies the need and describes the life-cycle mission for the FU and its importance to the overall DOE operation. It shall include the FU description discussed in paragraph 5a above. The planning basis shall also include any information necessary to explain proposed upgrade and improvement projects, an analysis of recommended maintenance actions, and an assessment of the FU's material condition and its suitability for service or any resulting operational limitations. The planning basis

shall be prepared with sufficient detail and rigor to allow knowledgeable persons outside of the site organization to objectively analyze and understand the proposed maintenance and capital investment programs in terms of their contribution to the site and overall DOE mission, their appropriateness given the capabilities and material condition of the FU, and the availability of resources. The following is a list of potential factors that might drive activities in the life of a FU. They shall be identified and discussed in the planning basis, but not all will apply to each FU each year.

(1) The FU's present mission, the pertinent portions of the Department's strategic planning guidance and objectives, new capabilities required to support its present mission, any potential mission changes, and the expected duration of the mission.

(2) The FU's relationship to other FUs on and off-site, if important to understanding the mission and interdependencies of the subject FU.

(3) Any organizational, site, legal, regulatory, or other changes that are expected to affect the operations or management of the FU.

(4) The FU's material condition and expected remaining useful life, based on the CAS database information.

(5) The key activities and upgrades that are essential to achieve the FU's useful life projections or to maintain its acceptable condition or improve its unacceptable material condition.

(6) The ES&H and S&S upgrades that are necessary to meet existing requirements or that will probably be required to meet projected requirements.

(7) Any standby or decontamination and decommissioning (D&D) activities associated with the termination of the FU's mission or the replacement of existing facilities.

b. Description of Activities. This is a concise, narrative discussion of each of the activities identified in the planning basis. The narratives of the activities shall be provided in chronological order. Information contained in the narratives shall include explanations of the factors listed in paragraph 6a above that are driving a given activity.

c. Maintenance Activities. This is a subset of the site maintenance plan discussed below and is specific to the FU. Pertinent aspects of maintenance that shall be considered include: significant preventive, corrective, and emergency maintenance activities; the size and content

of the maintenance backlog and any actions planned to reduce the maintenance backlog; periodic or special inspections and surveys during the planning period; special or unusual funding requirements; and other maintenance program highlights and shortcomings. Maintenance shall not include such items as: snow removal, janitorial services, laundry operations, capital asset construction or upgrade projects, directed asbestos removal, cafeteria operations, etc.

7. IDENTIFICATION OF PROJECTS. Capital asset managers shall develop and evaluate alternatives for meeting each FU's requirements defined in its respective LCP. The preferred "projects" for meeting those requirements shall be identified and shall include adequate scope, cost, and schedule information to allow prioritization in accordance with Chapter IV of this Order. Note the broad definition of "projects" in Attachment 1 of this Order.

   a. Cutoff Level for Reporting of Projects. CAS will result in many levels of projects to correct identified deficiencies. All "significant" projects that can reasonably be forecast for the life of a FU shall be reported. The term "significant" cannot have a single definition. It requires subjective, project-by-project evaluation. For CAMP, the following parameters shall be considered in determining whether or not a project is "significant." Site personnel shall apply consistent professional judgment in determining which projects are significant and which are not.

      (1) The absolute cost of a project. For example, line-item projects shall be reported. Projects that require completion of an Operating Expense-Funded Project Data Sheet shall be reported.

      (2) The cost of the project relative to the replacement plant value of the capital asset or FU involved. For example, a project whose cost represents a notable percentage of a capital asset's or FU's value shall be reported, even if its absolute cost is low.

      (3) The impact of the project on the function of the capital asset or FU. For example, a relatively low cost project that is critical to continued operation may need to be reported, particularly if it will require an outage to accomplish.

      (4) The priority of the project as determined by the method described in Chapter IV of this Order.

   b. Project Constraints. Project packaging is a tool that may be used to easily manage the correction of large numbers of deficiencies. For example, electrical deficiencies in several buildings of the same FU may be packaged into one project. Since all projects must be prioritized, the ranking of the project shall only be as high as the lowest priority capital asset in the packaged project. Site-wide

projects or "all or nothing" projects are not acceptable. It is expected that, once a project is initiated, mortgages will be funded, to the possible exclusion of other "new-start" projects in following years. For this reason, it is important that project schedules be critically examined and coordinated to avoid unmanageably large "mortgage" requirements or large year-to-year variances in out-year funding requirements. To minimize total capital requirements, it is equally important that projects be executed on the most economical schedule and that costs be realistically presented. Projects that are presented as "buy-ins" (low first-year costs with disproportionate out-year costs) or that have artificially extended and, consequently, less than optimum schedules will be penalized in the validation and prioritization process. Judgment of the responsible site personnel is the essential ingredient in assuring compliance with these project constraints. PSOs shall exercise oversight of the prioritization of projects.

8. ELECTRONIC DATABASE.

   a. The Department-wide CAS program provides site capital asset managers with commercially-available, standard, flexible, database management software. The annual CAMP call will be formulated on the CAS software. Refer to Chapter II for a discussion of CAS. Sites are encouraged to make broader use of this tool by customizing the software as desired for site-specific capital asset management needs.

   b. The AD CAMP Administrator shall distribute an electronic database software package to all users annually as a part of the CAMP data call. The software package will include the necessary database software to run the application, a compiled CAMP database program, and comprehensive user instructions. Site personnel shall use the AD-14 supplied software when preparing their CAMP reports.

9. MAINTENANCE PLAN. This paragraph shall provide a concise narrative description of the site's maintenance program. Significant efforts or activities to reduce maintenance backlog, as well as special maintenance requirements likely to impact upon site missions, FU availability, or FU material condition, shall be identified. The major cost factors of the site's maintenance program shall be identified and a summary of the site-wide maintenance program costs presented. This section shall also include an analysis of the effectiveness of the site's preventive and predictive maintenance programs, an appraisal of the site's performance with regard to obtaining the maximum useful life from its FUs and any associated impediments, and a discussion of improvements to the maintenance program that have the potential to lower ownership costs or extend FU useful lifetimes. The site maintenance plan discussed in this section shall be prepared in accordance with DOE 4330.4A, MAINTENANCE MANAGEMENT PROGRAM.

FUNCTIONAL UNIT CODING

REPORTING LEVEL (3)	LEVEL 3 CODE*
BUILDINGS	
Administrative	Code 10
Housing	Code 11
Storage	Code 12
Production	Code 13
Service	Code 14
Research & Development	Code 15
Reactor and Accelerator	Code 16
Other	Code 29
STRUCTURES/UTILITIES	
Transportation Systems	Code 30
Other Known Assets	Code 31
Research & Development	Code 32
Storage	Code 33
Industrial/Production/Process	Code 34
Service Structures	Code 35
Communication Type Systems	Code 36
Distribution Systems	Code 37
Reactor and Accelerator	Code 38
EQUIPMENT	
Heavy Mobile Equipment	Code 50
Hospital & Medical Equipment	Code 51
Laboratory Equipment	Code 52
Motor Vehicles and Aircraft	Code 53
Office Furniture and Equipment	Code 54
Process Equipment	Code 55
Railroad Rolling Stock	Code 56
Reactors and Accelerators	Code 57
Security and Protection Equipment	Code 58
Shop Equipment	Code 59
Automatic Data Processing Equipment & Software	Code 60
Portable Communications Electronic Equipment	Code 61
Miscellaneous Equipment	Code 79

* FUs may be at reporting level (3) or below.

FUNCTIONAL UNIT CODING (continued)
EXAMPLES OF PROPERTY UNIT CODES

BUILDING EXAMPLES

10 ADMINISTRATIVE

Post Office
Hospital
Medical Clinics
Examination and Testing Facilities
Veterinary Clinics
Other Medical or Hospital Facilities
Prison (Owned Only)
Traditional Classroom Buildings
Specialized Training Buildings
Auditorium Theater
Tech Transfer/Conference Buildings
Other School Buildings
Library
Cafeteria
Visitors Center
Museums/Shrines/National Landmarks/Historic Buildings
Recreational Facility
Physical Fitness
Security Headquarters/Badge Issuance/Gate Houses
Computer Buildings
Other Institutional Buildings

11 HOUSING

Visitor Housing
Motel/Hotel/Lodges
All Other Housing

12 Storage

General Storage
Programmatic General Storage
Hazardous/Flammable Storage
Nuclear Contamination Storage
Special Nuclear Material Storage
Secure Storage Facility
Automated Warehousing
Temperature and Humidity
Magazine (Ammunition Storage)
Magazine Igloo Staging Facility
Environmental Controlled Storage
Shed Storage

13 PRODUCTION

Production/Manufacturing Buildings
Production/Manufacturing Buildings (Nuclear)
Hazardous Production/Manufacturing Buildings
Uranium Enrichment (Diffusion)
Uranium Enrichment (Centrifuge)
Uranium Enrichment (AVLIS)
Fabrication Facility
Fabrication (Nuclear)
Assembly Facilities
Assembly (Nuclear)
Manufacturing/Production Related Laboratory
Demonstration Facility
Manufacturing Inspection Building
Materials Handling or Processing Facilities
Nuclear Chemical Process Facilities
Nuclear Waste Processing and/or Handling Building
Other Industrial Facilities

BUILDING EXAMPLES (continued)

14 SERVICE

Maintenance Shop, General
Paint Shops
Welding Shops
Pipe Fitting and Plumbing Shop
Carpentry shops
Heating, Ventilating and Air Conditioning Shops
Other Buildings Trades Shops
Machine Shops
Electronics Shops
Computer/communications Repair Shops
Equipment Calibration Shops
Electrical/Motor Repair Shops
Vehicle Repair Shops
Heavy Equipment Repair Shops
Railroad Repair Shops
Change Houses
Guard Houses
Communications/Control Centers
Indoor Firing Ranges
Physical Fitness Facilities
Gas Stations
Banks and Credit Unions
Tool Cribs/Dispensing Control
Work in Process/Ready Building
Quality Assurance Shops
Helicopter and Airplane Hangers
Airport Terminal Buildings
Other Air Service Buildings
Other Service Buildings
Laundry
Laundry (Contaminated)
Fire Station
Other Service Buildings

15 RESEARCH & DEVELOPMENT

Meteorology and Calibration Laboratory
Computation Laboratory
Applied Science Laboratory
Calibration Laboratory
Other Support Labs
Chemistry Laboratory (Non-nuclear)
Chemical Laboratory (Nuclear)
Other Chemistry Laboratory
Physics Laboratories
Optics Laboratories
Applied Physics Laboratory
Nuclear Physics Laboratory
Other Physics Laboratory
Electrical/Electronics Laboratory
Communications Laboratory
Other Electrical/Electronics Laboratory
Biological Research Laboratory
Medical Research Laboratory
Human Factors Laboratory
Animal Research Facility
Animal House
Other Bio-med buildings
Materials Laboratory
Other Materials R&D Test Buildings
Environmental Laboratory
Radiation Effects Laboratory
Other Environmental R&D Test Building
Large Scale Demonstration/Research Building
Hot Cells
Laboratories, General (Non-nuclear)
Laboratories, General (Nuclear)
Multifunction Research/Lab Building

16 REACTOR AND ACCELERATION

Production Reactors
Accelerator Building
Research Reactor

29 OTHER

Other
Trust Buildings

FUNCTIONAL UNIT CODING (continued)
OTHER STRUCTURES AND FACILITIES EXAMPLES
30 TRANSPORTATION SYSTEMS

Sidewalks
Bridges (Walking)
Tunnels (Walking)
Other, Air Transportation Systems
Runways
Taxi Ways
Helicopter Landing Pad
Parking (Aircraft)
Other, Water Transportation Systems
Piers
Docks/Wharves
Breakwaters
Parking (Vehicular)
Jetties
Other, Railroad Transportation Systems
Primary Tracks
Bridges (Trains)
Tunnels
Other, Other Vehicular Transportation Systems
Primary Roads
Secondary Roads
Tertiary Roads
Bridges (Vehicular)
Tunnels (Vehicular)

31 OTHER KNOWN ASSETS

Catchall
Other, Navigation Aids
Air Traffic Aids
Shipping Traffic Aids
Fencing (Security)
Towers (Security)
Ranges, Rifles/Pistol (Security)
Other, Reclamation and Irrigation Canals (Reclamation)
Laterals (Reclamation)
Pumping Stations (Reclamation)
Storage/Diversion Dams (Reclamation)
Other, Flood Control and Navigation Dams
Levees/Dikes
Navigable Channels
Other, Monuments & Memorials
Structures, Monuments & Memorials

32 RESEARCH AND DEVELOPMENT

Other, Research and Development

33 STORAGE

Other, Storage
Other, Water Storage
Tanks, Gravity Potable
Tanks, Gravity (Non-potable)
Tanks, Gravity (Fire Protection)
Tanks, Pressure (Potable)
Tanks, Pressure (Non-potable)
Tanks, Pressure (Fire Protection)
Other, Tanks (Oil)
Tanks (Oil)
Caverns (Oil)
Other, Tanks (Gas)
Tanks (Natural Gas)
Tanks (Other Combustible Gases)
Tanks (Process Gas)
Other, Storage (Industrial/Hazardous)
Tanks (Industrial/Not Hazardous)
Tanks (Hazardous/Not Contaminated)
Tanks (Hazardous Contaminated)
Vaults/Bunkers (Explosives)
Igloos (Explosives)
Tanks (Sewage)
Tanks (Stormwater)
Storage (Open Pavement)

OTHER STRUCTURES AND FACILITIES EXAMPLES (continued)
34 INDUSTRIAL/PRODUCTION/PROCESS

Pumping Stations
Structures, Industrial, Other
Plans (Water Treatment)
Other Industrial, Water Wells
Wells (Potable Water)
Wells (Non-potable)
Wells (Fire Protection)
Plants (Petroleum)
Wells (Oil)
Plants (Natural Gas)
Plants (Other Combustible Gases)
Plants (Process Gas)
Wells (Natural Gas)
Other, Plants (Industrial Waste/Hazard)
Plants (Industrial/Not Hazardous)
Plants (Hazardous Not Contaminated)
Plants (Contaminated, Hazardous)
Other, Plants (Sewer)
Plants, (Sewer, Primary Treatment)
Plants, (Sewer, Secondary Treatment)
Plants, (Sewer, Tertiary Treatment)
Septic Tanks (Sewer)
Plants (Stormwater, Primary Treatment)
Plants (Chill Water)
Plants (Evaporative Cooling)
Towers (Chill Water)
Cooling Ponds or Reservoirs
Solar Heating Systems
Other, Heating Systems
Other Boiler
Plants (Gas-fired)
Plants (Oil-fired)
Plants (Coal-fired)
Plants (Geothermal)
Electric Generators
Power Development Dams
Other, Photovoltaic Systems
Other, Electrical Systems
Plants (Gas-fired)
Plants (Oil-fired)
Plants (Coal-fired)
Plants (Hydro)
Plants (Geothermal)
Plants (Nuclear-powered)
Transmission Lines 500 KV
Transmission Lines 345 KV
Transmission Lines 230 KV

35 SERVICE STRUCTURES

Other, Service Structures
POL Service for Aircraft
POL Services for Watercraft
POL Services for Vehicles
Incinerator Plants
Vehicle Service
Vehicle Weighing Facility
Other, Paving Structures
Paving
Street Lights
Security Lights

36 COMMUNICATIONS AND SECURITY

Other, Communication System Lines
Other, Communications Monitoring Systems
Other, Communications Systems
Cables, Above Ground (Voice/Data)
Cables, Underground (Voice/Data)
Poles (Voice/Data)
Towers (Voice/Data)
Switching Stations (Voice/Data)
Cables, Above Ground (Fire Alarm)
Cables, Underground (Fire Alarm)
Other, Security Systems
Cables, Above Ground (Security)
Cables, Underground (Security)
Other, Energy Management Control Systems
Cables, Above Ground (Energy Management)
Cables, Underground (Energy Mgmt.)

OTHER STRUCTURES AND FACILITIES EXAMPLES (continued)

37 DISTRIBUTION SYSTEMS

Pipelines
Other, Water Lines
Piping (Potable Water)
Piping (Non-potable)
Piping (Fire Protection)
Other, Pumping Stations
Pumping Stations (Potable Water)
Pumping Stations (Non-potable)
Pumping Stations (Fire Protection)
Large Piping (Petroleum Products)
Medium Piping (Petroleum Products)
Pumps (Petroleum Products)
Piping (Other Combustible Gases)
Piping (Natural Gas)
Piping (Industrial, Process Gas)
Other, Gas Distribution System
Metering Stations (Natural Gas)
Pumping Stations (Natural Gas)
Other, Industrial Waste/Haz Piping
Piping (Industrial, Not Hazardous Waste)
Piping (Hazardous/Not Contaminated Waste)
Piping (Hazardous & Contaminated Waste)
Piping, Gravity (Sewage)
Piping, Pressure (Sewage)
Lift Stations (Sewage)
Piping Gravity (Stormwater)
Piping Pressure (Stormwater)
Pumps (Stormwater)
Other, Chill Water Distribution System
Supply Piping (Chill Water)
Return Piping (Chill Water)
Piping, Supply (High-Temperature Water)
Piping, Return (High-Temperature Water)
Piping, Supply (Steam)
Piping, Return (Steam/Condensate)
Other, Electrical Distribution System
Electrical Cables, Primary
Electrical Cables, Secondary
Electrical Cables, Tertiary
Poles/Towers (Electrical Distribution)
Substations
Power Transformers
Distribution Transformers

38 REACTOR AND ACCELERATOR

Other, Energy Research Accelerators
Accelerators, Ring
Accelerators, Linear

49 OTHER

Other

FUNCTIONAL UNIT CODING (continued)
EQUIPMENT EXAMPLES

50 HEAVY MOBILE EQUIPMENT

Concrete Mixers
Power Shovels
Cranes
Compressors
Rollers
Road Graders
Tractors
Farm Implements
Boats
Barges

51 HOSPITAL AND MEDICAL EQUIPMENT

Hospital Equipment
Clinical Equipment
Dental Equipment
Hospital Beds
Dentist Chairs
Instruments
Sterilizers
Other Equipment

52 LABORATORY EQUIPMENT

Microscope
Analytical Balances
Electroanalyzers
Oscillographs
Refractometer
Light Sources
Vibrometers
Other Scientific Equipment

53 MOTOR VEHICLES AND AIRCRAFT

Passenger Cars
Trucks
Buses
Jeeps
Trailers
Airplanes
Fire Trucks

54 OFFICE FURNITURE AND EQUIPMENT

Office Machines
Desks
Drafting Sets
Safes
Photographic Equipment
Copy Making Equipment
Printing Equipment
Other Office Equipment

55 PROCESS EQUIPMENT (PERSONAL PROPERTY)

Product Manufacturing Equipment
Product Processing Equipment
(Includes Associated Measurement and Control Instruments)

56 RAILROAD ROLLING STOCK

Locomotives
Cars

EQUIPMENT EXAMPLES (continued)

57 REACTORS AND ACCELERATORS (PERSONAL PROPERTY)

Accessory Equipment
(Including Associated Measurement and Control Instruments)

58 SECURITY AND PROTECTION EQUIPMENT

Weapons
Security Equipment
Police Equipment
Fire Protection

59 SHOP EQUIPMENT

Lathes
Drilling Machines
Rolling Mills
Hoist
Grinders
Forges
Pipe Cutting Machines
Presses
Saws
Shapers
Other

60 AUTOMATIC DATA PROCESSING EQUIPMENT & SOFTWARE

Tape Equipment
Electronic Computers
Peripheral Equipment
Data Transmission Systems
Initial Operating System
Software Package
Other

61 PORTABLE COMMUNICATIONS ELECTRONIC EQUIPMENT

Portable Transceivers
Handi-Talkies
Walkie-Talkies
Paging Units
Vehicle Radio Units
Portable Video Systems
Base Station Units
Remote Control Units
Portable Audio Public Address Systems
Telephones

79 MISCELLANEOUS EQUIPMENT

Hotel Furniture
Hotel Fixtures
Dormitory Furniture
Dormitory Fixtures
Apartment Furniture
Apartment Fixtures
Laundry Equipment
Restaurant Equipment
Cafeteria Equipment
Canteen Equipment
Reserve Construction Equipment
Improvements to Property of Others
Unclassified Plant and Equipment

FUNCTIONAL UNIT BREAKDOWN STRUCTURE

The breakdown structure provides a method for identifying the site's FUs and establishing a framework for managing the Department's capital assets by FU. The end result is the identification of a series of FUs, that includes all of the site's capital assets and provides a logical hierarchical structure for identifying, summarizing, and justifying capital asset funding needs. The specific instructions concerning the preparation and format of the functional unit breakdown structure contained in the CAMP data call shall be observed.

a. Summary FUBS. Since all DOE sites are sufficiently alike, one summary functional unit breakdown structure will satisfy the entire Department. Figure III-1 shows the summary functional unit breakdown structure and illustrates the underlying concepts. The site may develop a more detailed site FUBS that extends the summary FUBS following the general guidance contained within this paragraph.

b. FUBS Levels. The flexibility of the functional unit breakdown structure allows several levels for planning and reporting, depending upon the complexity of the site and its management requirements. It is permissible to have FUs at the fifth or sixth level of the breakdown structure in one branch, while in another branch, the FUs might go down to only the third or fourth level. The summary FUBS has three levels. Any branch may be extended by the site.

c. FUBS Coding. The FUBS elements shown in Figure III-1 are intended to be comprised of individual capital asset building blocks that are identified as property units under one of the DOE's official record systems. When deficiencies are identified through the CAS, part of the report will include an identification of the FU using the above systems. This will enable summarization of deficiencies up through the FUBS. Level 3 coding of FUs shall follow the 30 groupings of property units shown in Attachment III-1. Further subdivision is allowed when life-cycle analyses warrant such detail. For example, sites may wish to divide category 53 into over-the-road trucks, automobiles, and/or aircraft.

   (1) Level 1 (Top Level). Each site shall use the five digit post office ZIP code.

   (2) Level 2. The second level of the FUBS represents an optional field for the use of the site.

   (3) Level 3. The third level represents the major type of capital asset. The appropriate code shall be selected from Attachment III-1 based on the example capital assets listed.

   (4) Levels 4 and Lower. The fourth and lower levels provide flexibility for designating FUs in smaller groups to the single item level. For

example, the "Motor Vehicles" category at Level 3 in Figure III-1 could be further subdivided into "Personnel Vehicles, Cargo Vehicles, and Special-Purpose Vehicles" at Level 4. If desirable because of a large number of different vehicles, high costs, or some other special requirements that necessitate extraordinary management efforts, the Level 4 category "Special-Purpose Vehicles" could be further subdivided at Level 5. Each site shall employ a site FUBS coding scheme that enables FUs to be summarized to a single element at the next higher level without allocation.

d. Site personnel shall define the site's FU levels based upon their operational needs and their need to identify and track planning and budgeting data at a particular level of detail. Site personnel should be prepared to modify their FUs as required by changes in the DOE financial system or by shifting priorities or missions among the sites. Any changes shall be well-documented.

Level 1, Site	Site - XXXXX (5-digit installation ZIP code)			
Level 2	Area 1 - YYY (Program or Funding Category) (Optional)			Area 2 - ZZZ
Level 3, Functional Unit	**Buildings**	**Structures & Utilities**	**Equipment**	
	Administrative -10	Transportation Systems-30	Heavy Mobile Equipment-50	
	Housing-11	Misc.-31	Hospital/Med.-51	
	Storage-12	R&D-32	Laboratory-52	
	Production-13	Storage-33	Vehicles & Aircraft-53	
	Service-14	Industrial/ Production/ Process-34	Office Furniture & Equipment-54	
	R&D-15	Service-35	Process-55	
	Reactor & Accelerator-16	Communication Type Systems-36	Railroad Rolling Stock-56	
	Other-29	Distribution Systems-37	Reactors & Accelerators-57	
	Notes: 1. List all capital assets in each FU. 2. No capital asset may be listed in more than 1 FU.	Reactor & Accelerator-38	Security-58	
			Shop-59	
			ADP-60	
			Portable Comm.-61	
			Misc.-79	
Level 4, Subordinate FUs	As Needed & Defined by the Site (Optional)			

Figure III-1
Summary Functional Unit Breakdown Structure

FUNCTIONAL UNIT DATA SHEETS

The FUDS is a summary document containing the relevant data for the significant projects in the life of a particular FU. It is built from the more detailed LCP information. A blank sample FUDS is shown as Figure III-2, and its components are discussed below:

a. Top Section. This data is filled in once for each FU and need not be repeated on multiple sheet FUDS'. The list of capital assets in the FU shall be as complete as practicable and shows the reader where in its projected life-cycle each capital asset is as of the date of the report. Justification for a projected life-cycle of less than 20 years shall be noted in the LCP for that FU.

b. Project Section. This section is designed to give a management overview of the cost resources this FU will require over its life. The format is repeated as many times as necessary to include all significant projects in the projected life-cycle of the FU-a maximum of 20 years. Some FUs will have many projects to list, others may have none. The number of projects will vary by site and by FU. The information is extracted from the LCP for that FU and summarized in this format. Site rating scores and subsequent PSO rankings shall be reevaluated each year. Cost information shall be the best available at the time of a report and confidence levels shall be discussed in the LCP. Lack of validated cost estimates shall not be an acceptable reason for not reporting on a project.

Site: Field Office: PSO: FU: (Name & Level 3 code)
Date/Time: (of this report)
Capital assets included in FU: (Name, ID#, year placed in service, & projected life-cycle for each)

Project ID: (from LCP) Project Description: PSO: Site Rating Score/PSO Ranking:
Cost: (both TEC & TPC, if applicable) Type of Funding: (OE, CE, GPP, line item)
FY Authorized: FY of Completion: FY Funding Starts:
Major Milestones: (CDR; Title I, II, or III; NEPA ROD; etc.)

Funding profile by FY ($M):

'91	'92	'93	'94	'95	'96	'97	'98	'99	'00	'01	'02	'03	'04
'05	'06	'07	'08	'09	'10								

Prepared by: (Name & Date) Approved by: (Name & Date)

Project ID: (from LCP) Project Description: PSO: Site Rating Score/PSO Ranking:
Cost: (both TEC & TPC, if applicable) Type of Funding: (OE, CE, GPP, line item)
FY Authorized: FY of Completion: FY Funding Starts:
Major Milestones: (CDR; Title I, II, or III; NEPA ROD; etc.)

Funding profile by FY ($M):

'91	'92	'93	'94	'95	'96	'97	'98	'99	'00	'01	'02	'03	'04
'05	'06	'07	'08	'09	'10								

Prepared by: (Name & Date) Approved by: (Name & Date)

Project ID: (from LCP) Project Description: PSO: Site Rating Score/PSO Ranking:
Cost: (both TEC & TPC, if applicable) Type of Funding: (OE, CE, GPP, line item)
FY Authorized: FY of Completion: FY Funding Starts:
Major Milestones: (CDR; Title I, II, or III; NEPA ROD; etc.)

Funding profile by FY ($M):

'91	'92	'93	'94	'95	'96	'97	'98	'99	'00	'01	'02	'03	'04
'05	'06	'07	'08	'09	'10								

Prepared by: (Name & Date) Approved by: (Name & Date)

Project ID: (from LCP) Project Description: PSO: Site Rating Score/PSO Ranking:
Cost: (both TEC & TPC, if applicable) Type of Funding: (OE, CE, GPP, line item)
FY Authorized: FY of Completion: FY Funding Starts:
Major Milestones: (CDR; Title I, II, or III; NEPA ROD; etc.)

Funding profile by FY ($M):

'91	'92	'93	'94	'95	'96	'97	'98	'99	'00	'01	'02	'03	'04
'05	'06	'07	'08	'09	'10								

Prepared by: (Name & Date) Approved by: (Name & Date)

Project ID: (from LCP) Project Description: PSO: Site Rating Score/PSO Ranking:
Cost: (both TEC & TPC, if applicable) Type of Funding: (OE, CE, GPP, line item)
FY Authorized: FY of Completion: FY Funding Starts:
Major Milestones: (CDR; Title I, II, or III; NEPA ROD; etc.)

Funding profile by FY ($M):

'91	'92	'93	'94	'95	'96	'97	'98	'99	'00	'01	'02	'03	'04
'05	'06	'07	'08	'09	'10								

Prepared by: (Name & Date) Approved by: (Name & Date)

Figure III-2 Example of FUDS

CHAPTER IV

CAPITAL ASSET MANAGEMENT PROCESS PRIORITIZATION

1. INTRODUCTION. Consistency throughout the Department in the prioritization, preparation, and submission of capital asset management resource requirements is a key element of CAMP. This consistency will contribute to the validity of the overall DOE budget plan and help justify funding requests to OMB and the Congress. To achieve the desired consistency, all sites shall adopt the CAMP prioritization process discussed in this Chapter. The prioritization process is designed to rate and rank each project in the 5-year planning period. The priority lists shall be updated annually. This process shall be used as a tool to help prioritize projects on a sitewide, Field Office, and HQ program basis.

2. BACKGROUND. The CAMP prioritization process is a systematic, structured, and consistent method for determining the preferred order for allocating limited resources to solve problems. This process prioritizes the problems (events, conditions, situations, requirements, etc.) that projects are intended to address. There are other methods and techniques used to assess the appropriateness or readiness of a project; for example, value engineering, justification reviews, and project validations. For the purposes of this Chapter, problems and projects can be thought of as interchangeable in the prioritization process.

   a. Development Basis. The CAMP prioritization process was developed on the basis of risk management and reflects the values and culture of the Department. The prioritization rating criteria are comprised of the two elements of risk-consequence and probability. They are combined in the criteria statements and couched in the terminology and expressions commonly used by the people who work with the various prioritization categories. The positioning of rating criteria along a scoring scale reflects the Department's values and culture and represents an interpretation of them according to problem severity and risk. The criteria were developed and positioned based on Departmental intentions and public expectations, rather than standard industrial practices, to better represent the desired level of operational conduct.

   b. Universality. The CAMP prioritization process is a universal one encompassing four areas of major emphasis: (1) Health and Safety; (2) Environmental/Waste Management; (3) Safeguards and Security; and (4) Programmatic. It provides for expansion, change, and improvements. Further, it can easily accommodate ratings initially derived from other prioritization systems, as long as these reflect the same values and culture. The rating criteria and scoring process are contained in the Attachments and shall be maintained by AD-14. Annually, a call will be made for proposed changes or additions to the prioritization process,

and those adopted changes will be transmitted along with the annual CAMP call.

3. APPROACH. The problem-rating criteria within each of the four major categories and their subcategories are aligned along the scoring scale so that they represent the same severity or priority. Therefore, any rating score in one category or subcategory represents the same problem severity as the same numerical rating score in any other category. This alignment of criteria is crucial to achieve an integrated ranking between dissimilar problems or projects.

   a. Steps. The CAMP prioritization process consists of four steps: (1) rating; (2) scoring; (3) initial ranking; and (4) final ranking. It is vital that bias be minimized. To this end, ratings are normalized in each step of the consolidation review process (i.e., from facility to site to Field Office to HQ Program Office). This ensures consistency, equitable application of ratings, and fair and accurate comparisons and rankings. The process for developing a total score for each problem/project gives greatest emphasis to the most severe rating, but also recognizes some problems have multiple dimensions and should duly reflect their contributions.

   b. Severity Rating Scale. The problem severity ratings span a scale from 20 to 80. In reality, the scale could have been infinite, but the two ends were collapsed for ease of use. For example, problems involving a life-threatening situation could continue to be defined in increasing enormity, but any such condition is considered unacceptable as all scenarios were considered an 80 rating.

   c. Benchmark Criteria. To assist in assigning major category ratings, benchmark criteria are given for a number of subcategories under each major category. Subcategory benchmark criteria are shown in Attachment IV-1. The subcategories enable project sponsors to rate problems with reference to specific technical and managerial benchmarks, as a guide to accurate rating. The probability and frequency languages used in the benchmark rating criteria for all four major categories and their respective subcategories are outlined in Attachment IV-2. These terms are specific to CAMP and do not necessarily apply to other uses.

4. PROCEDURE. The highest single category rating score is first identified. For each of the remaining three major categories, up to 3 points may be added. How many points are added depends on the nearness of the category rating to the highest category rating. Category ratings at or below 20 on the rating scale, or categories not rated, do not contribute to increasing the overall problem score. Category ratings higher than 20 add more points the closer they are to the highest category rating. The default level of 20 represents a satisfactory or adequate condition.

a. Rating.

(1) First, assign a problem rating for each subcategory determined to be applicable and defensible in any or all of the major categories. This should be based on the projected condition of the problem at the time of correction. For a single subcategory, do this by finding a benchmark on the scale that most nearly describes the problem, and then selecting its corresponding numerical rating score. Interpolations along the scoring scale between rating criteria benchmarks is appropriate.

(2) Second, assign a rating for each major category that is defined as the highest single subcategory rating under that major category. Use a default rating of 20 for each major category for which no subcategory rating was initially assigned.

b. Scoring. Compute the total overall rating score. The procedure is:

MAJOR CATEGORY	CALCULATION	POINTS
1st (Highest)	Use Actual Rating	=
2nd	3 x (Actual-20)/(Highest-20)	=
3rd	3 x (Actual-20)/(Highest-20)	=
4th	3 x (Actual-20)/(Highest-20)	=
Total Rating Score (Sum of Points)		=

If the computation yields a total overall rating greater than 80, assign a value of 80.

c. Initial Ranking. Rank initially in descending order according to total rating score. The highest rating score, therefore, is the highest ranked priority. (Note: As previously stated, the benchmarks are defined so that a numeric rating on any scale denotes problem severity equal to the severity of the same numeric rating on any other scale.) For instance, a problem rating of 52 in the Programmatic Category is as important as a problem rating of 52 on the Health & Safety Category, by design. However, where two or more problems have identical overall problem ratings, their initial rankings shall be determined through a tie breaker by giving priority to each major category in the following order: Health & Safety; Environment/Waste Management; Safeguards and Security; and Programmatic. Attachment IV-3 contains an example illustrating the above procedures.

d. Final Ranking.

(1) Projects proposed to address the prioritized problems for out-years are seldom thoroughly defined at the time the 5-year plan is prepared and are best ranked according to the severity ratings of

the problems they are to address. Once CDRs are completed, project cost, scope, and results are better defined. Nevertheless, projects should continue to be ranked primarily according to problem severity throughout the planning period. Management review of the initial rankings is important to ensure all considerations are reflected in the final ranking. Techniques such as pair-wise comparisons are useful. Supplemental information to adjust rankings may include cost, problem improvement or severity reduction (rating reduction effected by the project), scope, readiness of a project, etc. Whether and how supplemental information modifies an installation's initial ranking is left to local discretion.

(2) Rankings may be done for all the problems/projects in the 5-year planning period and then organized into individual fiscal year rankings or ranked initially by year. Because of budget formulation considerations (e.g., funding limitations, project readiness, consolidation of like projects, etc.) actual project budget submission could result in modifying the order of the yearly rankings.

CATEGORY/SUBCATEGORY BENCHMARK CRITERIA

MAJOR CATEGORY RATING CRITERIA				
Score	I. Health & Safety	II. Environment	III. Safeguards & Security	IV. Programmatic
10	Acceptable risk; minor incidents unlikely	In compliance; working towards ALARA	Minor problems unlikely	Minor problems unlikely
20	Minor incidents slightly likely	Consistently in compliance; violations extremely unlikely	Routinely secure with acceptable risk	Adequate with acceptable risk
30	Minor incidents moderately likely; serious incidents unlikely	Routinely in compliance; low-impact violations are the exception; no off-site concern	Routinely secure with some minor problems	Adequate with some minor problems
40	Minor incidents moderately likely; serious incidents slightly likely	Occasional violations of moderate consequence	Modest threat to classified information, technology, and parts (moderately likely)	Adequacy in question with many minor problems
50	Minor incidents likely; serious incidents moderately likely	Frequent problems of moderate consequence; occasional serious problems; moderate off-site concern	Serious threat to classified information, technology, property, and parts (moderately likely)	Mission accomplishment at moderate risk
60	Serious incidents likely; fatalities unlikely	Consistently have problems of moderate consequence; frequent serious problems	Serious threat to SNM/tritium or personnel (moderately likely)	Mission accomplishment at high risk
70	Serious incidents highly likely; fatalities moderately likely	Highly likely large and uncontrolled contamination/release to off-site areas with lasting serious environmental impact	Extreme threat to SNM or personnel (moderately likely); extreme threat to classified information, technology, property, and parts (highly likely)	Critical/strategic mission accomplishment severely impacted or shut down
80	Highly likely life-threatening situation		Extreme threat to SNM or personnel (highly likely)	

CATEGORY/SUBCATEGORY BENCHMARK CRITERIA (continued)

I. HEALTH & SAFETY RATING CRITERIA SUBCATEGORIES

Score	Regulatory Compliance	Best Management Practice	Special Action/Team Findings	Technological Base (R&D)	Industrial Hygiene	Industrial Safety	Fire Protection	Health Physics	Criticality
10	Always in compliance with high margin	No concerns			Extremely effective program to limit exposure ALARA	No concerns, with rare minor incidents	Very low probability of worker injury	No exposure to public or employees	Event essentially impossible
20	In compliance, but upcoming problems slightly likely	No intervention at present, but upcoming action possible	TSA Priority 3; Tiger Team Priority 4	Develop new technology in support of mission and national objectives; long-term probability of success and/or high risk	Very effective program to limit exposure below standards	Few concerns, with occasional minor incidents	Property loss extremely unlikely or of trivial value		Deviation - minor change from approved conditions or procedures (Category 1)
30	Consistently in compliance with occasional minor deviation	Some minor concerns/ recommendations		Develop new approaches, techniques, and methods to improve operations	Routine acceptable performance in maintaining exposure at/below standards	Meeting established internal objectives	Standard industrial protection, with acceptable risk; some property losses expected	Moderate exposure to the public slightly likely (1-5 REM/yr); exposure to workers up to 1 REM/yr; moderately likely	Infraction - significant change from approved conditions or procedures but no realistic way to cause a criticality (Category 2)
40	Frequent minor violations	Many minor concerns/ recommendations	Tiger Team Priority 3	Develop new methods to improve/enhance health & safety capability and efficiency; intermediate probability of success and/or low risk	Prevent against frequent violation of exposure standards only through administrative controls	Minor injuries exceed goals	Events with minor injury likely		Event with probability approximately 10^{-8}
50	Frequently in compliance, but serious violations occasionally occur	Some significant concerns/ recommendations; Violation of internal standards;	Tiger Team Priority 2	Develop new methods to improve/enhance health & safety capabilities and efficiency; short-term probability of success and/or low risk	Frequent violation of exposure standards - no controls available	Minor injuries frequent, or occasional serious injuries	Serious injury moderately likely; Standard industrial protection; occasional significant property loss	Continuous low-level exposure to the public likely (.01-1 REM/yr); high exposure to workers slightly likely (10-100 REM/yr	
60	Serious violations frequent, or some continuing minor deviations, shutdown possible	Mandated fixes and schedules due to significant problems; likely suspension of operations pending action	TSA Priority 2	Develop necessary methods, processes and techniques in support of critical health & safety objectives; short-term probability of success and/or low risk	Potential substantial danger to site personnel through exposure; near-term action required	Serious injuries frequent	Serious injury likely; significant property losses routine	Excessive exposure to the public slightly likely (5-100 REM/yr); worker exposure above regulatory limits likely (5-10 REM/yr)	Violation - continuation of activity would significantly increase probability of criticality (Category 3)
70	Serious, life-threatening violations (on-site personnel); shutdown assured		TSA Priority 1 Tiger Team Priority 1		Substantial danger to personnel, fatalities possible	Fatalities possible	Fatalities possible	Moderate exposure to the public likely (1-5 REM/yr; worker fatality slightly likely	Event credible with possibility 10^{-6}
80	Highly likely life-threatening situation				Highly likely life-threatening situation	Highly likely life-threatening situation	Highly likely life-threatening situation	Highly likely life-threatening situation	Criticality or near criticality (Categories 4 and 5)

II. ENVIRONMENT/WASTE MANAGEMENT RATING CRITERIA SUBCATEGORIES

Score	Regulatory Compliance	Best Management Practice	Special Action/Team Findings	Technological Base (R&D)	Liquid Waste (Waste Management)	Solid Waste (Waste Management)	Airborne Pollutants (Waste Management)	Waste Minimization	Environmental Restoration	Corrective Activities
10	No violations	No concerns			No concerns	No concerns	No concerns	Process generates minimum waste using best engineering practice		
20	Consistently in compliance, but upcoming problems possible	No intervention at present, but upcoming action possible	Tiger Team Priority 4	Develop new technology in support of mission and national objectives; long-term probability of success and/or high risk	Effective transport/ storage; treatment discharge meets requirements	Consistently meets requirements	Consistently meets requirements	Process generates relatively little waste	Decontamination and decommissioning (D&D) at sites with no present imperatives	
30	Consistently in compliance, with occasional minor deviations	Some minor concerns/ recommendations		Develop new approaches, techniques, and methodologies to improve operations	Occasional discharge exceeding material goals		Emissions currently within permitted levels, but hard to maintain	Process generates more waste than an efficient process	Remedial actions/D&D needed to reduce risk, promote compliance, or maintain mission continuity	
40	Frequent minor violations	Many minor concerns/ recommendations; some significant concerns/ recommendations	Tiger Team Priority 3	Develop new methodologies to improve/enhance health & safety capabilities and efficiencies; intermediate probability of success and/or medium risk	Occasional violation of discharge permit	Occasional inadequacy of permitted storage/ handling; transport/ packaging/ disposal capacity	Emissions occasionally exceed permitted levels by a small amount			
50	Frequently in compliance, but serious violations occasionally occur	Violation of contractor standards; contractor suspension of operations likely	Tiger Team Priority 2	Develop new methodologies to improve/enhance health & safety capabilities and efficiency; short-term probability of success and/or low risk	Many or immediate violations	System capacity frequently inadequate	Emissions frequently exceed permitted levels, by a large amount	Process generates excessive waste	Remedial actions/D&D required by in-force agreements	Out-of-compliance with requirements, but no signed agreement
60	Serious violations frequent	Mandated fixes and schedules due to significant problems; likely suspension of operations pending action		Develop necessary methodologies, processes and techniques in support of critical environmental objectives; short-term probability of success and/or low risk	Lack of adequate storage/ treatment handling/ transport/ packaging facilities			Process generates waste that exceeds regulatory limits	Actions required as part of a signed interagency agreement	Actions required as part of a signed interagency agreement
70	Violation of law with potential serious civil or criminal problems		Tiger Team Priority 1				Emissions extremely high on occasion (not life-threatening)	Process generates excessive waste such that severe environmental impact is inevitable	Remedial actions/D&D required to protect from near-term risks	Actions needed within 1 year to prevent significant risks
80							Emissions dangerously high (life-threatening)			

CATEGORY/SUBCATEGORY BENCHMARK CRITERIA (continued)

III. SAFEGUARDS & SECURITY RATING CRITERIA SUBCATEGORIES

Score	Compliance with Orders, Regulations, Policies; MSSA	Best Management Practice	Special Action/Team Findings	Technological Base (R&D)	SNM Accountability	Protection of SNM	Protection of Class. Info., Technology, and Parts (NON-SNM)	Protection of Property From Theft & Loss (NON-SNM, NON-CLASSIFIED)	Protection from Hostile Action
10	In compliance, no problems				Always meets standards	Substantially exceeds protection requirements		Loss extremely rare and of trivial value	No chance for exposure to danger
20	Consistently in compliance, with some minor deviations	No intervention at present, but upcoming action possible	Satisfactory overall (I&E)	Develop new technology in support of mission and national objectives; long-term probability of success and/or high risk	Consistently meets standards	Very secure - only remote, likely scenarios could succeed		Some small losses expected	
30	Routinely in compliance with some minor deviations	Some minor concerns/recommendations		Develop new technology, approaches, techniques, and methods to improve operations	Minor problems, but compensatory measures available	Theft or diversion possibilities acceptably countered	Theft or diversion possibilities normally countered	Standard industrial protection	Safe and secure; normal concerns
40	Frequently in compliance, but serious violations occasionally occur for classified info., technology and parts	Many minor concerns/recommendations	Marginal - classified information, technology, parts (I&E)	Develop new methods to improve/enhance S&S capabilities and efficiency; intermediate possibility of success and/or medium risk	Frequent problems, but compensatory measures available			Occasional significant loss; frequent minor loss	
50	Serious violations frequent for classified information, technology, and parts, or many continuing violations	More significant concerns/recommendations'	Unsatisfactory - classified information, technology, parts (I&E)	Develop new methods to improve/enhance S&S capabilities and efficiency; short-term probability of success and/or risk	Accountability difficult within reasonable response time, but resolution moderately likely	Theft or diversion possibilities that evade initial detection systems		Occasional major loss	
60	Frequently in compliance, but SNM violations occasionally occur	Mandated fixes and schedules due to significant problems; likely suspension of operations pending action	Marginal - SNM (I&E)	Develop necessary methods to support critical S&S objectives, short-term probability of success and/or low risk	Serious problems; accountability uncertain within reasonable response time	Cannot reasonably assure protection	Loss of classified information, technology, or parts is likely (intentional or unintentional)		Cannot reasonably assure protection, serious injury possible
70	Many serious violations for classified information, technology, and parts; Many SNM violations, pervasive lack of compliance with SNM regulations		Unsatisfactory - SNM (I&E)		Numerous SNM violations	Reasonable scenarios possible, deviation or theft pathways apparent			Terrorist attack or hostage situation likely with fatalities possible
80	Extreme threat to SNM or personnel (highly likely)								

IV. PROGRAMMATIC RATING CRITERIA							
Score	Compliance with Orders, Initiatives, and Directives	Best Management Practice	Technological Base (R&D)	Capability	Capacity	Quality	Physical Condition
10	Exceeds requirements	No concerns		State of the art to meet known future requirements	Exceeds requirements to support mission	Able to meet requirements; minor improvements possible	Like-new condition
20	In compliance, but upcoming problems slightly likely	No intervention at present, but upcoming action possible; IROR ≥ 20%	Develop new technology in support of mission and national objective; long-term probability of success and/or high risk	Process adequate to meet program mission requirements, but improvements warranted	viable for mission	Able to meet requirements; minor improvements possible	Good - performs to original specs with routine preventive maintenance; downtime does not affect operation/mission
30	Consistently in compliance, with occasional minor deviations	Some minor concerns/recommendations; IROR ≥ 50%	Develop new approaches, techniques, and methodologies to improve operations			Able to meet requirements; some significant improvements required	Adequate - meets mission, but cannot perform to all original specs, some corrective maintenance necessary
40		IROR ≥ 75%; Some significant concerns/ recommendations	Develop new methodologies to improve/enhance mission capability and efficiency; intermediate probability of success and/or medium risk	Can meet mission with problems likely	Viable for mission on schedule with overtime; problems moderately likely	Able to meet requirements; many significant improvements required	Fair - occasional substandard operation; repetitive corrective maintenance; can meet mission with minor problems
50	Frequently in compliance, but serious violations occasionally occur	Violation of internal standards; suspension of operations daily; IROR ≥ 100%	Develop new methodologies to improve/enhance mission capability and efficiency; short-term probability of success and/or low risk	Can meet mission with difficulty	On schedule with significant overtime	Unable to meet some requirements	Poor - consistent substandard performance; operations/mission threatened
60	Serious violations frequent, or many continuing minor deviations; shutdown possible	Mandated fixes and schedules due to significant problems; likely suspension of operations pending action	Develop necessary methodologies, processes, and techniques in support of critical programmatic objectives; short-term probability of success and/or low risk	Cannot meet mission; or unique capability in jeopardy	Inadequate capacity to support minimum requirements of mission	Unable to meet most requirements	Severely deteriorated; mission assignment at high risk
70				Critical/strategic mission capability does not exist			Critical/strategic facilities inoperable
80							

PROBABILITY AND FREQUENCY LANGUAGE

The probability and frequency languages used in the benchmark rating criteria for all four major categories and their respective subcategories have many different terms. The definitions of these terms are subject to different interpretations among the various potential users. To minimize misinterpretation, the probability and frequency languages, along with the respective algorithms, have been standardized. Those standards and their corresponding ranges are shown in the figures below.

Standardized Terms	Range (Events/Year)
Essentially Impossible	($<10^{-8}$)
Extremely Unlikely	(10^{-8}-10^{-6})
Unlikely	(10^{-6}-10^{-3})
Slightly Likely	(0.001-0.01)
Possible	(0.01-0.1)
Moderately Likely	(0.1-0.4)
Likely	(0.4-0.7)
Highly Likely	(0.7-1.0)

Figure IV-1
Probability Language

Standardized Terms & Synonyms	Frequency Range (Context Dependent)
Consistent(ly), continuous, almost always	>98% of the time
Routine(ly), generally	>90% of the time
Frequent(ly), often, common	12 to 120 per year
Many, numerous	10 to 100 per year
Some, several	5 to 50 per year
Occasional(ly), few	1 to 10 per year

Figure IV-2
Frequency Language

EXAMPLE OF PROBLEM RATING, SCORING, AND RANKING

1. PROBLEM. A nitrate recovery system is badly deteriorated, unreliable, less efficient than new technology, and incapable of meeting expected new liquid waste discharge regulations.

2. RATING.

   a. Assign a problem rating for each applicable subcategory.

MAJOR CATEGORY	SUBCATEGORY	RATING
Environmental/Waste Mgmt.	Regulatory Compliance	65
Environmental/Waste Mgmt.	Liquid Waste	62
Environmental/Waste Mgmt.	Waste Minimization	57
Programmatic	Physical Condition	53
Programmatic	Best Mgmt. Practice	35

   b. Assign category ratings.

      (1) Health and Safety: 20 (default value for unrated categories);

      (2) Environmental/Waste Management: 65 (highest subcategory rating);

      (3) Safeguards and Security: 20 (default value for unrated categories);

      (4) Programmatic: 53 (highest subcategory rating).

3. SCORING. Compute the overall rating score.

MAJOR CATEGORY RATING	CALCULATION		POINTS
Environmental/Waste Mgmt. (65)	65	=	65
Programmatic (53)	3 x (53-20)/(65-20)	=	2.2
Health and Safety (20)	3 x (20-20)/(65-20)	=	0*
Safeguards & Security (20)	3 x (20-20)/(65-20)	=	0*
	TOTAL	=	67.2

*Shortcut Note: Unrated categories will always yield "0" points.

4. RANKING

a. Rank initially according to problem rating. Suppose other proposed projects and their ratings are B (54), C (64), and D (68). The initial ranking is D (first priority), A (second priority), C (third priority), and B (last priority).

b. Establish final ranking. The final ranking is derived from the initial ranking following management review that considers all possible factors, including problem improvement, problem scope, project cost, and project readiness.

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EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

DEPUTY DIRECTOR
FOR MANAGEMENT

MEMORANDUM FOR THE MEMBERS OF THE CAPITAL PROGRAMMING GUIDE GROUP

DATE. **December 17, 1996**

FROM. **John Koskinen**
G. Edward DeSeve

SUBJECT. **Capital Programming Guide**

Attached for your review is the December 10, 1996 Draft of the *Capital Programming Guide*. The purpose of this Guide is to provide professionals in the Federal government a basic reference on capital assets: to assist them in planning; in budgeting and controlling for costs; for acquisition (through purchase, construction, lease or other means); and for managing the achievement of expected levels of performance for the asset.

The Guide is organized to reflect four phases of capital programming -- Planning, Budgeting, Procurement, and Management-In-Use. While not intended to be prescriptive, the Guide incorporates key elements of Federal statutes pertaining to information resources management, strategic planning, and procurement, as well as OMB guidance on budgeting for fixed assets, benefit-cost analysis, and other areas.

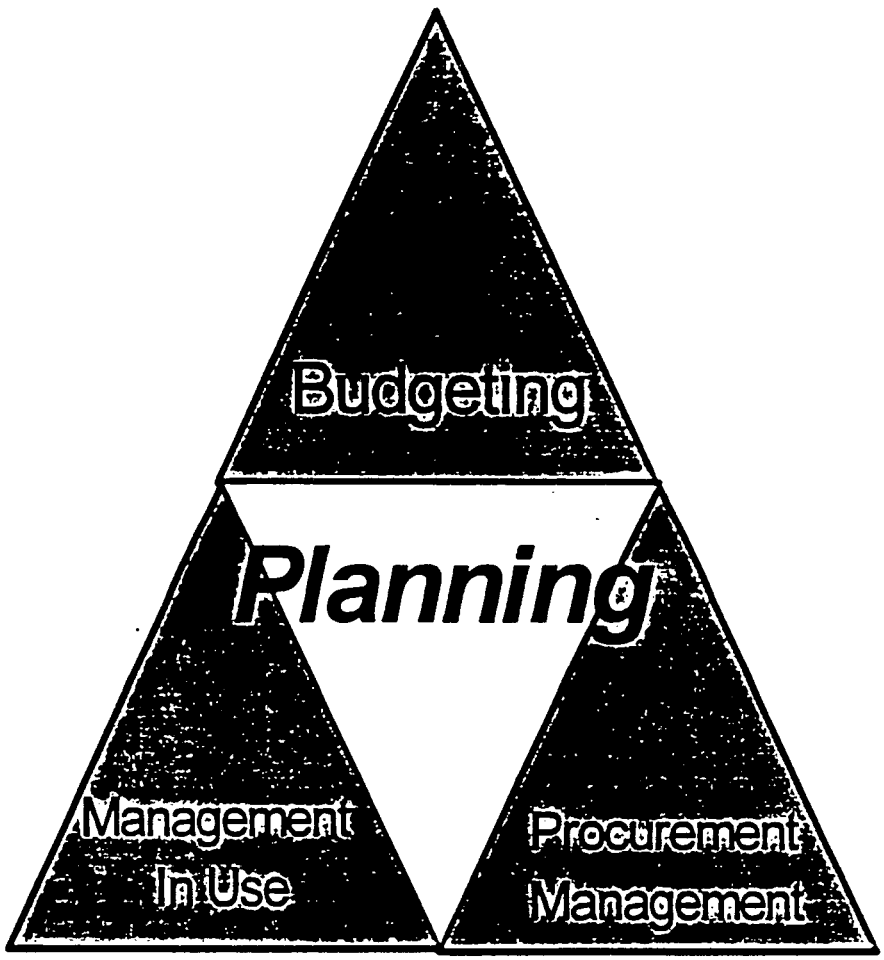
Each chapter has been developed by inter-agency working groups; over 80 staff representing 14 agencies have contributed. To complement this effort, GAO will undertake a series of case studies on promising capital programming practices among private industry and State and local governments.

The measuring stick of the Guide's "success" is the extent to which agency staff find it useful -- in defining why a capital asset is necessary, what it will do, how it will be paid for and acquired, and how the asset will be managed well. We ask for your support in distributing this draft widely in your agency, including program, acquisition, financial management, and information resource staff. Please direct comments to David Muzio, Office of Federal Procurement Policy (phone: 202-395-6805; fax: 202-395-5105) or Scott Quehl, Office of Federal Financial Management (phone: 202-395-9128; fax: 202-395-3047) by February 16, 1997.

Attachment

CAPITAL PROGRAMMING GUIDE

12. 10. 96 DRAFT



The Guide has been developed by the Capital Programming Guide Group, made up of over 80 staff representing 14 agencies, and Chaired by John Koskinen, Deputy Director for Management at the Office of Management and Budget (OMB). G. Edward DeSeve, Controller, Office of Federal Financial Management-OMB, and Phil Dame, Deputy Assistant Director, Budget Review Division-OMB have served as the Group's conveners.

The Guide is organized to reflect four phases of capital programming -- Planning, Budgeting, Procurement, and Management-In-Use. The chapters have been developed by inter-agency working groups, led by Larry Hush, Larry Magid, David Muzio, Scott Quehl, and Kathleen Turco. Especially significant contributions were provided by Robert Anderson, Mark Blace, Les Bloom, Allan Brown, David Childs, Wendy Comes, Walter Groszyk, Michele Heffner, Richard Kellet, Robert Kilpatrick, Bruce McConnell, Bernie Martin, Rusty Moran, M. Jane Morgan, Gay Morris, Michael O'Brien, Justine Rodriguez, Diane Savoy, Robyn Seaton, Jasmeet Seehra, Marlon H. Sellow, Justin Sullivan, Nathan Tash, Cindy Venziano, and Victoria Viets. Margaret Christian and Mary Chuckerel have provided administrative support.

Contributions by the General Accounting Office (GAO) have greatly enriched the Guide. GAO will undertake a series of case studies on promising capital programming practices among private industry and State and local governments to complement this effort.

The measuring stick of the Guide's "success" is the extent to which agency staff find it useful -- in defining why a capital asset is necessary, what it will do, how it will be paid for and acquired, and how the asset will be managed well. We ask for your support in distributing this draft widely in your agency, including program, acquisition, financial management, and information resource staff. Please direct any comments to David Muzio, Office of Federal Procurement Policy, OMB (phone: 202-395-6805; fax: 202-395-5105) or Scott Quehl, Office of Federal Financial Management, OMB (phone: 202-395-9128; fax: 202-395-3047) by February 16, 1997.

LIST OF ABBREVIATIONS

CI	Commercial Items
GPRA	Government Performance and Results Act
FAR	Federal Acquisition Reform Act
FASA	Federal Acquisition Streamlining Act
IPT	Integrated Project Team
ITMRA	Information Technology Management Reform Act
NDI	Non-Developmental Item
OMB	Office of Management and Budget
OFPP	Office of Federal Procurement Policy, Office of Management and Budget
RMO	Resource Management Office, Office of Management and Budget
SSA	Source Selection Authority
SST	Source Selection Team

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CAPITAL PROGRAMMING GUIDE

INTRODUCTION

The Guide's Purpose

The purpose of this Guide is to provide professionals in the Federal Government a basic reference on Capital Assets: to assist them in planning; budgeting and controlling costs; acquisition (through purchase, construction, lease or other means); and managing the achievement of expected levels of performance for the asset.

This Guide should be used by each agency and OMB as an aid in planning for the acquisition and management of an agency's entire portfolio of capital assets. The Guide is not prescriptive. Rather, it seeks to tie together concepts and practices collected from legislation, guidance, and best practices from industry and government. Agencies are, of course, expected to comply with existing statutes and guidance, and these are cited in the text where appropriate. But the Guide's emphasis is helping readers define why a capital asset is necessary, what it will do, and how -- through sound planning, budgeting, acquisition, and management -- it will serve an agency's mission well.

Definition of Capital Asset

Capital assets are land, structures, equipment, and intellectual property (including software) that are used by the Federal Government and have an estimated useful life of two years or more. Capital assets exclude items acquired for resale in the ordinary course of operations or held for the purpose of physical consumption such as operating materials and supplies. The cost of a capital asset includes its purchase price and all other costs incurred to bring it to a form and location suitable for its intended use. Capital assets may or may not be capitalized (i.e., recorded in an entity's balance sheet) under Federal accounting standards. Appendix One describes capital assets more fully.

Threshold for Capital Programming

The capital programming process is useful for all long-term investments in capital assets. However, agencies should consider the materiality of the investment to the agency -- both its cost and its strategic significance -- in determining the level of effort devoted to capital programming. For small dollar investments relative to the agency's budget, the agency may wish to develop a less detailed programming process based on the basic tenets presented in this Guide. A capital programming process involving more or less detail and review based on the size or strategic importance of proposed investments may be appropriate, particularly in large agencies.

Program Management Infrastructure

Well-trained budget, accounting, procurement, and program personnel working as an Integrated Project Team (IPT), supported by sound financial management systems, form a program management infrastructure that is a prerequisite to sound capital decision making. Even if the Guide's recommendations are followed, agencies may make poor decisions without this

infrastructure. Cost information will play an important role in performance measurement and should be considered as capital investments are analyzed. Executive review committees, composed of chief operations, information, financial/budget, and procurement officers, should review the analysis and recommendations of the IPT assigned responsibility for capital asset projects.

The Guide's Organization

- This Guide is organized to reflect the four Phases of the Capital Programming process: Planning, Budgeting, Procurement, and Management-In-Use. Each Phase is composed of a number of Steps.

- Case examples of promising practices from government and industry that describe how a Phase and its Steps might be carried out are [to be] included.

- Integration with guidance or source materials relevant to a particular Phase and Step, as well as a description of reporting requirements or formats, are also described.

- Also included are a Glossary and a Bibliography.

Summary of Each Phase and Step

Planning Phase

The Planning Phase is the "core" of the capital programming process. Its products are applied throughout the remaining Phases. Much as a road map allows a traveler to plan a preferred route while keeping alternatives in mind, good planning can help agencies develop, justify and carry out budget presentations, procurement, and operational responsibilities. Plans can expose "traffic jams" agencies invariably encounter and the alternate routes to avoid them. Planning should be undertaken not merely for the sake of compliance. It should be undertaken because it makes decision making and implementation easier.

Step I. 1. Strategic and Program Performance Linkage. There is an unseverable link between planning and budgeting, a connection through which an agency decides what to do and how to do it well. The enactment of the Government Performance and Results Act (GPRA) put into law the means for developing Strategic Plans and connecting them to resource requests. This Guide emphasizes the importance of linking capital asset planning, funding, and management, to agency Strategic Plans and Annual Performance Plans. In turn, future revisions of Strategic and Performance Plans should reflect the analysis and decisionsof the Planning Phase.

Step I. 2. Baseline Assessment: Examining the Existing Portfolio and Identifying Its Performance Gap. Program managers should assess the extent to which existing capital assets are helping the program achieve its Strategic goals and objectives. This assessment should cover capital assets in the Management-In-Use Phase and those being acquired in the Procurement Phase. These criteria include applicability to mission, affordability relative to future resource expectations, benefits, life-cycle costs, and agency capacity to manage the asset. It is from this performance baseline that executive investment review boards should evaluate both existing and proposed new

capital assets, ranking them within an agency-wide portfolio. Agencies are encouraged to form multi-disciplinary Integrated Project Teams (IPT), headed by the same program managers accountable for the programs' performance once the asset is in use, to carry out this assessment.

Step I. 3. **Functional Requirements**. If a gap between planned and actual performance is found, various options for addressing this "performance gap" – both through capital assets and other means -- should be identified. Program staff may find that identifying more detailed program requirements than those established in the Annual Performance Plan can properly size and scope potential options. Detailed functional requirements for capital asset options should also be defined. These functional requirements should not be defined in equipment or software terms, but in terms of the mission, purpose, capability, agency components involved, schedule and cost objectives, and management capacity.

Step I. 4. **Alternatives to Capital Assets**. Before planning acquire new capital assets, managers should apply the "Three Pesky Questions" to assure that (1) the functions to be supported are mission critical, (2) that no other governmental or private entity can do them better, and (3) that agency business processes have been first reengineered to optimal performance at the lowest cost. Agencies should select alternatives over new capital assets to achieve the same programmatic goals whenever practicable and more cost-beneficial, including new program design (e.g., the use of grants, vouchers, or regulation) or operational improvements through such means as cross-servicing or short-term operating leases with commercial providers. Benefit-cost analysis is the primary method to compare alternatives and select the best solution, given budget constraints.

Step I. 5. **Choosing the Best Capital Asset.** If no cost-beneficial means for meeting program performance requirements beside a capital asset are available, the IPT should determine assets': (1) *Availability* - if the market can provide capital assets that meet detailed program and functional requirements; (2) *Affordability* - if the alternatives available to satisfy needs are affordable; and (3) *Feasibility* - if their costs and benefits merit their inclusion in the agency's portfolio of proposed assets to be considered for funding by the agency's executive investment review committee structure. This process starts with a strategy to review the market and ends with the development of an acquisition plan, outlining the best approach to acquire the recommended asset. Plans for asset evaluation, operation & maintenance, and disposal should also be developed, with the costs of their execution included in the feasibility analysis. If funding for the proposed asset is approved at the end of the Budgeting Phase, these plans will be executed in the Procurement and Management-In-Use Phases.

Step I. 6. **The Agency Capital Plan.** The Agency Capital Plan (ACP) is the ultimate product of the Planning Phase and should be the result of an executive investment review process of the capital asset portfolio that reviews the work done in this Phase. The Plan should reflect trade-offs made between funding the operational expenses for an existing asset and the acquisition of a new one. If a proposed acquisition can outperform an existing one for less or equal cost, the existing asset may be disposed of before originally planned. The ACP should include a statement of the agency strategic plans, an analysis of the portfolio of assets already owned by the agency and in procurement, the gap between planned and actual performance, justification for new acquisitions proposed for funding, and related information. Once the ACP is approved by the agency head, the agency may wish to include a summary to support its budget justification to OMB and Congress.

Budgeting Phase

Step II. 1. Agency Submission for Funding in the Budget Year. This Step is the formal beginning of the Budgeting Phase, when the agency head has decided that the planning for the portfolio of acquisitions is complete and the budget proposal is ready for submission to OMB. Once submitted, the agency may be called upon to defend the proposal formally in the agency hearings in OMB, or informally in many other ways. The proposal will undergo further scrutiny within OMB, including requests for more information from the agency, before the Director makes a recommendation to the President regarding the proposal.

Step II. 2. Passback. In this Step the agency is formally advised of the recommendation of the OMB Director and to the President regarding the acquisition. The recommendation may require considerable changes from the initial agency request, including different funding levels, different modules for full funding, changes in the performance goals, and alternatives for financing the proposal (e.g., user fees, account structure, etc.). In this Step, the agency can normally appeal to the President or his advisors the recommendation of the Director.

Step II. 3. Agency Revision. In this Step the agency may have to redesign certain aspects of the proposal or cost, schedule, or performance measures if funding has been reduced or other changes have taken place as a result of passback.

Step II. 4. Approved for the President's Budget. If the proposal has survived the review process it is ready for inclusion in the Administration's budget proposal to Congress.

Step II. 5. Congressional Approval and OMB Apportionment. The proposal is likely to face critical questioning by Congress. The agency and others in the Executive Branch may be called upon to justify the request, much of which may be based on material in the Agency Capital Plan. The justification may take place in formal or informal hearings or presentations before authorizing or appropriations committees or staff. Additional revisions to the proposal may be required at various stages in the Congressional review process if the Congress changes the funding levels or takes other actions. The Budgeting Phase ends when appropriations are enacted for the asset, OMB apportions the funds to the agency, and the acquisition is adopted into the agency's annual operating plan.

Procurement Phase

Step III. 1. Validate Planning Decision. Acquisition planning begins in the Planning Phase, after the agency has determined, in the Planning Phase, that a large expenditure for a capital asset to provide the capability, is necessary. The Procurement Phase formally begins once Congress has approved a capital asset's funding. The first action is to validate that the Planning Phase decision on direct purchase of the asset or the need for development is still appropriate. Because a year or more can lapse between the Planning Phase decisions and the time the Procurement Phase begins, the agency should review the mission need and the capabilities of the market to determine if direct purchase of the asset can be made or if development work is needed.

Step III. 2. Managing the Procurement Risk. The most important aspect of the Procurement Phase is *managing the risk* to limit the number of projects that will not meet the established goals. Before starting any procurement, the IPT should update the acquisition plan to ensure the risk management techniques considered in the Planning Phase are still appropriate. There are three key principles for managing risk when procuring capital assets: (1) avoiding or limiting the amount of development work; (2) making effective use of competition and financial incentives; and (3) establishing a performance-based acquisition management system that provides for accountability for program successes and failures (i.e., use earned value reporting)

Step III. 3. Consider Tools. There are three tools agencies should consider using to mitigate risk, regardless of the amount of development work involved in the acquisition. The first, *modular contracting*, breaks large acquisitions into smaller, more manageable modules where complex requirements can be addressed incrementally in order to enhance the likelihood of achieving workable solutions within goals while allowing for subsequent modules to take advantage of evolutions in technology. In the second, *two-phase acquisitions*, the agency asks for limited capability information in the first phase which allows many firms to offer solutions without large expenditures from which the government may select the most promising for the second phase of detailed cost and technical proposals. The third tool, competitive prototyping, is reduces risk in development efforts by selecting contractors to produce prototypes of their product so that the agency may select the most cost-beneficial design concept for further development or production

Step III. 4. Select Pricing Mechanism. After an agency has determined the amount of development work -- if any -- that is anticipated for a given acquisition, the IPT should then choose an appropriate pricing mechanism. The range of pricing mechanisms extend from firm fixed price, which transfers all of the risk to the contractor, to cost-plus-fixed-fee, in which the government assumes all of the risk. Careful management of the risk factors by the government should result in most contracts being of a fixed price variety.

Step III. 5. Issue the Solicitation. Generally, increased exposure to agency functional requirements will increase not only the number of firms responding to the solicitation, but also the quality of the bids. The solicitation should explain the mission need (not equipment needs), schedule, cost, capability objectives and operating constraints. Offerors should be free to propose their own technical approach, main design features, sub-systems, and alternatives to schedule, cost and capability goals.

Step III. 6. Proposal Evaluation and Negotiation. Based on evaluation criteria in the solicitation, a Source Selection Team (SST) of the integrated project team should evaluate proposals and negotiate with offerors to determine the comparative values of proposals in meeting the criteria included in the solicitation document. The team should then prepare analysis and recommendations for presentation to senior management, specifically a Source Selection Authority (SSA).

Step III. 7. Contract Award. The Source Selection Authority reviews the SST's comparative analysis and recommendations and selects the contractor to receive the contract. The SSA can also cancel the solicitation if cost, schedule or performance parameters proposed by the best value contractor do not achieve program objectives within funding limitations. If cancellation of the solicitation occurs, the project should return to the planning phase for review of other options.

Step III. 8. Contract Management. Once the contract is awarded, the IPT is expected to manage the acquired capital asset to achieve, on average, 90 percent of the cost, schedule and performance goals. The contractor should use a performance based management system, as specified in the contract, to manage the contract and provide management information on the actual accomplishment of the goals compared to the baseline goals throughout the acquisition life-cycle. Agency financial management and control systems should accumulate the actual costs of the project, including both contract costs and government program management costs, and integrate them with performance indicators to give program managers a clear understanding of how resources are connected to results.

Step III. 9. Acquisition Analysis. The IPT should receive monthly status reports on the performance of the acquisition. If the acquisition is not achieving at least 90 percent of its cost, schedule or performance goals, the IPT should determine the reasons for the deviations, the corrective actions planned by the contractor, and whether the corrective actions are likely to result in the acquisition achieving baseline goals by contract completion. If the acquisition will not be able to achieve baseline goals, the IPT must present an analysis with recommendations to the agency head for a determination to continue the acquisition and seek additional funding through OMB, to restructure the acquisition with lower goals, or to cancel the acquisition and return the project to the Planning Phase to determine a new approach to achieving mission objectives.

OMB's RMO staff should review acquisition status information from the acquisition's performance management system at least once a year, or as necessary for acquisitions that are not achieving 90 percent of goals. OMB should review the reasons for deviation from goals and the reasonableness of the corrective actions proposed and validity of increased cost estimates. Acquisitions that will not meet objectives in a cost-effective manner should be recommended for termination. OFPP is responsible for submitting an annual assessment to the Congress of progress made by civilian agencies in achieving 90 percent of acquisition goals.

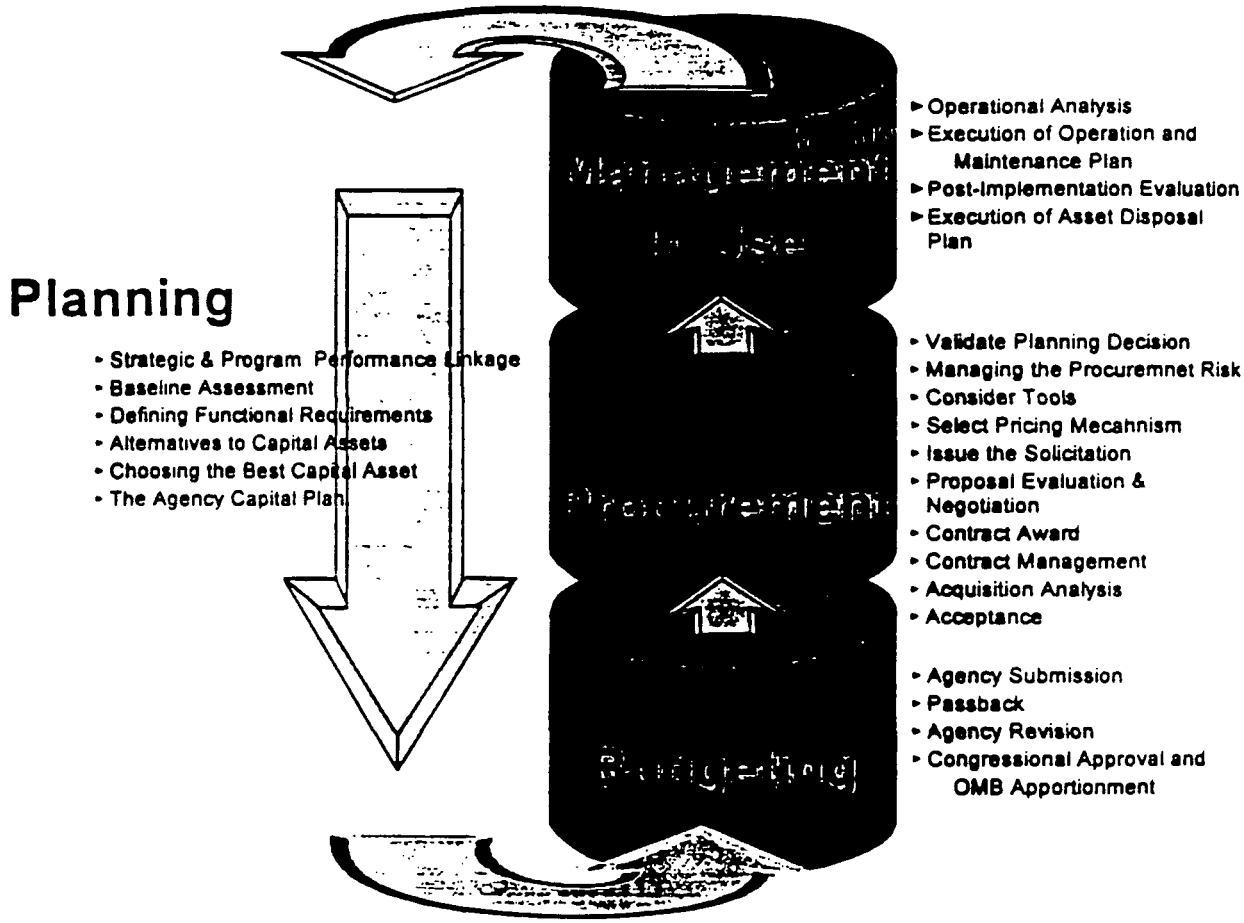
Step III. 10. Acceptance. Effective testing will determine whether the agency received the benefits it anticipated and whether the system is acceptable for use in accomplishing the agency's mission. Often, final acceptance will depend on the successful outcome of testing. Agencies should invest adequate resources to ensure that there is a thorough functional test plan. Although a contractor will *design* to a specification, a contractor will *build* to the test plan -- successfully accomplishing the tests in the test plan determines if the contractor gets paid. Having established a thorough test plan, managers should ensure it is followed, that the tests are performed rigorously, and the contractor is not given an acceptable rating unless each item of the plan is fully met.

Management-In-Use Phase

Step IV. 1. Operational Analysis. Operational analysis involves the collection of information concerning a capital asset's performance and the comparison of this performance with an established baseline. The outputs of this process are recommendations to agency resource managers as to the continued use, modification, improvement, or termination.

Step IV. 2. Execution of Operation and Maintenance Plan. The planning, budgeting, procurement and management of a capital asset are integral parts of a system. This system represents the process of procuring an asset by the Government for the benefit of the public. But even the best planned, budgeted and procured asset will fail to adequately deliver to the public unless an O&M plan is incorporated into

the asset's procurement process and this plan is properly executed. Also, proper maintenance can ultimately prove less expensive than more frequent asset replacement.

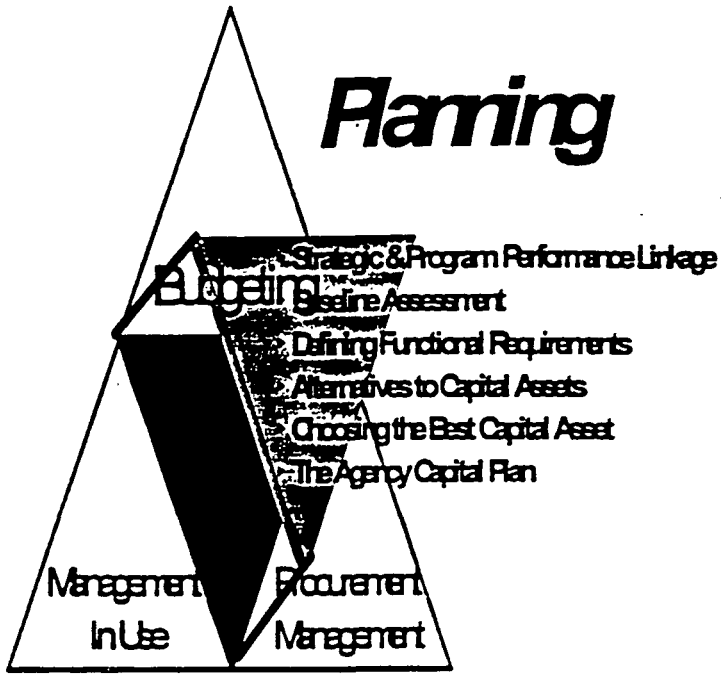


Step IV. 3. **Post-Implementation Evaluation.** Post-implementation evaluation is a diagnostic tool to evaluate the overall effectiveness of the agency's capital planning and acquisition process. The primary objective of a post-implementation review (PIR) is to identify whether the asset is performing as planned and ensure continual improvement of an agency's capital management process based on lessons learned, and thus minimize the risk of repeating past mistakes.

Step IV. 4. **Execution of Asset Disposal Plan.** Disposal of an asset is typically the end of the assets life cycle, and represents the culmination of the processes discussed earlier in this Guide. Issues to be considered include the action required to remove the asset from service, planning for transition to a replacement if required, and final removal of the asset from the agency's property inventory. Disposal of complex assets or systems may involve a multi-year process requiring significant effort and funding to execute. In all cases, agency property specialists, guided by internal policy and applicable laws and regulations, must work closely with agency executives to ensure cost-effective and timely disposal of assets.

I. PLANNING PHASE

Introduction. There is an unseverable linkage between planning and budgeting, a connection through which an agency decides what to do and how to do it well. A plan connotes a series of actions contemplated and results desired. A budget should present the resources to be allocated and the expected results. There can be no good budget without a plan, and there can be no executable plan without a budget to fund it.



There have been many attempts to find techniques for structuring this linkage within Government. Planning-Programming-Budgeting System, Management-By-Objectives, Zero-Based-Budgeting and other methods were tried and mostly discarded. Often, the techniques overshadowed the fundamental questions, *What are we getting for what we are spending? How do we connect resources with results?* The Government Performance and Results Act (GPRA) puts into law for the first time the means for developing Strategic Plans and tying them to resource requests.

The Planning Phase is the "core" of the capital programming process. Its products are applied throughout the remaining Phases. Much as a road map allows a traveler to plan a preferred route while keeping alternatives in mind, good planning can help agencies develop, justify and carry out budget presentations, procurement, and operational responsibilities. Plans can expose "traffic jams" agencies invariably encounter and the alternate routes to circumvent them. Planning should be undertaken not merely for the sake of compliance. It should be undertaken because it improves decision-making, and makes implementation easier.

This Guide emphasizes the importance of linking capital asset planning, funding, and management, to agency Strategic Plans and Annual Performance Plans (Step I. 1.). Before planning to acquire capital assets, agencies should identify various alternatives available for addressing the gap between current and planned performance. The capacity of existing capital assets to allow their programs to meet program goals within performance, affordability, life-cycle cost, risk, and management capacity criteria. These assets should be assessed as a *portfolio*, with each one ranked by the extent to which it meets these criteria. If a gap between planned and actual performance is found, various options for addressing this "performance gap" -- both through capital assets and other means -- should be identified (Step I. 2.).

Program staff may find that identifying more detailed program requirements than those established in the Annual Performance Plan can properly size and scope potential options. Detailed functional requirements for capital asset options should also be defined (Step I. 3.). Before planning to acquire new capital assets, managers should apply the "Three Pesky Questions" to assure that (1) the functions to be supported are mission critical, (2) that no other governmental or private entity can do them better, and (3) that agency business processes have been first reengineered to optimal performance at the lowest cost. Agencies should select alternatives over new capital assets to achieve the same programmatic goals whenever practicable and cost-effective, including new program design or operational improvements (Step I. 4.).

If no cost-beneficial means for meeting program performance requirements beside a capital asset are available, the IPT should determine assets': (1) *Availability* - if the market can provide capital assets that meet detailed program and functional requirements; (2) *Affordability* - if the alternatives available to satisfy needs are affordable; and (3) *Feasibility* - if their costs and benefits merit their inclusion in the agency's portfolio of proposed assets to be considered for funding by the agency's executive investment review committee structure (Step I. 5.). The portfolio approved by the agency head would compose the Agency Capital Plan. This Plan is the ultimate product of the Planning Phase. It should summarize how the agency intends to fund, procure, manage, mitigate risk for, and dispose of each acquisition once in use. The Plan would also describe the acquisitions' linkage to agency mission, program performance goals and objectives, affordability, and cost-effectiveness. Agency may wish to support its budget justification by presenting a summary of their capital plans to OMB and Congress (Step I. 6.).

STEP I. 1. STRATEGIC AND PROGRAM PERFORMANCE LINKAGE

I. 1. 1. Strategic Planning

Capital programming is an integral part of an agency's strategic planning process, within the framework established by the Government Performance and Results Act (GPRA). The initial Strategic Plans, due to OMB and Congress by September 1997, will include:

- the comprehensive mission statement;
- long-term goals for the agency and how they will be achieved;
- description of the relationship between annual performance goals in the Annual Performance Plan and the long-term goals in the Strategic Plan; and
- identification of external factors that could affect achievement of long-term goals.

The Strategic Plan should anticipate changes in the agency's requirement for technological capabilities, identify major capital assets that are critical to implement the plan, and define the outcomes these assets will help realize. The plan should also anticipate future budgetary resources,

organizational structure, and levels of full-time employment. Objectives should include measurable, quantitative criteria.

Developing an agency mission, then the long-term objectives and annual performance goals for each major program based on that mission, produces powerful tools for justifying an agency's or a function's relevance, defining what they will do, and establishing performance targets to measure if they are doing it well. Figure 1 describes how NASA is using strategic planning to guide a major restructuring intended to boost productivity by 40 percent while avoiding the cancellation of major programs -- all while cutting its budget from 1995 through the year 2000 by 36 percent.

A 1996 GAO study[1] found that three practices appear to be critical for strategic planning to have this sort of impact. Organizations should:

Figure 1. Strategic Planning at NASA

By the mid-1980s, NASA was struggling to define its mission and defend the public's return for its spending. Its budget already in decline, NASA realized it would have to change to survive. Since 1993, NASA has been using the development of its strategic plan to align resource allocation and program decisions within its newly-defined mission: (1) to advance and communicate scientific knowledge and understanding; (2) explore and enable the development of space, and (3) research, develop, and transfer advanced space and aeronautic technologies. NASA has established five Strategic Enterprises to carry out this mission -- Aeronautics, Space Science, Space Technology, Human Exploration and Development of Space, and Mission to Planet Earth. Each Center develops a strategic implementation plan within its areas of core competency to align its activities with the strategic direction of the Agency and Enterprises it supports. Headquarters guides the plans, so that the Centers support one another, not duplicate effort. Cost reduction measures, such as performance-based contracting and outsourcing functions, like Space Shuttle flight operations, are spelled out in each Center's plan.

The planning process has not been easy. Much work remains before performance indicators and organizational structure are fully integrated into NASA's strategic plan. Still, the benefits of *Better-Faster-Cheaper* within the strategic planning framework are becoming clear. NASA launched an average of two scientific spacecraft a year between 1990 and 1994. Over the next five years, it will increase the launch rate to eight. By 2004, it plans to launch 12. It will do this with 5,000 fewer employees than in 1993. By 2000, NASA plans to have 7,000 fewer civil servants and 50,000 fewer contractor employees.

- involve their stakeholders, including Congress and the Administration, State and local governments, third-part service providers, interest groups, agency employees, and the public;
- assess their internal and external environments continuously and systematically to anticipate future challenges and make adjustments so that potential problems do not become crises; and
- align their activities, core processes, and resources to support mission-related outcomes.

Capital assets should always be evaluated in the context of how they support the agency's mission, objectives, and goals. These assets can enhance performance, replace outdated processes, provide long-term productivity benefits, and improve customer service. If not already available from

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1 GAO, *Executive Guide: Effectively Implementing the Government Performance and Results Act*, GAO/GGD-96-119, June 1996, pp. 13, 18-19.

preparation for Government Management and Results Act efforts, agencies should undertake a Baseline Assessment, described in Step I. 2., to identify the criteria upon which it will judge the performance of each existing capital asset.

By the time this Guide reaches its readers, each agency should be well on its way to developing its initial Strategic Plan. The Steps of this Phase may lead agencies to revise the portions of Strategic Plans pertaining to capital assets.

I. 1. 2. Program Goals and Objectives

Capital assets should be planned for, assessed, and managed in light of their ability to contribute to accomplishing program outputs and outcomes, spelled out in agency Annual Performance Plans. Per GPRA and [reference performance plan guidance currently under development by OMB], these Plans will include the following by FY1999:

- performance goals to define the level of performance to be achieved by a program activity, typically in an objective, quantifiable, and measurable form;
- performance measures for outputs, service levels, and outcomes of each program activity;
- a description of the operational processes, skills, human and capital assets, and other resources required to meet these goals;
- a basis for comparing actual program results with the established performance goals, including goals established for assets during the procurement of a new capital asset; and
- a description of the means to be used to verify and validate measured values.

The goals and objectives described in these annual plans should demonstrate incremental progress toward the long-term goals and objectives described in the agency Strategic Plan.

Program goals and objectives should describe how outputs and outcomes will be achieved. The role of a capital asset in achieving these outputs and outcomes should be made clear. *Outputs* -- the number of youths trained, the number of social security checks disbursed -- help managers measure efficiency, giving them a better sense of how much bang we are getting for the public's buck. *Outcomes* -- the number of youths that get and hold a job, the number of elderly Americans who live above the poverty line -- give managers a sense of the effectiveness of the use of that public dollar. Appendix Two provides examples of outputs and outcomes, by type of Government function.

Once the budget requests accompanying the Annual Performance Plans are approved by Congress and apportionments are made by OMB, the Annual Performance Plans are revised to reflect any changes and turned into that year's Operational Plan.

I. 1. 2. 1. Link between Agency Strategic, Annual Performance, and Capital Plans

Upon completing the Capital Planning Phase, agencies are encouraged to summarize proposed funding, procurement, and management of each capital asset within an overall Agency Capital Plan, described in Step I. 6. The Capital Plan should describe how each asset will help achieve agency outcome goals and objectives presented in the Strategic Plan and program output goals in the Annual Performance Plan. In turn, the Annual Performance Plan will include that year's performance goals for the procurement of the asset, as well as the program's performance, once the asset is operational. If not already amended once capital planning is undertaken, the second iteration of the Strategic Plan should include the assets described in the Agency Capital Plan as means to achieve outcome goals and objectives. Figure 2 on the following page displays a hypothetical example of the relationship between capital planning, strategic and annual performance planning, and budget requests.

I. 1. 3. Performance Reporting

Systems to track the performance of each capital asset once in use, planned for in Step I. 4. will provide a continuous feedback loop to help managers assess both the performance of individual assets relative to planned targets, and whether capital assets are still aligned with programmatic purpose. Such feedback will also enrich the performance information for the program as a whole. Even if an asset is performing as planned once in use, this Phase should focus on evaluating its contribution in light of changes to agency mission and program goals. Otherwise, the agency may find itself in a situation where, "the operation is successful but the patient died."

STEP I. 2. BASELINE ASSESSMENT: EXAMINING THE EXISTING PORTFOLIO & IDENTIFYING THE PERFORMANCE GAP

I. 2. 1. Review Existing Capital Assets, Leases and Service Contracts as a Portfolio

Before planning for the acquisition of new capital assets, a multi-disciplinary Integrated Project Team (IPT, described below), should assess the capacity of existing capital assets to achieve agency mission and program performance goals in an affordable, cost-effective manner. This baseline assessment should cover capital assets in the Management-In-Use Phase and those being tracked in the Procurement Phase. If the current portfolio of capital assets does not meet program requirements, this baseline assessment will have identified a performance gap. The capital assets included in the baseline assessment and other analyses may have been acquired by any means: purchase, capital lease, operating lease, service contract, or exchange. Step I. 5. 2. 1. describes prioritzing projects within a portfolio more fully.

Figure 2. Relationship of Agency Strategic Plan, Annual Performance Plan, and Capital Plan

(This example is hypothetical, and does not represent the program or activity of any Federal agency)

AGENCY STRATEGIC PLAN (S.P.)	Year 1 Budget Year (BY)	Year 2 BY +1	Year 3 BY +2	Year 4 # BY +3
Mission: ... prevent loss of life ...	S.P. Submitted			
Outcome Goal: By year 4, hurricanes will cause 50 percent fewer fatalities than level in Year 0 (100).	S.P. Submitted			Goal measured*
Outcome Objectives: By year 4, the Neptune satellite will be operational. Predictive accuracy at 24 hours pre-landfall will increase from current 100 mile landfall range to 15 miles; and estimated barometric pressure (hurricane strength) at landfall will be within 3 millibars compared to current 25 millibar standard.	S.P. Submitted			Objectives measured*
Description of resources, technologies, assets needed to achieve goals and objectives.	1 Neptune satellite	1 Booster rocket to launch Neptune satellite		1 Neptune II satellite
ANNUAL PERFORMANCE PLAN (APP)				
Outcome Goals and objectives measured.				Goals Referenced in SP Program performance measured*
Output Goals defined and measured.		Satellite: - Issue RFPs for components - Evaluation - Award contracts	Satellite: - Assembly - Test - Acceptance Booster Rocket: - Issue RFP - Evaluation - Award contract	Satellite - Launch - Made fully operational Booster rocket: - Test - Acceptance - Launch satellite
Description of resources, technologies, assets needed to achieve goals.			1 Neptune satellite	1 Booster rocket
AGENCY CAPITAL PLAN				
Outcome Goal				Goal Referenced in SP & APP
Output Goals				Goals Referenced in SP & APP
Asset Procurement Goals	Neptune Satellite: - Capital Plan submitted - Funds included in budget - Congress appropriates	Satellite: - Issue RFPs for components - Evaluation - Award contracts Booster Rocket: - Capital plan submitted - Funds included in budget - Congress appropriates	Satellite: - Assembly - Test - Acceptance Booster Rocket: - Issue RFP - Evaluation - Award contract	Neptune II Satellite: - (Steps before including budget request for Neptune II satellite in Capital Plan.) Booster rocket: - Test - Acceptance - Launch satellite

Notes.# A revised/updated Strategic Plan would be required by year 4. Replacement satellite required, as Neptune I class satellite has 3 year operational life.
Achievement of outcome goals and objectives in Strategic Plan is determ[illegible]by including those goals and objectives in an Annual Performance Plan for the appropriate year, [illegible]using the Annual Program Performance Report (or Accountability [illegible]rt) to record and report on actual performance compared to the goals.

I. 2. 1. 1. Analysis of Existing Capital Assets as a Portfolio

The baseline assessment should analyze each asset's current or anticipated (1) benefits to the program, (2) full life cycle costs, including all direct and indirect costs for planning, procurement, operations and maintenance, operational analysis, and disposal, and (3) the affordability of these costs relative to expected funding levels. Other criteria are the relationship of the assets' benefits with program goals, risks associated with each, and agency capacity to manage the assets. Applying the same criteria when analyzing new acquisitions (Steps I. 4. and I. 5.) and other options (Step I. 3.) allows senior management investment review boards to rank these assets and evaluate them as elements of a *portfolio*. Trade offs between funding the operational expenses for an existing asset in the portfolio and the acquisition of a new one could be assessed with greater clarity. If a proposed acquisition can outperform an existing one for less or equal cost, the existing asset may be disposed of before originally planned. Step I. 5. 2. 1. describes the portfolio approach more fully. The portfolio approved by the agency head would comprise the Agency Capital Plan (Step I. 6.).

I. 2. 1. 1. 1. Establish an Integrated Project Team

Figure 3. Integrated Project Teams (IPTs)

> The IPT concept was developed by leading private companies, such as Boeing, and has been successfully applied at the Department of Defense and NASA. While it is beyond the scope of the Guide to prescribe the exact make-up of IPTs, their multi-disciplinary membership, leadership by the senior program manager, is recommended. Their focus should rest on ownership, accountability for results, and long-term continuity.

An Integrated Project Team (IPT) should be established to analyze the portfolio of assets used by the program. The IPT should be led by a program manager, supported by financial/budgetary, procurement, program, and information resource management staff. The IPT manager should have total authority, responsibility, and accountability for providing quality analysis to support senior management decision-making during the Planning Phase. The same IPT would also manage the Procurement Phase. Such leadership by program offices is intended to assure that capital assets will be designed and operated to improve the performance of the program staff which use them -- a seemingly self-evident goal, but one many businesses and government agencies have failed to reach when, for example, "stove piped" information systems are developed by technology or finance specialists alone.

STEP I. 3. FUNCTIONAL REQUIREMENTS

If a gap between planned and actual performance is found, various options for reducing this "performance gap" -- both through capital assets and other means -- should be identified. Program staff may find that identifying more detailed program requirements than those established in the Annual Performance Plan can properly size and scope potential options. Detailed functional requirements for capital asset options should also be defined. Asset functional requirements should not be defined in equipment or software terms, but in terms of the mission, purpose, capability, agency components involved, schedule and cost objectives, and operating constraints.

I. 3. 1. Detailed Program Requirements

Depending on the depth of their analysis of program requirements under GPRA, managers may wish to define more detailed requirements against which they can evaluate options for reducing the performance gap. Figure 4 provides an example. These requirements should stem from the character of the program's goods and services and the population being served, as well as the mission and goals spelled out in strategic and Annual Performance Plans.

Management should also consider how much of the performance gap it should propose to eliminate. Depending on priorities and resource constraints, an objective may be satisfied to a greater or lesser extent.

I. 3. 2. Capital Asset Functional Requirements

The functional requirements for capital assets should be determined as well, providing a baseline for evaluating various solutions to meet the program's performance requirements.

Assets' functional requirements should not be defined in equipment or software terms, but in terms of the mission, purpose, capability, agency components involved, schedule and cost objectives, and operating constraints. Mission needs are independent of any particular capital asset or any particular technological solution. This allows the agency the flexibility to evaluate a variety of market solutions with an open mind. The key is not to limit potential market solutions by too narrowly defining these requirements.

Figure 4. Example of Detailed Program Requirements

A corrections program would have public safety as part of its mission and would have goals regarding rehabilitation and secure incarceration of inmates. At one of the program's sites, several facilities house 9,000 inmates, characterized as maximum, medium, and minimum security prisoners. A baseline assessment determines that these facilities are not meeting the program's goals. The facility is overcrowded. Rates of escape and violence among inmates are well above agency performance standards, while recidivism runs well below these standards. Management would use its distinct requirements for maximum, medium, and minimum security prisoners to judge the attractiveness of options for improving performance.

For inmates with minimal security requirements, management may enter into a service contract with a private contractor instead of building and operating a new facility to house them. Because management has determined that proximity to family is a key program requirement -- since it has been found to improve rates of rehabilitation -- only contractors offering services within 50 miles of these inmates' place of residence would be considered. Security requirements for violent prisoners with life sentences, however, would preclude privatization as an alternative to a government facility. However, reduced emphasis on rehabilitation would increase the viability of transferring these prisoners to under-used facilities in another region, instead of building a new facility in the present one, since proximity to family would not be a key requirement.

A caveat: an asset's functional requirements should not be developed without considering the capabilities of other assets or processes with which it must interact. A satellite employing the latest technology may be able to meet a program's goal of providing a warning of hurricanes within a certain number of hours before they reach landfall. But if the program's ground stations use obsolete technology, or if the system used to interpret and disseminate the information provided by the satellite is cumbersome, program performance cannot improve to its full potential solely due to the

satellite's functional capacity.

Functional requirements should include the following elements:

- the performance criteria of the asset being acquired, developed, built, etc.;
- a definition of the common usages of the asset;
- the ranking of each requirement in order of importance; and
- a decomposition of functional requirements into self-contained features, e.g., a climate control system in a proposed new building might have unique requirements which should be identified.

Figure Five addresses additional considerations when planning the requirements for high-tech assets.

Figure 5. Considerations when Planning for High-Tech Assets

One common issue with technology projects is the fact that, by its very nature, technology is changing constantly and rapidly. One part of dealing with this is keeping technology projects within short time frames. If new technology appears during the project, the project management should be convinced that using it is worth the risk and is within cost and schedule parameters. *It should never be automatically used, simply because it is the "latest technology."* Additional suggestions when defining functional requirements . . .

- Be on the leading edge, but never the "bleeding edge" of technology.
- Build a solid foundation, using commercial items.
- Use only proven technology that has been working in the marketplace.
- Customize only once you have a "plain vanilla" foundation in place.
- Issue notices of need in terms of requirements to be done, not specific solutions.

For IT systems, state requirements using an "open" system architecture whenever possible. A system is considered "open" when it has the following characteristics:

- User applications are not tied to a single hardware or system software manufacturer;
- New functionality can be added from a different contractor without significant effort;
- Other systems can be tied into the system without significant effort.

Open architectures help avoid proprietary and custom-developed products with little flexibility or upgradability. The long run cost effective approach is to buy products that work together with other agency systems and that provide clean interfaces for reuse of the products for new applications when feasible.

Internal agency users and external customers (airlines for air traffic control systems, veterans for new benefits processing systems) should participate in the requirements definition process. It is important to balance the internal user and operator needs, with the requirements of the external customers. Other agencies that may have acquired assets to accomplish similar goals or objectives should be identified. Large, complex acquisitions that are very difficult to manage should not be pursued on an individual agency basis. Instead, management should look for cross-agency or Government-wide economies to avoid duplication of effort.

One acute danger during this Phase is "specification creep," where an asset's requirements grow uncontrolled to meet future potential needs or to incorporate emerging technology which would be "nice" to have. Emphasis should be placed on the minimum or core requirements necessary to meet the mission needs. Once an asset is procured and the original requirements are met, additional functionality can be added in a later stage of the project, if cost-beneficial.

STEP I. 4. ALTERNATIVES TO CAPITAL ASSETS

I. 4. 1. Answering the Three Pesky Questions

With detailed requirements defined, management should answer the "Three Pesky Questions" before planning to acquire capital assets. These Questions should have been raised during the strategic planning process. They are drawn from the FY1999 A-11, *Principles of Budgeting for Fixed Asset Acquisitions* (see Introduction, still under OMB review), ITMRA, and the October 25, 1996 memo from the OMB Director to agency heads, *Funding Information Systems Investments*. The Three Pesky Questions are applicable to all major capital investments, and are consistent with those posed by the Vice-President's National Performance Review, when "REGO II" was launched. They are:

1. Does the investment in a major capital asset support core/priority mission functions that need to be performed by the Federal Government;

   - If not, end consideration of the investment and eliminate or privatize the function;

2. Does it have to be undertaken by the requesting agency because no alternative private sector or governmental source can more efficiently support the function;

   - consider devolving the function to State or local governments, sharing resources within the agency, with another Federal agency, or a university; or

Management should reengineer business processes first, then consider investing in capital assets.

3. For information technology and for other investments as appropriate, does it support work processes that have been simplified or otherwise redesigned to reduce costs, improve effectiveness, and make maximum use of commercial, off-the-shelf technology.

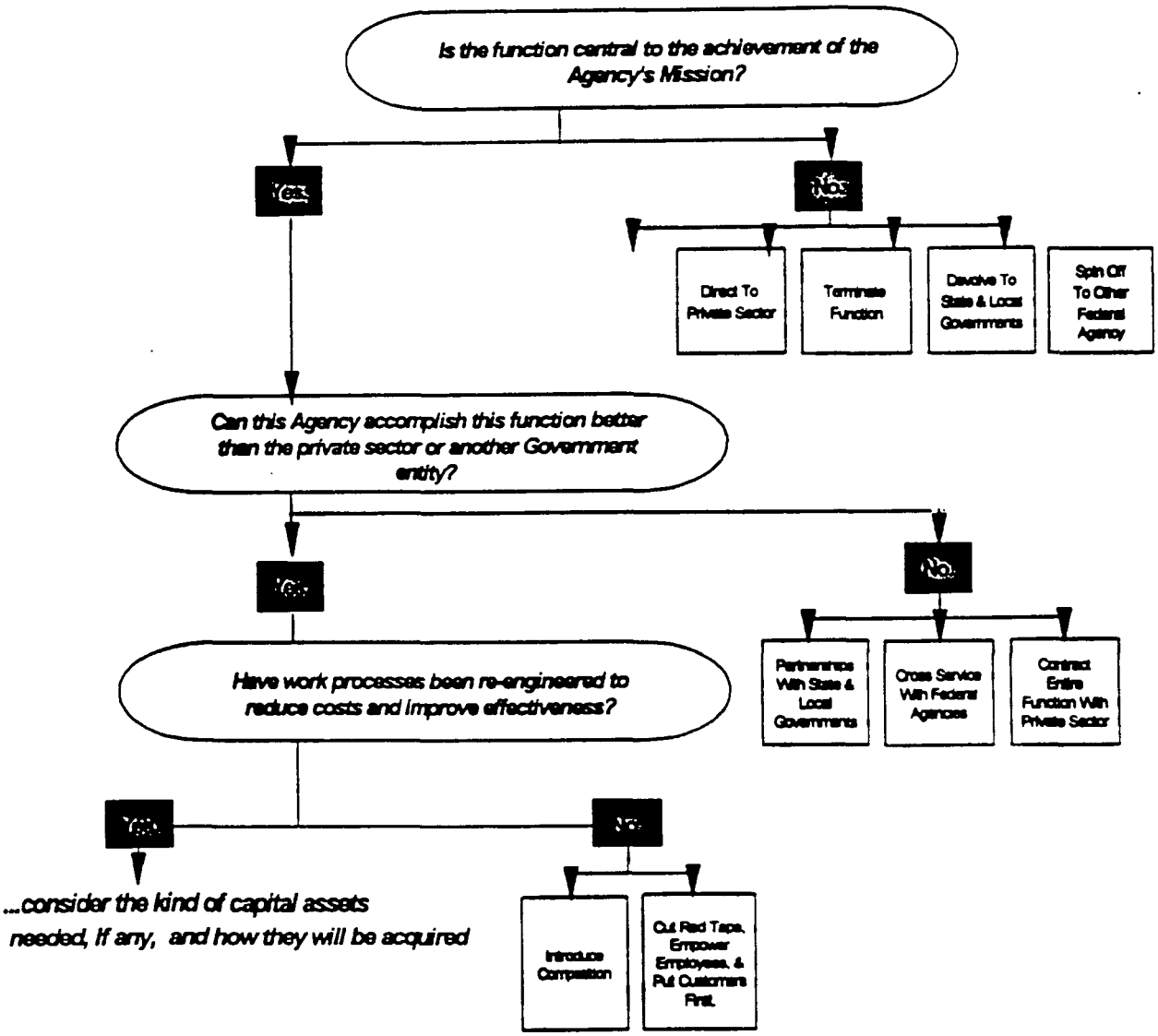
   - If not, management should reengineer business processes first, *then* invest in capital assets. Expanding competition is one way to improve business processes before investing in new capital assets. Management should consider entering into competitively bid operating leases or service contracts of less than two years with government providers, or with the private sector, using the process spelled out in OMB Circular A-76. (See Appendix Eight for further discussion of A-76.)

   - Management should also improve internal process through cutting red tape, empowering employees, reuse or pooling of existing assets within the agency or with other agencies, resource redeployment, or training.

If the answer to all of the Three Pesky Questions is *yes*, management should consider still other options than new acquisitions to reduce the performance gap, such as:

- meeting objectives through regulation or user fees;
- applying grants or other means beyond direct service provision supported by capital assets. For example, medical care can be provided through payments for care in non-profit or private hospitals, rather than directly by Federal agency hospitals.

Figure 6. Decision Tree for Analyzing Agency Programs and Investments



I. 4. 1. 1. Intermittent Use of Benefit-Cost or Cost Effectiveness Analysis

As at other key decision points in the capital programming process, a benefit-cost or cost effectiveness analysis could be used to support senior management's decision over the best way to reduce the performance gap beside acquiring a new capital asset or undertaking a major modification of an existing one. This analysis should follow the guidance of A-94, *Guidelines and Discount Rates for Benefit-Cost Analysis of Federal Programs*, which is summarized in Step I. 5. 2.

STEP I. 5. CHOOSING THE BEST CAPITAL ASSET

With the functional requirements and an indication of budget constraints identified, the IPT should determine the feasibility of various capital asset alternatives that are available in the market to satisfy the requirements. Emphasis should be placed on generating innovation and competition from private industry and on the use of commercial items (CI) and non-developmental items (NDI) to meet the mission needs. The IPT should determine:

- *Availability.* if the market can provide capital assets that meet program requirements, or if not the entire program requirements, how much of the need can be fulfilled without significant risk or the need for new technology development?

- *Affordability.* if alternatives are available to satisfy the full needs are they affordable within budget limits? If the full system is not affordable, can it be divided into separate modules that are affordable?

- *Costs & Benefits.* for those alternatives that are affordable within budget limits, which one is the most cost-beneficial for consideration in the agency's portfolio analysis of proposed assets to be considered for funding by the agency head, the President, and Congress?

Planning for acquisition, for disposal, etc. before a project is funded should be undertaken not merely for the sake of compliance. It should be undertaken because it makes implementation better.

This process starts with the development of a strategy to review the market and ends with the development of an acquisition plan, outlining the best approach to acquire the recommended asset. Plans for asset evaluation, operation & maintenance, and disposal should also be developed, with the costs of their execution included in the feasibility analysis. If funding for the proposed asset is approved at the end of the Budgeting Phase, these plans will be executed in the Procurement and Management-In-Use Phases.

I. 5. 1. Asset Availability

A program manager supported by thorough market analysis is an educated consumer and is more likely to complete a program successfully. Availability is assessed by *market surveillance* and *market research*, ultimately producing a list of investment alternatives, accompanied with data necessary to assess affordability and benefits and costs.

Market surveillance is an on-going process, not driven by a specific planned acquisition. The IPT technical staff should keep abreast of the latest capabilities and performance through trade journals, advertisements, sales brochures, etc. Market research is undertaken with respect to a specific planned acquisition; it is the proactive part of market analysis. In market research the IPT seeks information either through research of already published information, talking to other agencies that have conducted similar market research, or by going directly to the market for information.

I. 5. 1. 1. Market Research Strategy

The IPT should begin with a plan to conduct both market surveillance and market research to ensure that as many alternative solutions as possible are identified for consideration. The plan should define the use of broad area announcements, requests for information, or requests for proposals to solicit information on alterative concepts from a broad base of qualified firms. Contractors should be provided with operational test conditions, mission performance criteria, and life cycle cost factors that will be used by the agency in the evaluation and selection of the solutions. Emphasis should be placed on solutions that are currently available (i.e., do not require significant development) with little risk in cost, schedule, performance, and technical obsolescence. This means CI or NDI where little or no development effort is required are preferred. However, contractors should be encouraged to provide any solution they believe will meet the agency's needs, including providing the capability contemplated through a service contract or lease. The key is to not restrict potential offers by specifying requirements too narrowly.

Agencies can, through market analysis, seek preliminary information on alternatives available in the commercial sector. If the initial information solicited does not provide a clear indication that acceptable solutions are available, it may be necessary to award contracts to explore alternative design concepts. These contracts should be of relatively short duration and within defined dollar levels. When market capability is not sufficient to fulfill the agency's entire performance gap, the IPT should carefully weigh the extent of increased capability that can be obtained quickly within budget limits against the delay in capability improvement and costs of a development effort to achieve the desired capability. Evolutionary changes in capability over time are in many cases the most cost-effective approach. Timely technical reviews should be made of the alternatives to ensure the orderly elimination of those least attractive.

There may be instances when several alternatives offer essentially the same benefits and costs. It may be necessary to conduct comparative demonstrations where the different alternatives are actually tested in the operational environment for a period of time to determine the best product.

I. 5. 2. Selecting the Best Alternative: Benefit-Cost Analysis

Once the IPT determines that it has sufficient market information on alternative solutions it should compare both the initial acquisition cost and the other life-cycle cost elements of the various alternatives. Alternative solutions that are not affordable within potential budget availability should be dropped from consideration. The information needed to determine if a proposed acquisition is affordable is based on a juxtaposition of three factors: availability of potential funding, agency mission objectives the investment will help achieve, and the impact that purchasing the new asset has on funds available for other agency mission objectives.

The selection of the best alternative to compare with other agency projects should be based on a systematic analysis of expected benefits and costs. The fundamental method for formal economic analysis is Benefit-Cost Analysis. OMB guidance on benefit-cost analysis can be found in Circular A-94 *Guidelines and Discount Rates for Benefit Cost Analysis of Federal Programs*. The elements of benefit cost analysis include:

1. *Identify Assumptions and Constraints*. Assumptions are explicit statements used to specify precisely the environment to which the benefit-cost analysis applies. The purpose of assumptions is to reduce complex situations to manageable proportions.

2. *Identify and Quantify Benefits and Costs*. Benefits and costs should be quantified in monetary terms wherever possible. All types of benefits and costs should be included. The benefits should be linked to the program goals and needs identified in previous Planning Steps. Benefits and costs should be estimated over the full life cycle of each alternative considered. Life-cycle costs include all initial costs plus the periodic or continuing costs of operation and maintenance, and any costs of decommissioning or disposal. Estimates of costs and benefits should show explicitly the changes that result from undertaking the project.

3. *Evaluate Alternatives Using Net Present Value*. Investment alternatives should be evaluated using the net present value criterion. Potential projects should be ranked according to the discounted value of their expected benefits less the discounted value of expected costs. (Appropriate discounting techniques are described OMB Circular A-94). Qualitative evaluation considerations -- such as explicit regulatory requirements, considerations of business strategy, or unquantifiable social benefits or costs -- may override quantitative criteria in deciding on the final ranking of projects. The analysis may be supplemented by including other summary measures, such as the internal rates of return on the alternative projects. Effects on income distribution should be identified for projects large enough to have such effects. Even when it is not possible to measure the monetary value of benefits or costs, physical quantification may be feasible and should be pursued. When the benefits of alternative investments are the same, cost-effectiveness analysis may be used to rank alternatives. An investment is most cost effective when it has the lowest discounted present value of life-cycle costs for a given stream of annual benefits.

4. *Perform Risk and Sensitivity Analysis*. Benefit and cost estimates are typically uncertain. Risk analysis can be used to identify where the relevant uncertainties exist or where development work will be needed to resolve the uncertainties. For example, installation costs are not always identified exactly and can exceed expectations. Unexpected technological changes may make new equipment obsolete sooner than foreseen. Sensitivity analysis can identify the response of program costs and benefits to changes in one or more uncertain elements of the analysis. Sensitivity analysis should be used to test the response of the investment's net present value to changes in key assumptions.

I. 5. 2. 1. Prioritizing Projects within a Portfolio

Capital assets should be rigorously compared against one another to create a prioritized portfolio of all major capital assets. Just as an individual invests in a diverse portfolio of securities, agencies invest in a diverse portfolio of capital assets. For the individual investor, returns are measured in dividends or capital gains. While the benefits and costs of capital asset portfolios should be quantified in monetary terms when feasible, agencies also measure return on the basis of outputs and outcomes.

For the individual investor, some investments are more risky than others. Similarly, an agency's capital asset investments have various levels of risk. Sound planning for procurement and operational management can mitigate risk. But *all* assets, especially those requiring extensive development work before they can be put into operation, are inherently risky, and should be justified by high return. Agencies should choose a portfolio of capital investments that maximize return to the taxpayer and the Government at an acceptable level of risk.

Agencies should choose a portfolio of capital investments that maximizes return to the taxpayer and the Government at an acceptable level of risk.

Individuals might also maintain assets with diverse degrees of risk and reward within their portfolios to attain the same goal of a comfortable retirement. An agency's capital asset portfolio could do the same. An asset used for line of activity XX is related to an asset used for line of activity YY, because both are needed to achieve the agency's mission. One asset is used for one part of the country or world, and another for a different part; one (say, military) asset is expected to be very successful but is very risky, and so is related to another (military) asset with the same mission, but whose expected impact is lower but is more of a sure thing

One approach to devising a ranked listing of projects is to use a scoring mechanism that provides a range of values associated with project strengths and weaknesses. Figure 7 on the following page shows an example of how some key risk and return criteria might be scored. This example is a hybrid table drawn from multiple best practices organizations. Higher scores are given to projects that meet or exceed positive aspects of the decision criteria. Additionally, in this example, weights have been attached to criteria to reflect their relative importance in the decision process. To ensure consistency, each of the decision criteria should have operational definitions based on quantitative or qualitative measures. A scoring and ranking process such as the one depicted in Figure 7 may be used more than once and in more than just this step to winnow the number of projects that will be considered by an executive decision-making body down to the best possible choice. An outcome of such a ranking process might produce three groups of projects:

- *Likely winners*. One group, typically small, is a set of projects with high returns and low risk that are likely "winners."

- *Likely drop-outs*. At the opposite end of the spectrum, a group of high risk, low return projects usually develops that would have little chance of making the final cut.

- *Projects that warrant a closer look*. In the middle is usually the largest group. These projects have either a high return/high risk or a low return/low risk profile. Analytical and decision-making energy should be focused on prioritizing these projects in the middle group, where decisions will be more difficult to make. At the end of this step, senior managers should have a prioritized list of information resource investments and proposals with supporting documentation and analysis.

Figure 7. Example of Decision Criteria and Scoring Process Used to Rank Information Resource Investments

	Capital Asset (1 thru n)	Weight
DECISION CRITERIA	**SCORING**	%
Overall Risk Factors		Weights for Risks ∑=100%
Investment Size - How large is the proposed investment, especially in comparison to the overall budget?	1_____5_____10 Large Small	40
Project Longevity - Do projects adopt a modular approach that combines controlled systems development with rapid prototyping techniques? Are projects as narrow in scope and brief in duration as possible to reduce risk by identifying problems early and focusing on projected versus realized results?	1_____5_____10 Non-modular Modular	30
Technical Risk - How will proposed assets be integrated into existing ones? Will proposed investment take advantage of Commercially Available and Non-Developmental Items? How will the complexity of the asset's design affect the development of the project?	1_____5_____10 Experimental Established Custom Industry Standard	30
Sum of Overall Risk Factors		
Overall Return Factors		Weights for Returns ∑=100%
Business Impact or Mission Effectiveness - How will the asset contribute toward improvement in organizational performance in specific outcome-oriented terms?	1_____5_____10 Low High	25
Customer Needs - How well does the asset address identified internal and/or external customer needs and demands for increased service quality and timeliness or reductions in costs?	1_____5_____10 Low High	15
Quantitative Analysis - Is the benefit-cost analysis reliable and technically sound?	1_____5_____10 Risky Known estimates benefit	20
Organizational Impact - How broadly will the asset affect the organization (i.e., the number of offices, users, work processes, and other systems)?	1_____5_____10 Low High	25
Expected Improvement - Is the asset to be used to support, maintain, or enhance operational systems and processes (tactical) or designed to improve future capability (strategic)? Are any projects required by law, court ruling, Presidential directive, etc.? Is the project required to maintain critical operations--beneficiary checks, human safety, etc.--at a minimal operating level? What is the expected magnitude of the performance improvement expected from the asset?	1_____5_____10 Tactical: Improves existing process Strategic: Provides new capability	15
Sum of Overall Return Factors		
Total Risk Adjusted Score = Weighted Sum of Overall Risk Factors + Weighted Sum of Overall Return Factors		

I. 5. 3. Development of an Acquisition Strategy

The IPT should begin to tailor an acquisition strategy for the program as soon as market research has identified the market availability of solutions to meet the mission need. The strategy may evolve as the selection of alternatives progresses.

I. 5. 3. 1. Risk Management

Managers should consider risk management throughout the acquisition process. In developing the risk management strategy, IPTs should take effective competition and acquisition management into account. Planning for risk management should be considered in every acquisition. The types of risk agencies face include schedule, cost, technical obsolescence and feasibility, dependencies between a new project and other projects or systems, and risk of creating a monopoly for future procurement In developing the risk management strategy, IPT's should assess the different kinds of risk for different parts of the project and should consider how far it is worthwhile to extend the development of new technology. High risk should be accepted only insofar as it can be justified by high expected returns. Thresholds should be set for cost, schedule and performance expectations of development projects beyond which the return on investment becomes so low that the project should be canceled.

High risk should be accepted only insofar as it can be justified by high expected returns.

The greatest risk to successful completion of acquisitions is the amount of development work desired. Additionally, projects that involve a wide scope involve more risk than those that limit what they are trying to accomplish. Figure 8 describes industry executive's confirmation of *Pareto's 80/20 Rule* -- confirmation that when it comes to acquiring capital assets, less is usually more.

Figure 8. Pareto's 80/20 Rule

In a survey of private industry IT investments undertaken by OFPP in 1995, industry executives emphasized Pareto's 80/20 rule:

"The last 20 percent of improvement will yield only marginal benefits and will generally cost more and take longer than the first 80 percent."

The executives stressed that the costs and complexity associated with the last 20 percent of the project are too great to even be attempted.

I. 5. 3. 1. 1. Planning for Contract Type

The agency should strive to use fixed price or fixed price incentive contracts to the maximum extent possible. Use of fixed price contracts means that the capability the agency is seeking is available in the market. The need to use cost type contracts usually means that the capability is not readily available in the market, requiring a risky development effort to be undertaken.

I. 5. 3. 1. 2. Planning for Competition

The acquisition strategy should include how to make the most effective use of competition in all phases of the process. In the large majority of cases, competition will yield better assets at lower prices. In looking for ways to make the most effective use of competition, agencies should pay special attention to using performance based contracting where innovative solutions are sought to meet functional requirements rather that the more traditional method of detailed government specifications, competitive demonstrations where the government allows several competing vendors to demonstrate their products in an operational environment, and solicitation of assets which permit interoperability with others by featuring open architectures.

I. 5. 3. 1. 3. Planning for Acquisition Management

The risk associated with the alternative selected for consideration in portfolio analysis will determine the type of performance based management system that should be used to monitor contractor performance in achieving the cost, schedule and performance goals during the contract period. The method chosen should be included in the acquisition plan presented to senior management during portfolio analysis.

LET COMPETITION IMPROVE RESULTS through . . .

- ***Using commercially available and non-developmental items***
- ***Publicizing opportunities widely***
- ***Applying functional/performance specifications/targets***
- ***Limit burdensome information requirements***
- ***Use open architectures to enhance interoperability***

In addition, agencies should identify a measurement system for use on the contract that provides the cost and performance data needed to monitor and evaluate investments individually and strategically. If, for example, an agency makes an advanced technology investment to achieve certain cost savings and quality improvements, the management system should permit the agency to measure whether these improvements occurred. Also, the measurement system implemented should provide feedback on adherence to strategic initiatives and plans. The system should also allow for review of unexpected costs or benefits that result from the investment decision. See the discussion in the Management-In-Use Phase.

I. 5. 3. 1. 4. Allowance for Adequate Time to Evaluate Alternatives

Especially for mission-critical assets, the selection of the most promising capital asset should not be rushed. The selection of an alternative without adequate analysis has resulted too often in large dollar acquisitions that have significantly overrun both cost and schedule, while falling short of expected performance. Agencies are encouraged to hold off requesting funds for the production or installation stage of an acquisition until they establish firm goals that have a high probability of successful achievement.

Even in the private sector, it is not uncommon for the evaluation of alternatives to take a year or longer before the organization seeks funding for the large dollars needed to produce and install a capital asset. Iridium, Inc., a telecommunications firm, took over two years to complete its planning and selection of assets to convince investors that it could build a world-wide satellite telephone system in five years for $4.6 billion.

I. 5. 3. 1. 5. Plans for Proposed Capital Assets Once in Use

The Agency Capital Plan should include the costs associated with the asset's procurement, management-in-use, and ultimate disposal, and these costs should be tracked by program managers. The means for such tracking should be planned before procurement begins. This is a critical element of capital programming, for it follows through the entire life cycle of a capital asset procurement, from beginning to end.

Plans should also be developed for management of the capital asset once in use, including plans for operational analysis, operations and maintenance, and disposal. Both assets that are on-hand and those being considered for acquisition will have to be disposed of at some point. These costs may be very large. For example, a building may require demolition, or the production of waste may require large cleanup costs. The costs associated with the disposal of assets should be included in the benefit-cost analysis and the agency's budget request (see *Management-In-Use* Phase).

STEP I. 6. THE AGENCY CAPITAL PLAN

Each agency is encouraged to have an Agency Capital Plan. This plan is the ultimate product of the Planning Phase and should be the result of an executive review process that reviews the work done in this phase. The plan should include a statement of the agency strategic plans, an analysis of the portfolio of assets already owned by the agency and in procurement, the performance gap, justification for new acquisitions proposed for funding, and related information.

I. 6. 1. Executive Review Process

Each agency should establish a formal process for senior management to review and approve the capital assets that make up the Agency Capital Plan before the Plan is presented to the agency chief executive for approval (see Figure Nine).

As described in OMB's *Evaluating Information Technology Investments, A Practical Guide*, the number of times a capital asset is reviewed by senior management should

Figure 9. Example of Executive Review at a Federal Agency

At one Federal agency, information technology investments are first reviewed and approved or rejected by an Information Technology Council, chaired by the Chief Information Officer. Those assets the Council approves are then presented before the Business Technology Council (BTC), which consists of the heads of each program and is chaired by the Deputy Administrator. The agency Administrator, who usually attends BTC meetings, ultimately determines which proposed investments are included in the agency's budget for the coming fiscal year.

be based on the associated level of risk (see Step I. 5. 3. 1.) involved in the acquisition. The cost of an asset and its importance to achieving the agency mission should also be taken into consideration when defining criteria for executive review. One best practice company in the private sector requires more documentation and greater analytical rigor if a proposed asset would replace or change an operational system vital to keeping the company running, or if it matched a company-wide strategic goal. Lower-impact proposals that would affect only a particular office or had a non-strategic objective would not be analyzed by senior management in such detail. Senior management should also review acquisitions not achieving 90 percent of established goals, as required by FASA Part V (see *Procurement Phase*).

I. 6. 2. Purpose of Agency Capital Plan

The Agency Capital Plan is the principal output of the Planning Phase. It should be the central document, or group of documents, that the agency uses for its capital asset planning. Agencies are encouraged to use a summary of the Agency Capital Plan for budget justifications to OMB, congressional authorizations of projects, and justifications for appropriations to Congress.

Agencies are encouraged to have various levels of detail, with the different levels available for different purposes. For example, a summary level might be sufficient for the authorization process in the Congress or justifications for the appropriations committees, if that meets the needs of the Congress. The same or a different summary might be available to OMB for its review of budget proposals, if that meets the needs of OMB. The most detailed level might remain in the agency for use in developing the summary materials for OMB and the Congress. In this regard, the Agency Capital Plan can be an excellent means of explaining the background for capital asset purchases, as well as their justification, and can be used as a means of answering inquiries related to an agency's budget submission. Last, the Agency Capital Plan can support an agency's related salaries and expenses associated with the staffing, operation, and maintenance of its capital asset portfolio.

I. 6. 3. Key Elements of the Agency Capital Plan

Agencies are encouraged to include the elements described below in their Agency Capital Plans. This outline and description should not be viewed as a required format. If agencies already have the major elements of the plan in a different form, or prefer alternative formats for presenting the same information, those could be used in place of this illustration. Agencies that choose to use a summary of their Capital Plans to justify funding requests for capital assets are encouraged to work with Congress, OMB, and internal stakeholders to determine what should be included and in what format.

The Agency Capital Plan may contain the following elements:

1. Statement of agency mission, strategic goals and objectives, and annual performance plans;
2. Description of the Planning Phase;
3. Baseline assessment: examining the existing portfolio and identifying the performance gap;
4. Justification of spending for proposed new capital assets;
5. Plans for proposed capital assets once in use;

6. Summary of risk management plan; and
7. Coordination with OMB guidance.

Each of these elements is discussed below.

I. 6. 3. 1. Statement of Agency Mission, Strategic Goals and Objectives, and Annual Performance Plans

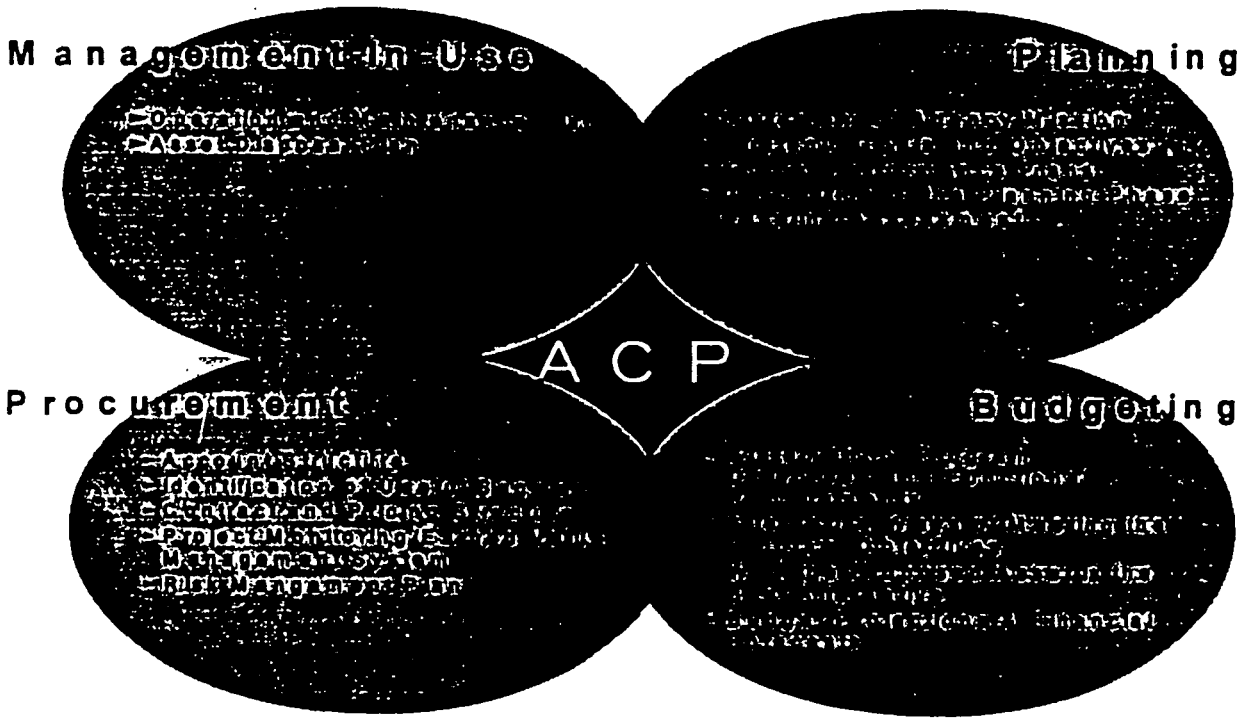
The Agency Capital Plan should begin with a summary of the agency mission, strategic goals and objectives, and Annual Performance Plan. This is a summary of the analysis done in Step I. 1.

I. 6. 3. 2. Description of the Planning Phase

The Agency Capital Plan should have a description of its planning process and key decision points in this Phase. This should include a description of the Executive Review Process discussed in Step I. 6. 1. above; the role of Integrated Project Teams; decision points in the process to determine whether assets should be acquired, and whether the acquisition should be terminated if cost, schedule, and performance goals are not met; and other aspects of how the Agency Capital Plan is developed and approved in the agency.

I. 6. 3. 3. Baseline Assessment: Examining the Existing Portfolio and Identifying the Performance Gap

This section of the Agency Capital Plan should be a summary of the work done in Step 2. It should help lay the groundwork for justifying the need for new acquisitions.



- *Examining the existing portfolio*. An examination of the existing portfolio of assets is encouraged in order to identify capital assets currently in use and in procurement that can help meet program objectives. This analysis will be the basis for assessing where there are gaps and whether funding for new assets should be proposed. The analysis should ensure that the assets are linked to mission needs. The analysis should be across programs and bureaus to identify cross-servicing, and be over a multi-year horizon to ensure a dynamic analysis that anticipates future changes.

- *Identifying the performance gap*. This section should identify the performance gap. The gap identifies the agency objectives that cannot be met with existing assets and other resources.

I. 6. 3. 4. Justification of Spending for Proposed New Capital Assets

Agencies are encouraged to include in their Agency Capital Plans a section that justifies proposed spending on new capital assets, using the criteria described in this Step I. 6. and expanded upon in Appendix Seven, *Principles of Budgeting for Capital Asset Acquisitions*. The main elements of these principles are incorporated in the suggested sections of the justification discussed below. Agencies should feel free to use other justification criteria in addition to these.

As a general presumption, OMB will recommend new or continued funding only for those capital asset investments that satisfy these criteria[2]. Funding for those projects will be recommended on a phased basis by segment, unless it can be demonstrated that there are significant economies of scale at acceptable risk from funding more than one segment or there are multiple units that need to be acquired at the same time. (For more information, see the discussion of "economically and programmatically separable segments," in OMB Circular A-11, *Planning, Budgeting and Acquisition of Fixed Assets*, July 1996.)

I. 6. 3. 4. 1. Basis for Selection of the Capital Asset

This section should justify the selection of the proposed asset.

- *Statement of program objectives and functional requirements*. This statement should be a summary of the analysis done in Steps I. 1-3 as it relates to the proposed asset. The statement should identify program objectives from the annual performance plan, the performance gap, and the functional requirements for the asset. These requirements should be defined in terms of the mission, purpose, capability, agency components involved, schedule and cost objectives, and operating constraints. The requirements should not be defined in terms of equipment or software.

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[2] OMB recognizes that many agencies are in the middle of ongoing projects, and may not be able to satisfy the criteria immediately. For those projects that do not satisfy the criteria, OMB will consider requests to use funds to support the redesign of work processes, the evaluation of investment alternatives, the development of information architectures, and the use and evaluation of prototypes.

- *Explanation of alternative ways of meeting the program objectives*. This should be a summary of the analysis in Step I. 4., *Alternatives to Capital Assets*. It should review alternatives to meeting the program objective by means other than acquisition of the asset and explain why these alternatives were rejected.

- *Explanation of why acquisition of the proposed asset is the best alternative*. This section should justify why the proposed asset is the best alternative for meeting the program objectives. It should summarize the analysis that appears largely in Step I. 5., *Choosing the Best Capital Asset*. The explanation should be based on a benefit-cost analysis, including an analysis of life-cycle costs, and an analysis of how best to identify, monitor, manage, and control risk. The explanation should also include baseline cost, schedule, and performance goals using an earned value management system or similar system.

- *Budget projections and financial forecasts*. This section should draw from the elements above to give a year-by-year forecast of total projected budget authority and outlays for the asset to ensure that all relevant costs are understood in advance. This section should also discuss performance measures relevant to the asset, tied to agency mission and performance goals and objectives, and address cost-effectiveness.

I. 6. 3. 4. 2. Principles of Financing

The following principles of financing should be followed for the acquisition of capital assets. These are from *Principles of Budgeting for Capital Asset Acquisitions* (see Appendix Eight).

- *Principle 1. Full funding*. Budget authority sufficient to complete a useful segment of a project (or the entire project, if it is not divisible into useful segments) should be appropriated before any obligations for the useful segment (or project) may be incurred.

- *Principle 2. Regular and advance appropriations*. Regular appropriations for the full funding of a project or a useful segment in the budget year are preferred. If this results in spikes that, in the judgment of OMB, cannot be accommodated by the agency or the Congress, a combination of regular and advance appropriations that together provide full funding for a project or a useful segment should be proposed in the budget.

- *Principle 3. Separate funding of information segments*. As a general rule, planning segments should be financed separately from the procurement of a useful asset.

- *Principle 4. Accommodation of lumpiness or "spikes" and separate capital acquisition accounts*. To accommodate lumpiness or "spikes" in funding justified acquisitions, agencies, working with OMB, are encouraged to aggregate financing for capital asset acquisitions in one or several separate capital acquisition budget accounts within the agency, to the extent possible within the agency's total budget request.

I. 6. 3. 4. 3. Accountability

The project cost, schedule and performance goals established through the planning phase of the project are the basis for approval to procure the asset. During the procurement phase performance-based management systems should be used to provide contractor and government management visibility on the achievement of, or deviation from, goals until the asset is accepted and operational. The justification should identify the acquisition strategies that will reduce the risk of cost escalation and the risk of failure to achieve schedule and performance goals. These strategies may include:

- having budget authority appropriated in separate capital asset acquisition accounts;
- having budget authority apportioned for a useful segment;
- establishing thresholds for cost, schedule, and performance goals of the acquisition, including return on investment, which if not met may result in cancellation of the acquisition;
- selecting types of contracts and pricing mechanisms that are efficient and provide incentives to contractors in order to allocate risk appropriately between the contractor and the agency;
- monitoring cost, schedule, and performance goals for the project (or the useful segment being proposed) using an earned value management system or similar system. Earned value is described in OMB Circular A-11, *Planning, Budgeting and Acquisition of Fixed Assets* (July 1996), Appendix 300C; and
- if progress is not within 90 percent of goals, or if new information is available that would indicate a greater return on investment from alternative uses of funds, institute senior management review of the project to determine the continued viability of the project with modifications, or the termination of the project, and the start of exploration for alternative solutions if it is necessary to fill a gap in agency strategic goals and objectives.

I. 6. 3. 5. Plans for Proposed Capital Assets Once in Use

The Agency Capital Plan should discuss the costs associated with the asset's procurement, management-in-use, and ultimate disposal, and these costs should be tracked by program managers. The means for such tracking should be planned before procurement begins. This is a critical element of capital programming, for it follows through the entire life cycle of a capital asset procurement, from beginning to end It is addressed in Step I. 5. 3., *Development of an Acquisition Strategy*.

Plans should also be developed for management of the capital asset once in use, including plans for operational analysis, operations and maintenance, and disposal. Assets that are owned, in the procurement phase, or considered for acquisition will eventually have disposal costs that may be very large. For example, a building may require demolition, or the production of waste may require large cleanup costs. The costs associated with the disposal of assets should be included in the benefit-cost analysis and the agency's budget request (see *Management-In-Use* Phase).

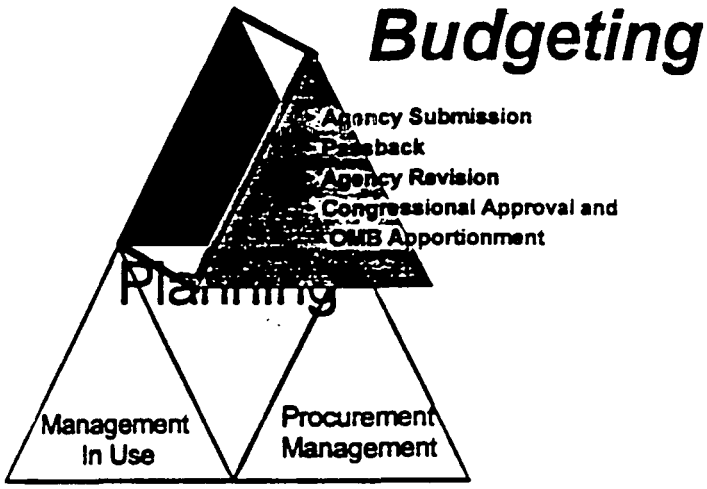
I. 6. 3. 6. Summary of Risk Management Plan

Planning, budgeting, and acquisition of capital assets is not always a smooth process. There are normally shocks to the process despite careful planning, and the analysis of alternative ways of meeting program objectives should anticipate risks and respond to shocks quickly. The risk management plan developed in the Step I. 5. 3. 1., *Risk Management*, should be summarized in the Agency Capital Plan.

I. 6. 3. 7. Coordination with OMB Guidance

At each stage in the preparation of the Agency Capital Plan, the agency is encouraged to work with the Resource Management Offices (RMOs) at the Office of Management and Budget (OMB). Early inclusion of RMO staff as advisors or members on the Integrated Project Teams will facilitate a continuing review and dialogue regarding the agency's plan, so that there will be no surprises. The process of submission should be consistent with the annual guidance submitted in OMB Circular A-11 as well as with other current OMB guidance.

II. BUDGETING PHASE



Introduction. The Budgeting Phase of the capital programming process is when decisions are made across the Government for how much to spend and how to allocate the spending among different priorities. The Budgeting Phase more broadly defined also includes how to finance the spending, either by taxes or by borrowing. However, this aspect of budgeting is not part of this Guide.

Budgeting overlaps the Planning Phase and begins when the agency starts to incorporate budget concerns into its strategic and annual performance planning, including consultation with OMB staff and perhaps congressional staff. Budgeting realities become a greater concern when the agency formally requests budget authority for the asset in its submission to OMB for the coming year. Although budgeting begins in the Planning Phase, the agency request to OMB for asset acquisition is used here as the formal beginning of the Budgeting Phase. This phase ends when Congress appropriates funds for the acquisition and OMB apportions the funds to the agency. If Congress chooses not to fund the acquisition, it could return to the Planning Phase for further review.

Planning, budgeting, and other phases should be well integrated, with information from one phase causing periodic reviews of the other. For example, information in the Budgeting Phase that the full agency request will not be approved should cause a change in the cost, schedule, or performance goals of the project.

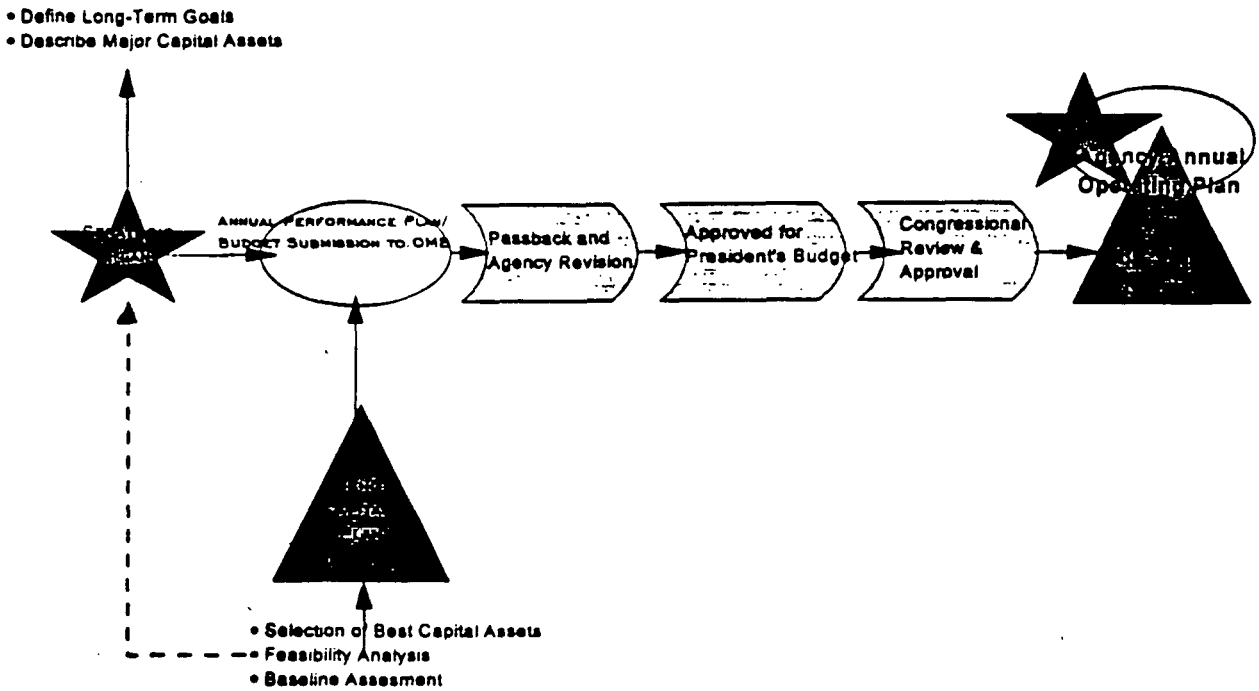
The Steps in this Phase (see Figure Nine) include:

- Step II.1. Agency Submission for Funding in the Budget Year;
- Step II.2. Passback;
- Step II.3. Revision by the Agency in Response to Passback;
- Step II.4. Approval for President's Budget; and
- Step II.5. Congressional Approval and OMB Apportionment.

This Phase differs from the other phases in part because the major decisions in the Budgeting Phase are not made by the agency. They are made in part by OMB (whether to include the request in the Administration's budget proposal to Congress), and by the Congress (whether to enact budget authority for the acquisition).

This Phase could also be called the "justification" or "approval" phase. The agency justifies its proposal to OMB and the Administration, and if approved, the agency and the Administration justify the proposal to Congress.

Figure 9. The Budgeting Phase



Agencies are encouraged to justify their proposals by following the criteria in Step I. 6. 3. 4., which is the justification section of the Agency Capital Plan.

STEP II. 1. AGENCY SUBMISSION FOR FUNDING IN THE BUDGET YEAR

This Step is the formal beginning of the Budgeting Phase, when the agency head has decided that the planning for the portfolio of acquisitions is complete and the budget proposal is ready for submission to OMB. Once submitted, the agency may be called upon to defend the proposal formally in the agency hearings in OMB, or informally in many other ways. The proposal will undergo further scrutiny within OMB, and OMB may request more information from the agency, before the Director makes a recommendation to the President regarding the proposal.

In most cases, the formal submission to OMB will not be the first time OMB or the Congress learn of the proposal, because OMB, and perhaps Congress, may have been involved to some degree in developing the Agency Capital Plan and in approving funding for the Planning Phase. It is also not the first time that the agency has been involved in budgeting and justification. Within the agency, there is also budgeting and justification that takes place among the competing programs and bureaus within the agency. But the project has survived this competition for resources and is ready, in the view of the agency head, to compete in a larger and more demanding arena for budgetary resources.

II. 1. 1. Criteria for Justification of Spending for Proposed New Capital Assets

Although the details will vary depending on the acquisition, there are certain key criteria that OMB will look for in the justification. These criteria can be drawn from the Agency Capital Plan Step I. 6. 3. 4. *Justification of Spending for Proposed New Capital Assets*, as well as other sections of the Guide. The criteria are explained more fully in that Step and expanded upon in Appendix Eight, *Principles of Budgeting for Capital Asset Acquisitions*. The three parts of the justification are:

1. Basis for selection of the capital asset;
2. Principles of financing; and
3. Accountability.

II. 1. 1. 1. Basis for Selection of the Capital Asset

The basis for selection of the capital asset is taken from Step I. 6. 3. 4. 1. of the Agency Capital Plan. The programmatic and economic analysis for selection of the capital asset should include the following elements.

II. 1. 1. 1. 1. Statement of Program Objectives and Functional Requirements

The first part of project selection is to identify the program objectives and functional requirements of the proposed acquisition. The justification for the acquisition should be based on the ability of the asset to fulfill the agency mission, contribute to accomplishing the agency strategic goals and objectives, and carry out the annual performance plan.

Illustrative Agency Statement of Program Objectives and Related Information: The program is expected to process 50,000 documents next year and will have to process a projected 60,000 documents by the year 2002. Legislation making the documents more complicated is likely to be enacted. Current projections indicate that the number of Federal employees (FTE) must decline by 15 percent between now and 2002.

Illustrative Questions from OMB and Others Regarding Program Objectives: Are the documents important to the agency mission? What is the basis for the projected increase in the number of documents? What are the assumptions regarding the complexity of the documents and the amount of time needed to process each document? What is the basis for assuming that the number of Federal employees will decline?

II. 1. 1. 1. 2. Explanation of Alternative Ways of Meeting the Program Objectives

The justification should include a description of alternative ways of meeting program objectives other than acquiring a capital asset.

II. 1. 1. 1. 3. Explanation of Why Acquisition of the Proposed Asset Is the Best Alternative

OMB and others will want to review critically the evaluation criteria used by the agency to select

the proposed acquisition and the results of the evaluation. The explanation should be based on a benefit-cost analysis, including an analysis of life-cycle costs, and an analysis of how best to identify, monitor, manage, and control risk. The explanation should also include baseline cost, schedule, and performance goals using an earned value management system or similar system.

Illustrative Questions from OMB and Others Regarding the Analysis of Alternatives and Selection of the Best Alternative: Why is acquisition of an asset a better alternative than using assets the agency or other agencies already own? Why is acquisition better than leasing the services of the asset from a vendor? Explain how your research caused you to select this particular asset. Explain how your analysis of life-cycle costs resulted in the selection of this asset as the best alternative. Explain the benefit-cost analysis that caused you to select this particular asset.

II. 1. 1. 1. 4. Budget Projections and Financial Forecasts

This section should draw from the elements above to give a year-by-year forecast of total projected budget authority and outlays for the asset to ensure that all relevant costs are understood in advance. This section should also discuss performance measures relevant to the asset, tied to agency mission and performance goals and objectives, and address cost-effectiveness.

II. 1. 1. 2. Principles of Financing

The following principles of financing should be followed for the acquisition of capital assets. These are from *Principles of Budgeting for Capital Asset Acquisitions* (see Appendix Seven).

- *Principle 1. Full funding*. Budget authority sufficient to complete a useful segment of a project (or the entire project, if it is not divisible into useful segments) must be appropriated before any obligations for the useful segment (or project) may be incurred.

- *Principle 2. Regular and advance appropriations*. Regular appropriations for the full funding of a project or a useful segment in the budget year are preferred. If this results in spikes that, in the judgment of OMB, cannot be accommodated by the agency or the Congress, a combination of regular and advance appropriations that together provide full funding for a project or a useful segment should be proposed in the budget.

- *Principle 3. Separate funding of information segments*. As a general rule, planning segments should be financed separately from the procurement of a useful asset.

- *Principle 4. Accommodation of lumpiness or "spikes" and separate capital acquisition accounts*. To accommodate lumpiness or "spikes" in funding justified acquisitions, agencies, working with OMB, are encouraged to aggregate financing for capital asset acquisitions in one or several separate capital acquisition budget accounts within the agency, to the extent possible within the agency's total budget request.

Illustrative Questions from OMB and Others Regarding the Full Funding Guidance: Can the acquisition be separated into several economically and programmatically separable stages or modules? If so, how did the agency do this? Is each stage or module prepared for the budget year fully funded up-front? If not, is the entire acquisition fully funded up-front?

Explain why you chose the type of account that you did rather than an alternative type.

II. 1. 1. 3. Accountability

The project cost, schedule and performance goals established through the Planning Phase of the project are the basis for approval to procure the asset. During the {rocurement Phase performance-based management systems must be used to provide contractor and government management visibility on the achievement of, or deviation from, goals until the asset is accepted and operational. Other strategies to help ensure accountability can include separate accounts for capital asset acquisitions, the use of apportionment to encourage sound management, and selection of the most appropriate contracting and pricing strategy.

Illustrative Questions from OMB and Others Regarding the Cost, Schedule, and Performance Goals: Provide baseline cost and schedule goals for the acquisition. Explain the agency system for developing the baseline goals and evaluating whether the goals will be met. Explain the performance goals for the asset. Explain the risk that the cost, schedule, and performance goals will not be met and how that risk will be monitored and controlled.

STEP II. 2. PASSBACK

In this Step the agency is formally advised of the recommendation of the OMB Director regarding the acquisition. The recommendation may require considerable changes from the initial agency request, including different funding levels, different modules for full funding, changes in the performance goals, and alternatives for financing the proposal. Agencies can normally appeal the recommendation of the Director to the President or his advisors, if they wish.

STEP II. 3. AGENCY REVISION

In this Step the agency may have to redesign certain aspects of the proposal or cost, schedule, or performance measures if funding has been reduced or other changes have taken place as a result of passback.

STEP II. 4. APPROVAL FOR THE PRESIDENT'S BUDGET

If the proposal has survived the review process in OMB it is ready for inclusion in the Administration's budget proposal to Congress.

STEP II. 5. CONGRESSIONAL APPROVAL AND OMB APPORTIONMENT

In this Step, Congress reviews the proposal and if Congress approves it, the Congress enacts budget authority to finance the proposal. If budget authority is enacted for the project, OMB apportions the budget authority to the agency subject to the Anti-Deficiency Act and the Impoundment Control Act.

II. 5. 1. Congressional Approval

Any proposal is likely to face critical questioning by Congress. The agency and others in the Executive Branch may be called upon to justify the request, much of which may be based on material in the Agency Capital Plan. The justification may take place in formal or informal hearings or presentations before authorizing or appropriations committees or staff. Additional revisions to the proposal may be required if the Congress changes the proposal or the funding levels or if it takes other actions.

II. 5. 2. OMB Apportionment

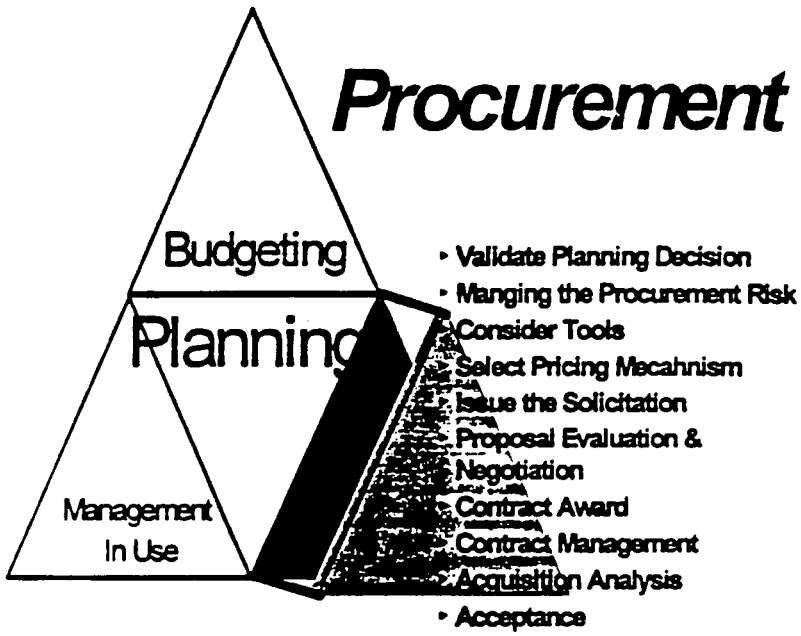
The final part of the Budgeting Phase is apportionment. After budget authority is enacted, the agency is not permitted by law to obligate the funds until OMB apportions them to the agency, subject to the conditions of the Anti-Deficiency Act and the Impoundment Control Act. Under certain conditions, apportionment (and reapportionment) may be used to help ensure sound management of the spending.

The Budgeting Phase formally ends when the funds are apportioned to the agency. From this point, plans for the asset procurement and management-in-use are adopted into agencies' annual operating plans. Congress, OMB, and others will continue to monitor the progress of the procurement and take corrective actions if necessary.

[NOTE: It might be useful for GAO to have some discussion of how Congress might review and monitor Agency Capital Plans. This might be in the form of a best practice.]

III. PROCUREMENT PHASE

Introduction. The Procurement Phase begins after the agency has determined in the Planning Phase that a large expenditure for a capital asset is necessary and has received funding from Congress. Depending on the results of the research into the capabilities of the market to provide the asset, the agency will begin the process to purchase the asset. In most cases, the purchase should be for a commercial item involving limited or no development work. When the risk inherent in development is offset by the high expected return, the purchase may begin with a development contract(s).



While all projects are risky, even those that are seemingly ordinary and do not involve high technology, agencies are expected to award contracts which have a high probability of achieving, at least, 90 percent of their cost, schedule and performance goals established in the Planning and Budgeting Phases. The requirements to establish realistic goals and manage the acquisition to meet them applies to all contracts, including development contracts as well as production contracts.

In most cases, the purchase should be for a commercial item involving limited or no development work.

It is important to realize that not every project will achieve the cost-benefit expectations of the Planning Phase. If the planning expectations are not realized during the Procurement Phase, agencies should undertake cost-benefit analysis to evaluate whether the benefits of completing the project are worth the additional costs, schedule delays, or performance reductions that would be incurred. If not, agencies should accept the sunk-cost loss, cancel the project, and begin the planning process for a viable alternative.

Key to sound acquisition management is holding managers accountable. By making the decision makers responsible for their decisions in the long run, there will be a greater emphasis on setting realistic goals and on seeing that they are met.

STEP III. 1. VALIDATE PLANNING DECISION

At the beginning of the Procurement Phase, the IPT should re-examine the mission need. It should also re-assess the capabilities of the market to verify that the decisions arrived at in the Planning Phases as to whether a commercially available asset can be acquired or if limited or full-scale development work is needed. The amount of development is an important risk factor. Therefore, this validation will have a significant impact on what types of risk treatment and mitigation will be necessary. The IPT should review any decisions to engage in development to determine whether technical advances have occurred or were overlooked in the Planning Phase.

If the IPT determines that a decision in the Planning Phase for direct purchase is no longer valid and development is necessary, the analysis and recommendations to change direction should be considered and approved through the portfolio planning process, before the IPT proceeds with the procurement.

Projects requiring full scale development have the greatest potential for cost and schedule overruns. Agencies should purchase commercial items to the maximum extent practicable.

The IPT should also re-examine how it can make the most effective use of competition and financial incentives. For instance, if full-scale development was originally planned, but now only limited development will be necessary, it might be easier to attract additional commercial firms to compete. Also, it may be more prudent to use fixed-price or incentive contracts if the development is limited or nonexistent. Of course the re-examination of the contracting method will also lead the IPT to re-examine what type of acquisition management system is necessary to ensure adequate progress and accountability.

STEP III. 2. MANAGING THE PROCUREMENT RISK

The most important aspect of the Procurement Phase is *managing the risk* to limit the number of projects that will not meet the established goals. Before starting any procurement, the IPT should update the acquisition plan to ensure the risk management techniques considered in the Planning Phase are still appropriate. Appendix Six describes risk management process further.

There are three key principles for managing risk when procuring capital assets. They are:

1. Avoiding or limiting the amount of development work;

2. Making effective use of competition and financial incentives; and

3. Establishing a performance-based acquisition management system that provides for

accountability for program successes and failures (e.g., use earned value reporting, portfolio analyses, etc.).

Probably the greatest risk factor to successful contract performance is the amount of development that is planned for the procurement. Projects requiring full scale development have the greatest potential to experience cost and schedule overruns and lower performance goals. Agencies should purchase commercial items to satisfy needs to the maximum extent practicable. When commercial items are not available, agencies should consider pursuing limited development work. Although limited development still poses more risk to successful contract completion than needing no development, it does not endanger the success as much as full scale development. Full scale development should normally only be considered when it promises exceptionally high returns if it is successful or is essential to achieving the mission.

There are several ways of mitigating risk, especially the risk that limited or full development presents. One method is to make use of a nation's integrated industrial base. In doing so, the Government takes advantage of the components, processes, and technology available in the commercial world and applies them as applicable to its needs. When limited development is necessary, the agency can still make use of commercial assembly lines, technology, and procedures even if they need to be modified slightly. Even when full scale development is required, the commercial marketplace has established procedures for development work (e.g., designated processes, basic technologies, quality control) that the agency can use in its development effort.

The effective use of competition and financial incentives is another means to reduce the risk to successful contract completion. In the earliest stages of the process, the agency should still be looking for innovative solutions to meeting the need; if given the opportunity, industry can be helpful in proposing innovative solutions. Requirements in solicitations should be written in such a way that many competing firms will be encouraged to submit offers. This can be done by writing statements of work not as detailed design specifications, but rather as broad based statements of objectives (or targets) that allow various solutions to meeting the agency's needs. Additionally, making effective use of competition and financial incentives will help the agency obtain better cost, schedule, and performance goals at contract inception.

NASA recently selected a firm other than the incumbent for a maintenance contract at one of its 11 Centers, based largely on the incumbent's poor performance. Soon after, the other 10 Centers' maintenance contract administrators reported an immediate increase in the level of contractor performance.

Whenever there is a lack of viable alternative sources of supply (as when the government gets itself into a monopoly situation), the agency lacks a realistic means of enforcing contract cost, schedule, and performance goals. The risk of creating a monopoly can create problems far beyond the purchase price of the current

acquisition. Monopolies can have detrimental effects on obtaining spares, operation and maintenance services, and technical data rights long after the contract is signed. Additionally, a monopoly makes it more difficult on future procurements to obtain the best deals for the government.

Financial incentives can take the form of additional profit for improved performance such as fixed-price and incentive contracts provide. Financial incentives can also take the form of providing outstanding past performance recommendations to be used in obtaining further business.

Another risk management technique is acquisition management. This is because as part of acquisition management, contractors must have the proper management systems in place to help an agency ensure that it is getting the intended value for the dollars being expended. By having adequate systems in place and relying on them to make program decisions, agencies can more easily and more quickly react to problems when they arise. The sooner an agency can react to a problem, the less damage is caused to the program. Once problems have arisen, agencies can then decide what to do about the problem (e.g., rebaselining the contract, canceling the contract, having the contractor improve performance, etc.).

STEP III. 3. CONSIDER TOOLS

There are several tools available to agencies for managing risk in the procurement phase. Three such tools are modular contracting, two-phase acquisitions, and competitive prototyping. All of these tools can be used in combination with each other.

3. 3. 1. Modular Contracting

Agencies should, to the maximum extent possible, consider breaking large acquisitions into smaller, more manageable modules. Each module should be an economically and programmatically viable unit, as defined in the Glossary. The module includes whatever design, development, prototyping, testing, and production are necessary to obtain the identified functionality. As technology advances and agency priorities change, the design of subsequent modules may incorporate these improvements. Therefore, it is appropriate even in commcial or non-developmental item procurements. In addition, in limited or full-scale development efforts, it is usually easier and less expensive to make adjustments if program progress falls short of expectations. A modular approach allows the agency to attack risk incrementally, thereby making it easier to manage. Projects may include successive modules, where each module

MODULAR CONTRACTING . . .

- **is the preferred method**
- **lessens risk**
- **accommodates changing technology and agency priorities**
- **increases competition among firms**

depends upon those that have gone before. Projects may also be composed of several parallel modules, where if one fails the others will still provide a cost-beneficial service.

The parameters of a module will vary depending upon the type of asset being acquired or the nature of the asset being developed. However, the following factors should be considered in establishing those parameters:

- *Separability*. Generally, a module is an economically and programmatically separable segment. It should be fully funded and have substantial programmatic use that is not dependent on any subsequent module and be capable of performing its principal functions even if no subsequent modules are acquired.

- *Interoperability*. Each module should comply with common or commercially acceptable technology standards so that the increments are compatible and can be integrated with other modules. By using common or commercially acceptable standards, agencies make competition for subsequent modules a more viable option.

In acquiring the first module, the agency should plan for the acquisition of subsequent modules. The following list provides examples of contracting techniques that may be used to acquire subsequent modules.

- *Include in Initial Contract*. This approach is most appropriate when subsequent modules can be clearly defined at contract inception and options can be exercised shortly after contract award. If there is going to be other than a minimal amount of delay in awarding the subsequent modules, it would not be prudent to include subsequent modules in the initial contract, because agencies may want the flexibility of taking advantage of technology improvements or changes in agency priorities.

- *Full and Open Competition*. An agency can issue a new solicitation and award a new contract for subsequent modules. This approach is most appropriate when commercial technology is available to meet the agency's requirement or the availability of streamlined procedures make conducting a full and open competition cost effective.

- *Issue Task Orders*. Agencies may provide for follow-on modules in the original contract by entering into task order contracts which will have a broad statement of work in the initial contract and provide for the issuance of task orders with more defined scopes as modules are acquired. This approach is most appropriate when subsequent modules cannot be clearly defined at the award of the initial contract or when there will be a lag time between the acquisition of the first module and subsequent modules. This approach allows an agency to take advantage of advances in technology and changing agency priorities. Where possible, agencies should enter into Multiple Award Contracts to maintain effective competition throughout the system acquisition.

- *Sole Source*. When follow-on modules are not provided for in the original contract and it is

determined that follow-on modules should be awarded to the original source (see FAR 6.302-1(a)(2)(ii)), an agency may issue a sole source award for subsequent modules to the supplier of a previous module. This approach is appropriate when the benefits of having the incumbent contractor continue the work outweigh the benefits of competition (e.g., contractor continuity is necessary to ensure good system integration).

With modular contracting, agencies are better able to manage the developmental risk and are therefore more likely to be able to use a fixed-price contract for the acquisition of each module. As discussed more thoroughly in Step III. 4. 1., using a fixed-price contract is best for the agency because both the agency and contractor have agreed that the project risks are manageable within the goals of the contract and any risk of contract failure is on the contractor. Modules can often be acquired firm fixed-price because they minimize the risk to cost, schedule, and performance goals that a large developmental program would otherwise have.

Modular contracting, especially when using an open architecture, can also increase the effective use of competition. The contract base for large development efforts tends to be limited to those large companies that have the Government as their major, if not only, buyer. By breaking the acquisition into smaller pieces, the agency is able to make better use of the nation's integrated industrial base by making the competition more attractive to smaller, commercial firms. This increases both the quantity and quality of the competition.

III. 3. 2. Two-Phase Acquisitions

Like modular contracting, a two-phase approach has advantages regardless of the amount of development necessary. In a two-phase approach, the agency asks for limited information in the first phase which will usually consist of information about past performance and experience and typically a broad outline of the proposed technical approach and rough order of magnitude pricing. Detailed technical and cost proposals are not received in the first phase. After a down-select, agencies can request detailed cost and technical proposals in the second phase.

Two-Phase Acquisitions ask for limited information in the first phase and detailed information in the second. This can save agency resources by . . .

- **enriching agency market research**
- **attracting more firms to compete**
- **encourage firms to invest their own resources in R&D**

The type and amount of information requested in the first phase will depend on the type of acquisition. In commercial item acquisitions with limited or no development, the information requested in the first phase could be limited to past performance references and commercial catalogs to give the IPT a sense of which offerors are most likely to get awards. The IPT could then use that information and other communications with the vendors responding to the first phase notice to refine

project requirements. When full-scale development is required, a two-phase process should limit the number of full technical and cost proposals the IPT needs to evaluate, saving valuable resources for the government and the contractors thus increasing efficiency. Like commercial acquisitions, agencies can also use the information from the first phase and other communications with vendors on developmental efforts when preparing the second phase solicitation.

A two-phase acquisition process can also increase the effective use of competition regardless of the amount of development necessary. In a commercial acquisition, a two-phase process can help with market research in determining what capabilities are available in the market place. IPT's will then get a better idea whether commercial items needing limited or no development are available to meet their needs. By using that information in developing the second phase solicitation, the IPT is much more likely to get fewer offerors, but those offers received are much more likely to meet the agency's need.

The effective use of competition is measured not only in the number of offers received, but also in the ability of those offers to satisfy the agency's requirements. For development contracts that involve a great expenditure in proposal costs to develop detailed technical and cost proposals, using two phase techniques might encourage commercial firms that have successfully performed in the private sector but had previously chosen not to enter government competition to participate in the initial phase because (a) their up-front expenditures will be reduced, and (b) they will have to expend greater resources only after the agency has indicated the offerors' approach stands a likely chance of getting the award. Additionally, as with commercial items, the proposals received in the second phase will have a greater likelihood of fulfilling the agency's requirements.

Another benefit of two-phased acquisitions is that it can incentivize the contractor to invest company research and development resources. Preparing a proposal for the second phase will sometimes require substantial development work. When a contractor has been told that, based on the first phase submission, it is likely to receive award and it knows that only a very limited number of other awardees are also in that position, the offeror realizes that its chance of ultimate success has greatly increased. In such instances, the offeror is more incentivized to expend its own funds and assign its best people to develop the second phase proposal. The agency can even give stipends to the contractors in the second phase when appropriate (e.g., the development work will be substantial). Two phase should be considered when substantial development is expected to result in prototypes which can move into production with no further development.

There is no generally preferred contract pricing mechanism for a two-phase acquisition. The pricing mechanism will depend on the type of the acquisition. If the acquisition is for a commercial item, non-developmental item, or for a limited development effort, it should be a fixed-price effort; if for a full scale developmental system, a cost reimbursement contract may be necessary if the risk is too great for a fixed price contract. However, thresholds should be established beyond which the development effort would not be cost-beneficial and should be considered for cancellation. (See FAR Part 15 and FAR Part 39.)

III. 3. 3. Competitive Demonstrations/Prototyping

To mitigate the risk of full scale or even limited development, agencies may use competitive prototyping in which contractors offering alternative system design concepts are selected to develop prototypes of their products. In acquisitions with limited development, the development work can be completed as part of the prototyping effort. In such instances, the contractor would be ready to move to full-scale production after satisfactorily completing the prototype.

When full-scale development is contemplated, competitive prototyping is intended to verify that the chosen concepts are sound, perform in an operational environment, and provide a basis of selection of the system design concept(s) to be continued into full-scale development. Prototypes may range from a principal end item or critical subsystem, to a limited and less than complete development model. It is anticipated that the winning concept(s) and contractor(s) of the competitive prototyping evaluation may then move into full-scale development and initial production.

COMPETITIVE DEMOS & PROTOTYPES

- **prove concepts are sound**
- **allow for firm fixed-price development**
- **motivate offerors to invest their own R&D resources**

When using competitive prototyping for full scale development, the competitive prototyping contracts should provide for contractors to develop and submit proposals for full-scale development and initial production by the conclusion of the prototyping effort. The contractors should be furnished operational test conditions, mission performance criteria, and life cycle cost factors that will be used by the agency in evaluation and selection for full-scale development.

When using competitive prototyping with limited development, the contracts may combine the development and production efforts for one fixed-price. In fact, they may include a fixed price in the nature of a stipend, with the intention that the contractor will have to invest some of its own resources in development. When awarding such stipends, agencies may provide different amounts to different contractors depending several circumstances (e.g., particular designs, the amount sought and the concept's potential, the independent resources of the offeror).

The goal of any development effort is to get the project developed enough such that the agency can use firm fixed-price contracts for the production effort.

STEP III. 4. SELECT CONTRACT TYPE AND PRICING MECHANISM

Introduction. As presented in detail in FAR, Part 16, the pricing mechanism in the contract is another tool for risk management. In terms of the discussion of risk management in Appendix Six, in selecting the pricing mechanism, the parties are establishing whether the risk will be transferred, assumed, or shared by the agency. The range of pricing mechanisms extend from firm fixed-price,

which transfers all of the risk to the contractor, and cost-plus-fixed-fee, in which the agency assumes all of the risk. There are many different types between these two extremes. Agencies should use pricing mechanisms as incentives for efficient contract completion within established goals.

III. 4. 1 Fixed Price

When there is limited or no development work anticipated (e.g., purchasing a commercial or nondevelopmental item), agencies should use a firm fixed-price payment arrangement. A firm fixed-price contract puts the greatest amount of risk on the contractor for contract success. In the commercial/nondevelopmental arena, it is appropriate to put the entire risk on the contractor because there should be very little chance of technical failure. It may also be suitable to put all of the risk on the contractor when the development is sufficiently limited such that the risk of failure can be managed by the contractor within economically reasonable bounds, or when the government is willing to accept whatever advance in technology a fixed amount of funds will produce.

When limited or no development work is anticipated, agencies should use a firm fixed-price payment arrangement.

III. 4. 2 Cost Reimbursement

Where a large amount of development effort is anticipated, and the agency is willing to accept the risk of failure within budget limitations, it is usually not cost effective for the agency to use fixed-price contracts as the contractor will have to include large contingencies in the proposed price. In such circumstances, a cost-reimbursement contract type may be most appropriate. Cost reimbursement contracts put the largest amount of risk for technical failure on the agency.

III. 4. 3 Incentives

Incentives mechanisms should be used in all contracts, except those for commercial items with no development effort, to encourage contractors to meet or exceed the cost, schedule and performance goals. Specific incentives for cost, schedule and performance achievement should be used along with other incentives, such as value engineering and past performance ratings based on achievement or, or deviation from goals.

III. 4. 4 Combinations

In large scale development contracts, there may be several different pricing mechanisms in one contract. For instance, the development effort may be cost reimbursement and the production phase may be fixed-price. Each segment of the contract should have an appropriate performance based management system in use to provide information on the achievement of, or deviation from, goals.

STEP III. 5. ISSUE THE SOLICITATION

Solicitations should be issued to make the most effective use of competition. Generally, increased public exposure to agency functional requirements will increase not only the quantity of firms responding to the solicitation, but also the quality of the procurement. Solicitation exposure is important, especially when trying to expand the supplier base for major asset acquisitions from those few firms that regularly sell only to the Government -- to the point that a monopsony is created -- to include firms with significant commercial sales. In addition to notices in the *Commerce Business Daily*, the IPT should make sure that upcoming or recently released solicitations get announced in trade journals and at related conferences. The FAR, Parts 6 and 15, describe this process with greater detail.

Generally, increased public exposure to agency functional requirements will elevate not only the quantity of firms responding to the solicitation, but also the quality of the procurement.

The solicitation should explain the mission need (not equipment needs), schedule, cost, capability objectives and operating constraints. Offerors should be free to propose their own technical approach, main design features, sub-systems, and alternatives to schedule, cost and capability goals.

In developing the evaluation factors to be considered for award, agencies should be sure to make allowances for trade-offs among technical features and between technical features and cost. Market analysis as discussed in the planning phase can help an agency get a better idea of the general capabilities and the state-of-the-art available in the market place. However, the IPT should take care not to limit competition unduly by making tradeoffs between price and technical factors too early in the process by focusing on the minimum requirements that are in the solicitation.

If an agency wanted to buy a VCR, it might try to discover every capability available in the market place and then, before issuing the solicitation, establish which capabilities it wants. A better way is to solicit for a VCR, including any particular target performance capabilities the agency wants, and wait for the various bids to come in before making trade-offs.

Market research continues through to contract award. It does not have to be completed prior to issuing the solicitation; in fact, it may be counterproductive to do so if it results in the adoption of minimum requirements in the solicitation that limit the range of possible best value tradeoffs.

In issuing the solicitation, agencies should consider as an evaluation factor the manner in which the offeror proposes to deal with the various risk considerations. For example, the evaluation strategy

in the solicitation should prefer proposals that offer limited or no development over those that offer full scale development. Similarly proposals that offer contract management plans should be preferred over those that do not offer such plans.

The solicitation should include the requirement for the contractor to operate and maintain a performance based management system, including the use of the "earned value" concept, as the means to manage the acquisition during its performance period. The system should provide periodic status reports to the agency IPT on the achievement of, or deviation from, the cost, schedule and performance goals established for the acquisition.

IPT's are encouraged to conduct orientation briefings for industry, and allow industry to comment on a draft solicitation and the acquisition strategy. The objectives are to clarify the solicitation requirements and remove inhibitors to innovative solutions.

STEP III. 6. PROPOSAL EVALUATION AND NEGOTIATION

Based on evaluation criteria in the solicitation, a Source Selection Team (SST) from the IPT should evaluate proposals to determine the comparative values of proposals in relation to meeting the criteria included in the solicitation. If appropriate, negotiations with offerors to clarify proposed technical solutions and costs may take place. The team should prepare its analyses and recommendations for presentation to senior management, specifically a Source Selection Authority (SSA) as described in FAR Part 15.

Selection from competing alternatives should be supported by experts inside and outside the responsible organization. Such a review should consider:

- proposed solution functional and performance capabilities in relation to the mission needs and program objectives, including resources required and benefits to be derived by trade-offs, where feasible, among technical performance, acquisition costs, ownership costs, time to develop and procure; and

- the relative accomplishment record (past performance) of competitors.

STEP III. 7. CONTRACT AWARD

The SSA selects the contractor to receive the contract. However, if cost, schedule or performance parameters proposed by the best value contractor do not achieve program objectives within funding limitations the project should be reviewed to decide if the project's revised cost-benefit, in comparison with other potential projects, remains high enough, given the new information, to warrant award of the contract. If not, the SSA should cancel the procurement.

STEP III. 8. CONTRACT MANAGEMENT

> ***The contractor should provide performance management information, allowing the agency to evaluate if goals are being achieved, to identify problems, and to take corrective actions.***

The contract cost, schedule and performance goals become the baseline goals for all future tracking of achievement of goals by the agency, OMB and Congress. The IPT is expected to manage the contract to achieve, on average, 90 percent of the cost, schedule and performance goals. FASA Title V, requires that the agency head review contracts for major acquisitions that are not able to achieve 90 percent of goals. The review is to determine whether there is a continuing need for the asset or whether the acquisitions should be terminated. The contract should be continued only after the contractor has submitted a reasonable plan for bringing the contract within goals or revised goals have been approved in the executive review process.

The contractor's performance-based management system, as specified in the contract, is the primary means to manage the contract and identify achievement of, or deviation from, the baseline goals throughout the acquisition's performance period. Management system reports should be evaluated by the IPT to determine if the contractor is taking appropriate corrective actions when problems are identified. Agency financial management and control systems should accumulate the actual costs of the project, including both contract costs and agency program management costs, and integrate them with performance indicators to give program managers a clear understanding of how resources are connected to results. Having such systems in place will mitigate the risk of program failure by identifying problems sooner when corrective action is more likely to be effective.

III. 8. 1. Performance Based Management System

Performance based management systems are expected to provide a framework for defining work, assigning work responsibility, establishing budgets, controlling costs, and summarizing, with respect to planned vs. actual accomplishments, the detailed cost, schedule, and related technical achievement information for appropriate management review. One system may be used for monitoring the agency's efforts and another to monitor contractor efforts.

Contractor performance based management systems should operate on an *earned value* concept. The contractor plans the work using the contract specified work breakdown structure as the baseline. The IPT ensures that the contractor plans, budgets, and schedules the work effort in time-phased "planned value" increments constituting a performance measurement baseline (time phased budget).

The contractor assigns the planned work for cost accumulation and individual responsibility to cost accounts and work packages under the cost accounts. The sum of the budgets for all the work packages scheduled to be accomplished, plus the amount of indirect effort to be accomplished within the contract performance period is the "planned value" of the effort. This is called the "Budgeted Cost for Work Scheduled." As work is completed in the work packages, it is "earned" on the same

Agency financial management and control systems should accumulate the actual costs of the project and integrate them with performance indicators to give program managers a clear understanding of how resources are connected to results.

budget dollar basis as it was planned. The sum of the budgets for completed work packages and completed portions of open work packages, plus the applicable portion of the budgets for indirect effort is the "earned value." This is called the "Budgeted Cost for Work Performed. The costs actually incurred and recorded in accomplishing the work performed within a given time period is called the "Actual Cost of Work Performed." Measuring the amount of work accomplished against the original planned baseline and against actual costs provides critical management visibility on the achievement of, or deviation from, goals. Management systems that only track actual expenditures against planned expenditures fail to provide the key piece of management information, amount of work actually accomplished, needed to make appropriate decisions about the status of the contract.

Contractor accounting systems should accumulate actual costs of accomplished work, which is compared with earned value, providing a cost variance for the accomplished work and indicating whether the work is over-, or under-running its plan. Planned value, earned value and actual cost data provide an objective measure of performance, enabling trend analysis and evaluation of cost estimated at completion at all levels of the acquisition. Appendix Four provides an example of earned value.

III. 8. 2. Contractor Financial Management and Control Systems

The contractor's financial management and control systems must meet criteria established by the agency in the contract which, as a minimum, should require a defined process and method of assigning organizational resources to achieve program and acquisition project objectives. Specific organization resources are assigned responsibility for specific objectives of the program at the work package level. The objectives, tasks, services, or deliverables that must be produced by the organization are described in the work breakdown structure. By integrating the responsible organization and the specific deliverables, the project manager is able to see the relationship between the work and the resources responsible and pinpoint where problems occur and the responsible party. Work that does not earn planned value can be easily identified so that corrective actions can be applied and new estimates of budget needs made.

One way to measure progress is by establishing specific deliverables. To do this, deliverables must be distinctly defined by management to occur on certain dates. These milestones are the most important program components to be measured, as they clearly indicate on an ongoing basis whether the project is on track or not. The DOD/NASA *Joint Implementation Guide on Earned Value* (Draft), National Security Industrial Association, *Industry Standard: Earned Value Management System Guidelines* (Draft), and the OMB Earned Value Guide (Draft) provide further information.

Management control systems should provide useful information for all levels of the management team. Whatever system is adopted. it must have the following information available for analysis:

- Change control
- Cost Variance
- Understanding of whether technical objectives are being achieved
- Variance Analysis
- Performance Variance
- Understanding of future impacts
- Identification of problem areas at both the organization and work breakdown structure levels.

STEP III. 9. ACQUISITION ANALYSIS

III. 9. 1. Contract Performance Evaluation

The IPT should receive monthly status reports on the acquisition. If the acquisition is not achieving at least 90 percent of its cost, schedule or performance goals, the IPT should determine the reasons for the deviations and the corrective actions planned by the contractor. The corrective actions should be evaluated as to whether they are likely to be effective either to return the contract within goals before contract completion or to ensure that the deviations will not continue to expand and that the current estimates to complete the contract are realistic.

If the baseline goals will not be achieved at contract completion, the IPT should prepare an analysis of the estimated changes in cost, schedule and performance goals and whether the acquisition would remain cost-beneficial at the new funding levels. The IPT's analysis and recommendations should be evaluated in the agency's executive review process for a determination (1) to continue the acquisition and seek additional funding through OMB, (2) to restructure the acquisition with lower goals and not seek additional funding, or (3) to cancel the acquisition and begin planning for a new solution to achieve mission objectives.

III. 9. 2. OMB RMO Review

OMB's RMO staff should review status information from major acquisitions at least once a year, or as necessary for critical acquisitions and those that are not achieving 90 percent of goals. OMB should review the reasons for deviation from goals and the reasonableness of the corrective actions proposed and validity of increased cost estimates. OMB should consider approving a re-baseline proposal only when the agency has provided justification demonstrating the new goals have a high probability of success and that the acquisition will still have a benefit-cost result that justifies continued funding after comparison with other projects in the portfolio analysis. Acquisitions not meeting objectives (including cost objectives) that have no acceptable plan for fixing the problems, should be recommended for termination and the agency instructed to return to the Planning Phase to select a solution that can be acquired within budget limitations.

III. 9. 3. OFPP Assessment

OFPP is responsible, under FASA Title V, for submitting an annual assessment to Congress on progress made by civilian agencies in achieving 90 percent of acquisition goals. The Secretary of Defense has the same requirement for Defense acquisitions.

STEP III. 10. ACCEPTANCE

This is the final Step in the Procurement Phase. Upon acceptance of the asset, it can be turned over to the Management-in-Use Phase.

> ***FOR TESTING . . .***
>
> - ***Have a thorough Test Plan***
> - ***Be rigorous; contractors will build to it***

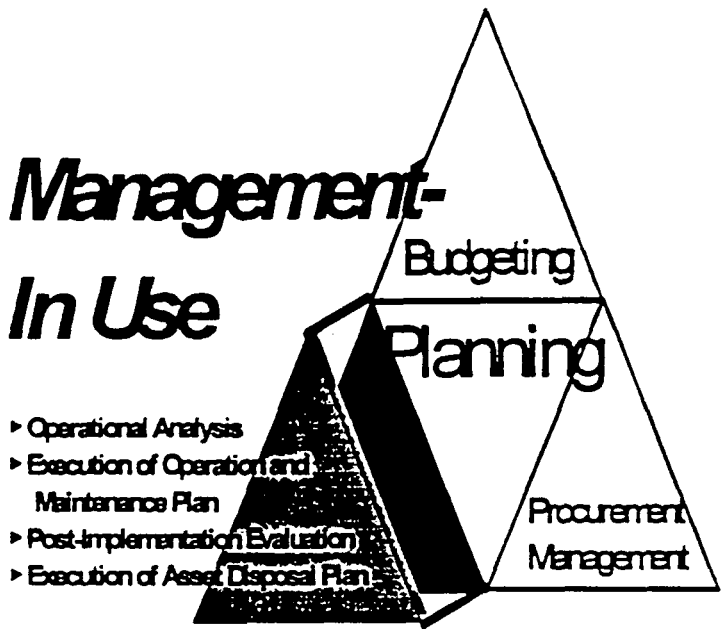
The IPT should ensure the asset meets the requirements of the acceptance test plan. Effective testing will determine whether the agency received the benefits it anticipated and whether the system is acceptable for use in accomplishing the agency's mission. Agencies should invest adequate resources to ensure that there is a thorough test plan. A thorough plan is one that will accurately determine if the contractor's product meets all of the requirements of the contract and is capable of meeting the program needs and providing the projected benefits which supported the project.

Having established a thorough test plan, managers should ensure it is followed, the tests are performed rigorously, and the contractor is not given an acceptable test results unless each item of the plan is fully met. Properly conducted demonstrations evidencing the product's ability to meet the test plan and to meet program needs and provide the anticipated benefits are very important; time should be planned in the contract schedule for such demonstrations. Agencies should also ensure that unacceptable ratings with respect to contract requirements are effective disincentives to contractors such as by withholding payment or fee depending on the contract's payment mechanisms or by making it a policy to use poor performance ratings in subsequent contract award decisions.

If the agency accepts the asset with deviations from the contract requirement, these deviations should be documented, including any consideration (e.g., reduction in price) received from the contractor as required by the contract.

IV. MANAGEMENT-IN-USE PHASE

Introduction. This Phase describes the Steps an agency takes once a capital asset has been acquired. The four Steps of the Management-In-Use Phase are: Operational Analysis; Execution of an Operation and Maintenance Plan; Post-Implementation Evaluation; and Execution of Asset Disposal Plan. These four Steps are linked to the Planning, Budgeting and Procurement Phases. While the execution of an asset disposal plan is discussed here, the creation of this plan and estimation of its cost are included in the Planning and Budgeting Phases. In some instances the disposal could be contracted for simultaneously to the acquisition.



STEP IV. 1. OPERATIONAL ANALYSIS

Operational analysis involves the collection of information concerning a capital asset's performance and the comparison of this performance against an established baseline. This information will allow agency resource managers to optimize the performance of capital assets. Additionally, operational analysis may indicate the need for the acquisition of a new fixed asset.

Analysis of operations can be used to minimize the ***cost of asset ownership*** while simultaneously improving the function the asset performs. The ***cost of asset ownership*** is defined as the total of all costs incurred by the owners and users to obtain the benefits of a given acquisition. While great emphasis is often placed on meeting the budget, scope, and schedule for the acquisition of a fixed asset, these are only a fraction of the asset's total life cycle costs. Ownership costs, such as operations, maintenance, and disposition, can easily consume as much as 80 percent of the total life cycle costs. Operations is a critical area where improved effectiveness and productivity can have the greatest net measurable benefit, both in cost, performance, and mission accomplishment. If cost criteria are given serious consideration during the Planning, Budgeting, and Procurement Phases, total life cycle costs can be greatly reduced.

Once an asset has been acquired and is in use, operational analysis should be continual. This is both formal, scheduled analysis against the performance baseline, as well as informal, ad-hoc analysis by users of the asset. Reviews of this data, to determine whether it is performing within baseline cost, schedule, benefit, and performance, should take place in accordance with a schedule of fixed

milestones or on a cyclical basis. An automated system could flag the need, on an exception basis, to view the status of a fixed asset before it becomes a problem.

Analysis of operations may indicate a need to redesign or modify an asset when previously undetected faults in the design, construction, and installation are discovered during the course of operations. Such analysis may also help to identify where faulty operations are eroding the asset's ability to perform its function.

Figure 10. Operational Analysis at the Department of Energy

The Department of Energy (DOE) has established an operations assessment program to formalize and standardize a method by which the safety and effectiveness of facility operations are evaluated. The program requires Operations offices to schedule and perform operations assessment at six month intervals. Assessments focus on identifying operational weaknesses requiring management corrective action rather than on identifying lists of individual deficiencies. Corrective actions are tracked and implemented and the results of assessments are reported to line managers.

This program has resulted in strong improvement in operations oversight and operational improvements at a number of the operations offices, including changes in nuclear fuel handling procedures; development of standardized operations policies and procedures; decrease in design deficiencies; development of complex-wide well-drilling procedures using lessons learned from all the sites; more efficient and effective lockout/tagout systems; better control of equipment and system status; and, and improved radiological controls. This program allows DOE managers to target improvement actions and more effectively utilize scarce resources.

Operational analysis will lose much of its value-added benefits to the capital planning process if an opportunity to make a course correction was missed, due to inattention to early warning indicators. Analysis of such indicators may show a need to apply an improvement methodology, such as value engineering, to operations functions in an effort to improve performance of the asset, and also to minimize deterioration of performance. Operational indicators for a given asset may include any of the following:

- effectiveness
- efficiency
- productivity
- availability
- energy usage
- reliability
- maintainability
- security

Finally, the operational analysis of the asset in-use should be conducted in the context of the program or project that it supports. If this is not done, it is possible that an asset's performance can exceed projections, yet the asset is contributing to a program that is failing or no longer needed.

STEP IV. 2. EXECUTION OF OPERATION AND MAINTENANCE PLAN

If not properly maintained a capital asset's useful life can be shortened dramatically, reducing the return on the taxpayers' investment. Day-to-day operation and maintenance of any asset must be carefully planned. In addition, the projected costs associated with the day-to-day operation and maintenance of the asset must be factored into the asset's procurement, and tracked throughout its life cycle (see *Planning Phase*, Steps I. 5. 3. 1. 5. and I. 6. 3. 5.).

IV. 2. 1. Benefits of an O&M Plan

The benefits of following a good O&M plan include:

- maximizing the utility of the asset;
- enhancing the asset's resale value and minimizing disposal costs; and
- maximizing the asset's useful life.

IV. 2. 2. Executing an O&M Plan: The example of a Federal Office Building

Without proper O&M plan execution, a newly-constructed office building will soon fall into disrepair. Execution of this plan should include activities ranging from daily cleaning of the building to inspecting the structural integrity of the building and the plant and mechanical systems throughout. If these tasks are not performed regularly, the satisfaction and productivity of the workers will diminish, and the asset will fail to fully achieve its intended benefits. If the building is properly maintained through execution of its O&M plan, problems can be identified and fixed at the earliest possible time, reducing the need for major capital improvements for repair and/or replacement.

IV. 2. 3. Elements of an O&M Plan

For scheduled preventive maintenance, elements include:

- Sign-offs to instill personal responsibility;
- Training of user staff; and
- Tracking of labor and material

For predictable corrective maintenance, elements include:

- Budget expenditure for minor maintenance and repair
- Maintenance contracts

STEP IV. 3. POST-IMPLEMENTATION EVALUATION

Whereas operational analysis is a control mechanism during the operational life cycle of an asset, post-implementation evaluation is a diagnostic tool to evaluate the overall effectiveness of the agency's capital planning and acquisition *process*. The primary objective of a post-implementation review (PIR) is to identify whether the asset is performing as planned, ensure continual improvement of an agency's capital management process based on lessons learned, and minimize the risk of repeating past mistakes.

Once the acquisition has been completed and the asset becomes operational, the capital planning process should be evaluated to determine whether it accurately predicted the benefits to be derived from the new asset. These benefits could include lowered cost, reduced cycle time, increased quality, or increased speed of service delivery. Such an assessment is done by conducting project post-implementation reviews (PIRs) that compare actual results against planned cost, returns, and risks. The PIR results are used to calculate a final return on investment, determine whether any additional project modifications may be necessary, and provide "lessons learned" input for changes to the organization's capital planning processes and strategy. Agencies should be able to document and report on the performance benefits achieved by their investments and how those benefits support the accomplishment of agency goals. Specifically, there should be mechanisms in place that take the lessons learned from the PIR and use them to update the decision criteria and methods.

IV. 3. 1. Key Elements of Post-implementation Evaluation

1. Conduct Post-Implementation Review using a standard methodology

2. Feed lessons learned from the PIR back in to the planning and management processes.

IV. 3. 1. 1. Post-Implementation Review (PIR)

Three to twelve months after a new asset has become operational, and regularly afterwards, a post-implementation review should be conducted by individuals not directly involved in the acquisition of the asset. Factors to be considered in the PIR include:

Customer/user satisfaction

- Partnership/involvement
- Business process support
- Investment performance
- Usage

Strategic Impact and Effectiveness

- System impact and effectiveness
- Alignment with mission goals
- Portfolio analysis and management
- Cost savings

Internal Business

- Project performance
- Infrastructure availability
- Standards and compliance

Innovation

- Workforce competency
- Advanced technology use
- Methodology expertise

- Maintenance
- Security issues and internal controls
- Evaluations (accuracy, timeliness, adequacy of information)
- Employee satisfaction/retention
- Program quality

To ensure that each project is evaluated consistently, the organization should have a documented methodology for conducting these reviews. The methodology chosen must be in alignment with the organization's planning process and must build on the organization's memory. The organization should determine whether there may be better cost, benefit, and risk measures that could be established that would improve the monitoring of future projects.

STEP IV. 4. EXECUTION OF ASSET DISPOSAL PLAN

Disposal of an asset represents the culmination of the processes discussed earlier in this Guide. Projected costs of asset disposal are critical elements in the planning and budgeting for asset acquisition.

The decision to dispose of an asset may be triggered by any number of events; most will be part of a systematic plan formulated in advance that integrates the asset into the agency's broader capital resource management plan. Beginning with mission analysis and planning for the purpose of matching capabilities to mission requirements, and continuing with ongoing operational analysis, criteria are established and monitored to determine how well an asset is performing. At any time that the asset becomes uneconomical to keep in service or fails to meet performance criteria, the agency should critically assess the asset to determine whether it should be retired or replaced.

Figure 11.
Example of Asset Disposal: IT System Replacement

Disposal of an IT system typically requires the phase out of obsolete equipment and a transition to a new system. This process can take years to accomplish and requires extensive planning and coordination. For IT systems, the transition actually begins early in the planning stages for the new system. Acquisition planners have to work with prospective contractors to establish timeliness and devise a transition plan. After the new system has been acquired, developed and tested, deployment takes place according to the plan developed early in the acquisition phase. The elements of the transition may include:

- converting data from the old system to the new;
- operating both the old and new systems concurrently;
- validating that the new system has converted old data properly;
- ensuring users are trained on the new equipment and software;
- keeping the customers informed of transition progress; and
- outlining these actions and agreements in a memorandum of understanding, signed by representatives from all parties impacted by the conversion.

A select group of users will test the system using real data and real situations to identify bugs and develop solutions. Any problems that occur will be documented in a "lessons learned" report and be resolved before the final, organization-wide transition to the new system. The transition team completes all system integration and testing to ensure that the new IT environment meets design requirements, and that office workloads will fit into the new environment as planned and perform to the users satisfaction. Upon formal acceptance, the old system is de-installed and final property disposal actions are executed as required.

IV. 4. 1. Execution of Asset Disposal Plan

Once the decision to dispose is made, a number of issues must be considered, including action required to remove the asset from service, planning for transition to a replacement if required, and final removal of the asset from the agency's property inventory. Depending on the type of asset, disposal may be as simple as transferring the item to another agency, turning it over to GSA as excess, or demolishing it and selling it as scrap. Disposal of complex assets or systems may involve a multi-year process requiring significant effort and funding to execute. When the FAA replaces a navigation system for commercial and private air traffic, it must communicate the details of the plan to thousands of system users worldwide and ensure that the transition to the new system is seamless, timely and well coordinated.

The procedure for disposing of an asset will depend upon the type of asset, as well as existing agency guidelines and any laws and regulations governing the disposal of that particular asset. Hazardous material disposal would most likely be performed by a specialized contractor following environmental laws monitored by EPA, while disposing of an office building might be carried out by GSA following real property regulations. In all cases, agency property specialists, guided by internal policy and applicable laws and regulations, should work closely with agency executives to ensure cost-effective and timely asset disposal.

Appendix One

DEFINITION OF *CAPITAL ASSETS*

Capital assets are land, structures, equipment, and intellectual property, including software, that are used by the Federal Government and have an estimated useful life of two years or more. Capital assets exclude items acquired for resale in the ordinary course of operations or held for the purpose of physical consumption such as operating materials and supplies. The cost of a capital asset includes both its purchase price and all other costs incurred to bring it to a form and locations suitable for its intended use.

Capital assets may be acquired in different ways: through purchase, construction, or manufacture; through a lease-purchase or other capital lease, regardless of whether title has passed to the Federal Government; through an operating lease for an asset with an estimated useful life of two years or more; or through exchange. Capital assets include leasehold improvements and land rights; assets owned by the Federal Government but located in a foreign country or held by others (such as Federal contractors, state and local governments, or colleges and universities); and assets whose ownership is shared by the Federal Government with other entities. Capital assets include not only the assets as initially acquired but also additions; improvements; replacements; rearrangements and reinstallations; and major repairs but not ordinary repairs and maintenance.

Examples of capital assets include the following, but are not limited to them:

- office buildings, hospitals, laboratories, schools, and prisons;
- dams, power plants, and water resources projects;
- furniture, elevators, and printing presses;
- motor vehicles, airplanes, and ships;
- satellites and space exploration equipment;
- information technology hardware and; and
- Department of Defense weapons systems.

Capital assets may or may not be capitalized (i.e., recorded in an entity's balance sheet) under Federal accounting standards. Examples of capital assets not capitalized are DOD weapons systems, heritage assets, stewardship land, and some software.

Capital assets do not include grants for acquiring capital assets made to state and local governments or other entities (such as NSF grants to universities or DOT grants to AMTRAK). Capital assets also do not include intangible assets such as the knowledge resulting from research and development (R&D) or the human capital resulting from education and training, although capital assets do include land, structures, equipment and intellectual property (including software), that the Federal Government uses in R&D and education and training.

Agencies may use the capital planning process or elements thereof in planning for expenditures not covered by this definition to the extent that they find it useful.

Appendix Two

SELECTED EXAMPLES OF PERFORMANCE MEASURES

"TRADITIONAL" PRODUCTION OR DELIVERY TYPE MEASURES

Production

Output: *Manufacture and deliver* 35,000 rounds of armor-piercing 120mm projectiles shells in FY1997.

Outcome: *Produce sufficient* 120 mm armor-piercing *projectiles* to achieve a 60 day combat use supply level by 1999 for all Army and Marine Corps tank battalions.

Transaction processing

Output: *Process* 3.75 million payment *vouchers* in FY 1995.

Outcome: *Ensure*that 99.5 percent of *payment vouchers are paid* within 30 days of receipt.

Records

Output: *Update*earnings *records* for 45 million employee contributors to Social Security Trust Fund.

Outcome: *Ensure*that all earnings *records are posted and current* within 60 days of the end of the previous quarter.

Service Volume

Output: *Provide meals and temporary shelter* for up to 18 months *for 35,000 homeless individuals* for up to 18 months following the Short Beach tsunami disaster.

Outcome: *Maintain a capacity to provide*, nationally, *meals and temporary shelter* for an indefinite period *for up to 100,000 individuals* who are homeless as a result of major disasters.

Workload (Not otherwise categorized)

Output: Annually *inspect* 3200 grain elevators.

Outcome: Through *periodic* grain elevator *inspection*, reduce the incidence of grain dust explosions resulting in catastrophic loss or fatalities to zero.

Frequency rates

Output: *Issue* 90 day national temperature and precipitation forecasts *every six weeks*.

Outcome: *Provide* users of meteorological forecasts with *advance information sufficiently updated to be useful* for agricultural, utility, and transportation planning.

Inventory fill

Output: *Store* a minimum of 3.5 million barrels of *petroleum* stock.

Outcome: Petroleum *stocks* shall be maintained at a level sufficient to *provide a 60 day supply* at normal daily drawdown.

OPERATING-TYPE MEASURES

Utilization rates

Output: *Operate*all tactical fighter aircraft simulator training *facilities at not less than 85 percent of rated capacity*.

Outcome: *Ensure* optimized *operation* of all *simulator facilities to provide* all active duty tactical fighter aircraft *pilots with a minimum of 80 hours of simulator training* every 12 months.

Out-of-service conditions

Output: All Corps of Engineer *locks* on the Showme River basin shall be *operational during at least 22 of every consecutive 24 hours.*

Outcome: *Ensure no significant delays* in commercial traffic transiting through the Showme River basin system.

Maintenance and Repair Intervals

Output: All out-of-service aircraft requiring unscheduled repairs shall be *repaired within 72 hours.*

Outcome: The Forest Service will *maintain 90 percent of* its 135 firefighting *aircraft* in an *immediately deployable status* during forest fire season.

QUALITY-TYPE MEASURES

Defect rates

Output: *Not more than 1.25 percent* of 120 mm armorpiercing projectiles shall be *rejected as defective.*

Outcome: *No armor-piercing ammunition projectiles* fired in combat *shall fail to explode* on impact.

Mean Failure rates

Output: *Premature*space Shuttle main engine *shutdown shall not occur more than once in every 200 flight cycles.*

Outcome: Space Shuttle shall be maintained and operated so that *99.95 percent of all flights safely reach orbit.*

Accuracy

Output: The *initial* monthly *estimate* of the previous month's value of exports *shall be within one percent of the revised final value.*

Outcome: All *preliminary, periodic estimates of economic activity shall be within three percent of the final value.*

Error Rates

Output: Not more than four percent of initial *determinations* of the monthly entitled benefit amount *shall be incorrectly calculated.*

Outcome: (Not commonly measured as an outcome.)

CUSTOMER-RELATED MEASURES

Complaints

Output: Not more than *2.5 percent* of individuals seeking information *will subsequently re-request* the same information *because the initial response was incomplete.*

Outcome: (Not commonly measured as an outcome.)

Customer Satisfaction Levels (Output and outcome measures may often be indistinguishable.)

Output: *In 1998*, at least *75 percent* of individuals receiving a service *will rate the service delivery as good to excellent.*

Outcome: At least *90 percent* of recipients will *rate the service delivery* as good to excellent.

Timeliness

Response times

Output: Adjudicative *decision* on all claim disallowances will be *made within 120 days* of appeal hearings.

Outcome: *Provide* every claimant with *timely* dispositive *determination* on claims filed.

Adherence to schedule

Output: *Operate*95 percent of all passenger trains *within 10 minutes of scheduled arrival times.*

Outcome: *Provide* rail *passengers* with reliable and *predictable* train *service.*

Responsiveness

Output: *98 percent of notices* to the Department of Transportation of navigational hazards will *result both in an on-site inspection of the hazard and Notice to Mariners within 48 hours of receipt* of the notice

Outcome: Ensure prompt response to potential public safety concerns in the navigation of coastal and off-shore waters.

EFFICIENCY AND EFFECTIVENESS MEASURES

Efficiency

Output: Annual transaction costs/production costs/delivery of service costs projected on a per unit basis. *Produce* 35,000 rounds of armor-piercing *ammunition at a cost of $17.75 per round.*

Outcome: (Not commonly measured as an outcome.)

Effectiveness

Output: In FY 1999, *not more than 7,000 in-patients* in military hospitals will be readmitted, post discharge, for further treatment of the same diagnosed illness at the time of initial admission.

Outcome: Annually, *initial treatment* will be therapeutically *successful for 85 percent* of all hospital admissions.

OTHER TYPES OF MEASURES

Milestone and activity schedules

Output: *Complete 85 percent of required flight-worthiness testing* for Z-2000 bomber *by July 30, 1999.*

Outcome: The Z-2000 *bomber* will be flight-certified and *operational by December 1, 2000.*

Design Specifications

Output: Imaging *cameras* on Generation X observational satellite will have *resolution of*

0.1 arc second.

Outcome: Generation X observational satellite will successfully map 100 percent terrain of six Jovian moons to a resolution of 100 meters.

Status of conditions

Output: In 1995, *repair and maintain 1,400 pavement miles* of Federally-owned highways *to a rating of "good"*.

Outcome: By 2000, *35 percent of all Federally-owned highway pavement miles* shall be *rated as* being in *good condition*.

Percentage coverage

Output: Provide *doses of vaccine to 27,000 pre-school children* living on tribal reservations.

Outcome: *100 percent* of children living on tribal reservations will be *fully immunized* before beginning school.

INTEGRATED PROJECT TEAMS (IPTs)

There should be one group that owns the entire project. To define and fulfill a mission need the agency should use an integrated project and process development (IPPD) approach with an Integrated Project Team (IPT), lead by a program manager to manage the acquisition process. The establishment of an IPT is critical to the successful management of the project and, ultimately, crucial to the success of the project itself.

A program manager with the appropriate level of knowledge, skills, and experience shall normally lead the IPT. The program manger should ideally be a multi-discipline, experienced manager with sufficient tenure and interest in the program to provide continuity and to assure personal accountability for his/her actions.

It is essential that the program manger have an understanding of user needs and constraints, familiarity with development principles, and requisite management skills and experience. With satisfactory performance, the tenure of the program manager should be long enough to provide continuity and personal accountability.

The program manger should be given total authority, responsibility, and accountability to manage the project. The management layers between the program manager and senior management should be limited to ensure full accountability for the program manger and timely decision by senior management to keep the program moving on a tight schedule.

Upon designation, the program manger should be given budget guidance and a written charter of authority, responsibility, and accountability for accomplishing approved program objectives. The charter should include the cost, schedule, and performance goals of the program. In addition, the program mangers should be given sufficient funding to establish an IPT to define the program concept and objectives and manage the project to completion.

The members of the IPT should be dedicated to the program and responsible to the program manager, not to their functional management, for the duration of their assignment to the program. The personnel selected for this duty should commit to staying with the program for the duration of the need for their services.

The team should be cross-functional. Although there may be different project teams for different phases or steps of the project, the members should reflect the stakeholders in the project and should have a core of good project management knowledge. Teams should include members with the following management skills: technical, business, value engineering, project, and schedule. It should include members from the user community, procurement, finance, and from the vendor and consultant communities, if applicable.

Appendix Four

EXAMPLE OF EARNED VALUE CONCEPT AND COST AND SCHEDULE VARIANCES FOR CAPITAL ASSETS

Introduction. Earned value is a management technique that relates resource planning to schedules and to technical cost and schedule requirements. All work is planned, budgeted, and scheduled in time-phased "planned value" increments constituting a cost and schedule measurement baseline. There are two major objectives of an earned value system:

- to encourage contractors to use effective internal cost and schedule management control systems; and
- to permit the government to be able to rely on timely data produced by those systems for determining product-oriented contract status.

The example shown here illustrates how the earned value concept works. The analysis begins with a baseline schedule showing how much work is planned for each time period. The subsequent sections show how to calculate the deviation from the planned schedule (schedule variance) and the deviation from the planned cost (cost variance).

Baseline. For this hypothetical example, the baseline plan in Table 1 shows that 6 work units (A-F) would be completed at a cost of $100 for the period covered by this report.

Table 1. Baseline Plan

	Work Units						
	A	B	C	D	E	F	Total
Planned value ($)	10	15	10	25	20	20	$100

Schedule Variance. As work is performed, it is "earned" on the same basis as it was planned, in dollars or other quantifiable units such as labor hours. Planned value compared with earned value measures the dollar volume of work planned vs. the equivalent dollar volume of work accomplished. Any difference is called a schedule variance. In contrast to what was planned, Table 2 shows that work unit D was not completed and work unit F was never started, or $35 of the planned work was not accomplished. As a result, the schedule variance shows that 35 percent of the work planned for this period was not done.

Table 2. Schedule Variance

	Work Units						
	A	B	C	D	E	F	Total
Planned value ($)	10	15	10	25	20	20	$100
Earned value ($)	10	15	10	10	20	0	$ 65
Schedule variance	0	0	0	-15	0	-20	$ -35 =-35%

Cost Variance. Earned value compared with the actual cost incurred (from contractor and agency accounting systems, not through estimation techniques) for the work performed provides an objective measure of planned and actual cost. Any difference is called a cost variance. In this example, a *positive* variance means more money was spent for the work accomplished than was planned. Table 3 shows the calculation of cost variance. The work performed was planned to cost $65 and actually cost $91. The cost variance is 40 percent.

Table 3. Cost Variance

	Work Units						
	A	B	C	D	E	F	Total
Earned value ($)	10	15	10	10	20	0	$ 65
Actual cost ($)	9	22	8	30	22	0	$ 91
Cost variance	-1	7	-2	20	2	0	$26 = 40%

Spend Comparison. The typical spend comparison approach, whereby contractors report actual expenditures against planned expenditures is not related to the work that was accomplished. Table 4 shows a simple comparison of planned and actual spending, which is unrelated to work performed and therefore not a useful comparison. The fact that the total amount spent was $9 less than planned for this period is not useful without the comparisons with work accomplished.

Table 4. Spend Comparison Approach

	Work Units						
	A	B	C	D	E	F	Total
Planned value ($)	10	15	10	25	20	20	$100
Actual cost ($)	9	22	8	30	22	0	$ 91
Variance	-1	7	-2	5	2	-20	$-9 = -9%

ACCOUNTING FOR CAPITAL ASSETS

The Statement of Federal Financial Accounting Standards No. 6 (SFFAS 6), Accounting for Property, Plan, and Equipment (PP&E) establishes standards for most capital assets.[1] These standards were recommended by the Federal Accounting Standards Advisory Board and published by OMB in November 30, 1996.

One significant objective of financial accounting standards is to support assessment of operating performance. Financial reporting should provide information to determine (1) the cost of providing specific programs and activities, including the composition of these costs and changes over time, (2) financial inputs in relation to a program's outputs, and (3) the efficiency and effectiveness of the Government's management of its assets. To facilitate meeting these information needs, PP&E has been divided into four categories: general PP&E, Federal mission PP&E, heritage assets, and stewardship land.

For general PP&E (i.e., PP&E used to produce general Government goods and services), SSFAS 6 supports these information needs by allocating costs -- including cleanup costs -- of general PP&E to the periods in which the assets are used through historical cost depreciation methods. The cost is allocated ot the period when it is incurred. Managerial cost accounting standards, established by SFFAS 4, *Managerial Cost Accounting Concepts and Standards for the Federal Government*, will result in these period costs being tied to outputs. In addition, deferred maintenance reporting will provide financial statement users with information on the condition and management of assets.

For the remaining three categories, SFFAS 6 recognizes that period-by-period cost allocation and allocation of period costs to outputs is not relevant. The standards provide for a new type of reporting. SFFAS 8, Supplementary Stewardship Reporting, requires that information on Stewardship PP&E be reported in a manner highlighting their long-term-benefit nature and demonstrates accountability over them. Depending on the nature of PP&E, stewardship reporting could consist of financial and non-financial data. Deferred maintenance reporting will also apply to these categories.

[1] SFFAS 6 will become effective for Fiscal Year 1998, although earlier implementation is encouraged.

Appendix Six

RISK MANAGEMENT IN THE PROCUREMENT PHASE

Risk management is an organized method of identifying and measuring risk and developing, selecting, and managing options for handling these risks. There are several types of risk an agency should consider as part of risk management. The types of risk include:

- schedule risk;
- cost risk;
- technical feasibility;
- risk of technical obsolescence;
- dependencies between a new project and other projects or systems (e.g., closed architectures); and
- risk of creating a monopoly for future procurement

Risk management is the responsibility of everyone on the integrated project team. It implies control of possible future events, and is proactive rather than reactive. There are four elements of risk management.

1. *Risk Assessment*. The first step in risk management is to identify and assess all potential risk areas. A risk area is any part of a project where there is an uncertainty regarding future events that could have a detrimental effect on meeting the program goal. Risk assessment continues throughout the life cycle of a program. As the program progresses, previous uncertainties will become known and new uncertainties will arise.

2. *Risk Analysis*. Once risks are identified, each risk should be characterized as to the likelihood of its occurrence and the severity of potential consequences. Risk analysis will result in a "watch list" of potential areas of risk. The watch list may identify early warning signs that a problem is going to arise. As in risk assessment, risk analysis continues through the life cycle of the program; the watch list can be updated as appropriate.

3. *Risk Treatment*. After a risk has been assessed and analyzed, the agency should consider what to do about it. Alternatives include:

   - Transfer. The Agency may transfer the risk to the contractor or some third party. It may be appropriate to transfer the risk to the contractor when it is in the best position to exercise effective control. At other times it may be more appropriate to transfer the risk to a third party (e.g., bonding, insurance).

   - Avoidance. When looking at the risks in various solutions to an agency's requirements, the program manager may determine that the risks of any particular solution are so great that the solution should be removed from further consideration.

- Reduction. Another method for dealing with the risk is to take the necessary measures to minimize the likelihood that it will occur, minimize the damage to program goals should it occur (e.g., contingency plans), or both.

- Assumption. The agency may chose to assume the risk if it is in the best position to exercise effective control, the probability of risk is small, or the potential damage is either minimal or too great for the contractor to bear. The decision should depend on whether the expected benefits of the project exceed the expected costs by enough to compensate the agency for assuming the risk. It may assume the risk through indemnification, differing site conditions clause, etc. As long as the program manager has done appropriate risk analysis and understands the situation, the Agency may take the programmatic equivalent of a "I'll cross that bridge when I come to it" position. Effective risk management makes assumption of the risk a conscious decision rather than an oversight.

- Sharing. When the risk cannot be appropriately transferred -- nor is it in the best interest of the agency to assume the risk -- the agency and contractor may share the risk. Such shared risks require extensive monitoring.

4. *Lessons Learned*. After encountering problems on a program, the acquisition team should document any warning signs that, with hindsight, preceded the problem, what approach was taken, and what the outcome was. This will not only help future acquisitions, but could help identify recurring problems on existing programs.

PRINCIPLES OF BUDGETING AND CAPITAL ASSET ACQUISITIONS

Introduction and Summary

The following principles address planning, costs and benefits, financing, and risk management requirements that should be satisfied before a proposal for the acquisition of capital assets can be included in the President's FY1998 Budget. The principles are organized in the following four sections:

A. ***Planning***. This section focuses on the need to ensure that capital assets support core/priority missions of the agency; the assets have demonstrated a projected return on investment that is clearly equal to or better than alternative uses of available public resources; the risk associated with the assets is understood and managed at all stages; and the acquisition is implemented in phased, successive segments, unless it can be demonstrated that there are significant economies of scale at acceptable risk from funding more than one segment or there are multiple units that need to be acquired at the same time.

B. ***Costs and Benefits***. This section emphasizes that the asset should be justified primarily by benefit cost analysis, including life-cycle costs; that all costs are understood in advance; and that cost, schedule, and performance goals are shown using an earned value management system or similar system.

C. ***Principles of Financing***. This section stresses that useful segments are to be fully funded upfront with regular or advance appropriations or both, enforced by a proposed new scorekeeping rule in the Budget Enforcement Act if the discretionary caps are extended; that as a general rule, planning segments should be financed separately from the procurement of a useful asset; and that agencies are encouraged to aggregate assets in capital acquisition accounts and take other steps to accommodate lumpiness or "spikes" in funding for justified acquisitions.

D. ***Risk Management***. This section is to help ensure risk management in the acquisition of the asset. Strategies to help ensure risk management can include separate accounts for capital asset acquisitions and the use of apportionment to encourage sound management. In addition cost, schedule, and performance goals are to be controlled and monitored by using an earned value management system or a similar system; and if progress toward these goals is not met there is a formal review process to evaluate whether the acquisition should continue or be terminated.

A. Planning

Investments in major capital assets proposed for funding in the President's budget should:

1. support core/priority mission functions that need to be performed by the Federal Government;

2. be undertaken by the requesting agency because no alternative private sector or governmental source can support the function more efficiently;

3. support work processes that have been simplified or otherwise redesigned to reduce costs, improve effectiveness, and make maximum use of commercial, off-the-shelf technology;

4. demonstrate a projected return on the investment that is clearly equal to or better than alternative uses of available public resources. Return may include: improved mission performance in accordance with measures developed pursuant to the Government Performance and Results Act; reduced cost; increased quality, speed, or flexibility; and increased customer and employee satisfaction. Return should be adjusted for such risk factors as the project's technical complexity, the agency's management capacity, the likelihood of cost overruns, and the consequences of under-or non-performance.

5. for information technology investments, be consistent with Federal, agency, and bureau information architectures which: integrate agency work processes and information flows with technology to achieve the agency's strategic goals; reflect the agency's technology vision and year 2000 compliance plan; and specify standards that enable information exchange and resource sharing, while retaining flexibility in the choice of suppliers and in the design of local work processes;

6. reduce risk by: avoiding or isolating custom-designed components to minimize the potential adverse consequences on the overall project; using fully tested pilots, simulations, or prototype implementations when necessary before going to production; establishing clear measures and risk management for project progress; and, securing substantial involvement and buy-in throughout the project from the program officials who will use the system;

7. be implemented in phased, successive segments as narrow in scope and brief in duration as practicable, each of which solves a specific part of an overall mission problem and delivers a measurable net benefit independent of future segments, unless it can be demonstrated that there are significant economies of scale at acceptable risk from funding more than one segment or there are multiple units that need to be acquired at the same time; and

8. employ an acquisition strategy that appropriately allocates risk between government and contractor, effectively uses competition, ties contract payments to accomplishments, and takes maximum advantage of commercial technology.

Prototypes require the same justification as other capital assets.

As a general presumption, OMB will recommend new or continued funding only for those capital asset investments that satisfy these criteria. Funding for those projects will be recommended on a phased basis by segment, unless it can be demonstrated that there are significant economies of scale at acceptable risk from funding more than one segment or there are multiple units that need to be acquired at the same time. (For more information, see the discussion of "economically and

programmatically separable segments," in OMB Circular A-11, *Planning, Budgeting and Acquisition of Fixed Assets*, July 1996.)

OMB recognizes that many agencies are in the middle of ongoing projects, and they may not be able immediately to satisfy the criteria. For those projects that do not satisfy the criteria, OMB will consider requests to use FY1997 and FY1998 funds to finance additional planning, as necessary, to support the establishment of realistic cost, schedule, and performance goals for the completion of the project. This planning could include: the redesign of work processes, the evaluation of alternative solutions, the development of information system architectures, and, if necessary, the purchase and evaluation of prototypes. Realistic goals are necessary for agency portfolio analysis to determine the viability of the project, to provide the basis for fully funding the project to completion, and setting the baseline for management to deliver the project within pre-establihsed goals.

Because OMB considers this information essential to agencies' long-term success, OMB will use this information both in preparing the FY1998 President's budget and, in conjunction with cost, schedule, and performance data, as apportionments are made. Agencies are encouraged to work with their OMB representative to arrive at a mutually satisfactory process, format, and timetable for providing the requested information.

B. Costs and Benefits

The justification of the project should evaluate the extent to which the project meets the above criteria and should also include:

1. an analysis of the project's total life-cycle costs and benefits, including the total budget authority required for the asset, consistent with policies described in OMB Circular A-94: *Guidelines and Discount Rates for Benefit-Cost Analysis of Federal Programs* (October 1992);

2. an analysis of the risk of the project including how risks will be isolated, minimized, monitored, and controlled, and, for major programs, an evaluation and estimate by the Chief Financial Officer of the probability of achieving the proposed goals;

3. if, after the Planning Phase, the procurement is proposed for funding in segments, an analysis showing that the proposed segment is economically and programmatically justified --that is, it is programmatically useful if no further investments are funded, and in this application its benefits exceed its costs; and

4. show cost, schedule, and performance goals for the project (or the useful segment being proposed) that can be measured throughout the acquisition process using an earned value management system or similar system. Earned value is described in OMB Circular A-11, *Planning, Budgeting and Acquisition of Fixed Assets*, (July 1996), Appendix 300C.

C. Principles of Financing

Principle 1. Full Funding

Budget authority sufficient to complete a useful segment of a project (or the entire project, if it is not divisible into useful segments) must be appropriated before any obligations for the useful segment (or project) may be incurred.

- *Enforcement*. If the discretionary caps are extended, a new BEA scorekeeping rule will be proposed to enforce this principle. The BEA language will say:

  > "An appropriations act that provides only partial funding for a useful segment will be scored for the estimated total budget authority for the useful segment in the fiscal year in which the partial funding is provided, unless the appropriation language clearly prohibits obligations from being incurred until complete funding for the useful segment is provided.

  A useful segment is defined as a component of a project that provides either:

  - information that allows the agency to plan the project, develop the design, and assess the benefits, costs, and risks before proceeding to full acquisition of the useful asset (or canceling the acquisition). This information comes from activities, or planning segments, that include but are not limited to market research of available solutions, architectural drawings, geological studies, engineering and design studies, and prototypes; or

  - a useful asset for which the benefits exceed the costs even if no further funding is appropriated."

- *Explanation*. Good budgeting requires that appropriations for the full costs of asset acquisition be provided up front to help ensure that all costs and benefits are fully taken into account at the time decisions are made to provide resources. Full upfront funding with regular appropriations also leads to tradeoffs within the budget year with spending for other capital assets and with spending for purposes other than capital assets. Full upfront funding increases the opportunity to use performance-based fixed price contracts, allows for more efficient work planning and management of the project, and improves risk management for the achievement of the baseline goals.

  When full upfront funding is not followed and projects or useful segments are funded in increments, without certainty if or when future funding will be available, the result is sometimes poor planning, acquisition of assets not fully justified, higher acquisition costs, cancellation of major projects, the loss of sunk costs, or inadequate funding to maintain and operate the assets.

Principle 2. Regular and Advance Appropriations

Regular appropriations for the full funding of a project or a useful segment in the budget year are preferred. If this results in spikes that, in the judgment of OMB, cannot be accommodated by the agency or the Congress, a combination of regular and advance appropriations that together provide full funding for a project or a useful segment should be proposed in the budget.

- *Explanation*. Principle 1 (Full funding) is met as long as a combination of regular and advance appropriations provide budget authority sufficient to complete the project or useful segment. Full funding in the budget year with regular appropriations alone is preferred because they lead to tradeoffs within the budget year with spending for other capital assets and with spending for purposes other than capital assets. In contrast, advance appropriations may bias tradeoffs in the initial year in favor of the proposed asset compared to other capital assets and other spending funded with regular appropriations. Advance appropriations may also avoid tradeoffs with appropriations in subsequent years because most appropriations for those years are not yet proposed or under review.

  If, however, the lumpiness caused by regular appropriations cannot be accommodated within an agency or Appropriations Subcommittee, advance appropriations can ameliorate that problem while still providing that all of the budget authority is enacted in advance for the project or useful segment. The latter helps ensure that agencies develop appropriate plans and budgets and that all costs and benefits are identified prior to providing resources. In addition, amounts of advance appropriations can be matched to funding requirements for completing natural components of the useful segment. Advance appropriations have the same benefits as regular appropriations for improved planning, management, and risk management of the project.

Principle 3. Separate Funding of Planning Segments

As a general rule, planning segments should be financed separately from the procurement of a useful asset.

- *Explanation*. The agency must have information that allows it to plan the project, develop the design, and assess the benefits, costs, and risks before proceeding to procurement of the useful asset. This is especially important for high risk acquisitions. This information comes from activities, or planning segments, that include but are not limited to market research of available solutions, architectural drawings, geological studies, engineering and design studies, and prototypes. The development or construction of a prototype, because of its cost and risk, should be justified and planned as carefully as the project itself. The process of gathering information for a project may consist of one or more planning segments, depending on the nature of the asset. Funding these segments separately will help ensure that the necessary information is available to establish cost, schedule, and performance goals before proceeding to procurement.

If budget authority for planning segments and procurement of the useful asset are enacted together, OMB may wish to apportion budget authority for one or several planning segments separately from procurement of the useful asset.

Principle 4. Accommodation of Lumpiness or "Spikes" and Separate Capital Acquisition Accounts

To accommodate lumpiness or "spikes" in funding justified acquisitions, agencies, working with OMB, are encouraged to aggregate financing for capital asset acquisitions in one or several separate capital acquisition budget accounts within the agency, to the extent possible within the agency's total budget request.

- *Explanation* Large, temporary, year-to-year increases in budget authority, sometimes called lumps or spikes, may create a bias against the acquisition of justified capital assets. Agencies, working with OMB, should seek ways to avoid this bias and accommodate such spikes for justified acquisitions. Aggregation of capital acquisitions in separate accounts may:

  - reduce spikes within an agency or bureau by providing roughly the same level of spending for acquisitions each year;

  - help to identify the source of spikes and to explain them. People can understand that capital acquisitions are more lumpy than operating expenses; and with a capital acquisition account, they can be assured that an increase in operating expenses is not being hidden and attributed to one-time asset purchases;

  - reduce the pressure for capital spikes to crowd out operating expenses; and

  - improve justification and make proposals easier to evaluate, since capital acquisitions are generally analyzed in a different manner than operating expenses (e.g., they have a longer time horizon of benefits and life-cycle costs).

D. Risk Management

The project cost, schedule and performance goals established through the Planning Phase of the project are the basis for approval to procure the asset. During the Procurement Phase performance-based management systems must be used to provide contractor and government management visibility on the achievement of, or deviation from, goals until the asset is accepted and operational.

If goals are not being met, performance-based management systems allow for early identification of problems, potential corrective actions, and changes to the original goals needed to complete the project and necessary for agency portfolio analysis decisions. These systems also allow for Administration decisions to recommend meaningful modifications for increased funding to the

Congress, or termination of the project, based on its revised expected return on investment in comparison to alternative uses of the funds. Agencies must ensure that the necessary acquisition strategies are implemented to reduce the risk of cost escalation and the risk of failure to achieve schedule and performance goals. These strategies may include:

1. having budget authority appropriated in separate capital asset acquisition accounts;

2. apportioning budget authority for a useful segment;

3. establishing thresholds for cost, schedule, and performance goals of the acquisition, including return on investment, which if not met may result in cancellation of the acquisition;

4 selecting types of contracts and pricing mechanisms that are efficient and that provide incentives to contractors in order to allocate risk appropriately between the contractor and the government;

5. monitoring cost, schedule, and performance goals for the project (or the useful segment being proposed) using an earned value management system or similar system. Earned value is described in OMB Circular A-11, *Planning, Budgeting and Acquisition of Fixed Assets* (July 1996), Appendix 300C; and

6. if progress is not within 90 percent of goals, or if new information is available that would indicate a greater return on investment from alternative uses of funds, institute senior management review of the project through portfolio analysis to determine the continued viability of the project with modifications, or the termination of the project, and the start of exploration for alternative solutions if it is necessary to fill a gap in agency strategic goals and objectives.

Appendix Eight

ALTERNATIVE COMPETITIONS AND OMB CIRCULAR A-76

The August 1983 Office of Management and Budget (OMB) Circular No. A-76, *Performance of Commercial Activities*, and its March 1996 *Revised Supplemental Handbook* establish Federal policy for the performance of recurring commercial activities. The Circular provides guidance and procedures for determining whether recurring commercial activities should be provided through contracts with commercial sources, through in-house resources using Government facilities, equipment and personnel, or through interservice support agreements (ISSAs) with other Federal or State and local agencies.

Americans want to know that they are "getting their money's worth" and want a Government that is more businesslike and better managed. The reinvention of Government begins by focusing on core mission competencies and support service requirements. Thus, the reinvention process must consider a wide range of alternatives to continued capital investment, including: the consolidation, restructuring or reengineering of activities, privatization options, make or buy decisions, joint ventures with the private sector, the possible devolution of activities to other Federal, State or local agencies and the termination of obsolete services or programs. Circular A-76 provides a minimum level of analytic rigor for the evaluation of these alternatives. It is designed to: (1) balance the interests of the parties, (2) provide a level playing field between public and private offerors, and (3) encourage competition and customer choice.

Generally, agencies will conduct cost comparisons when activities do not meet established performance standards, when agencies believe fair and reasonable prices cannot be obtained from qualified commercial sources, or as otherwise provided to permit the conversion of work to or from in-house, contract or interservice support agreement (ISSA) performance. The Circular requires a cost comparison whenever an expansion, modernization, replacement, upgrading or the enlargement of an in-house commercial activity or capability is being considered.

The cost comparison process, like the capital planning process discussed herein, consists of six major components. They are: (1) the development of a Performance Work Statement (PWS); (2) the performance of a market and a management study to determine the Government's Most Efficient Organization (MEO); (3) the development of in-house Government cost estimates; (4) issuance of the Request for Proposal (RFP) or Invitation for Bid (IFB); (5) the comparison of the in-house bid against a proposed contract or ISSA offer, and (6) the Administrative Appeal Process, which is designed to assure that all costs entered on the Cost Comparison Form (CCF) are fair and accurate.

Appropriations. An appropriation provides budget authority that permits the Government to incur obligations that result in immediate or future outlays of Government funds.

- **Regular annual appropriations.** These appropriations are:
  - *enacted* normally in the current year;
  - *scored* entirely in the budget year; and
  - *available for obligation* in the budget year and subsequent years if specified in the language. (See "Availability," below.)

- **Advance appropriations.** Advance appropriations may be accompanied by regular annual appropriations to provide funds available for obligation in the budget year as well as subsequent years. Advance appropriations are:
  - *enacted* normally in the current year;
  - *scored* after the budget year (e.g., in each of one, two, or more later years, depending on the language); and
  - *available for obligation* in the year scored and subsequent years if specified in the language. (See "Availability," below.)

Availability. Appropriations made in appropriations acts are available for obligation only in the budget year unless the language specifies that an appropriation is available for a longer period. If the language specifies that the funds are to remain available until the end of a certain year beyond the budget year, the availability is said to be "multi-year." If the language specifies that the funds are to remain available until expended, the availability is said to be "no-year." Appropriations for major procurements and construction projects are typically made available for multiple years or until expended.

Assets. Tangible or intangible items owned by the Federal Government which would have probable economic benefits that can be obtained or controlled by a Federal entity (adapted from *Financial Accounting Standards Board, Statement of Concepts* No. 6, and *Elements of Financial Statements, and Kohler's Dictionary for Accounting*).

Baseline Goals. Baseline cost, schedule, and performance goals will be the standard against which actual work is measured. They will be the basis for the annual report to the Congress required by FASA (Title V) on variances of 10 percent or more from cost and schedule goals and any deviation from performance goals. The goals, and any changes to the goals, must be approved by OMB.

1. *Cost and schedule goals.* The baseline cost and schedule goals should be realistic projections of total cost, total time to complete the project, and interim cost and schedule goals. The interim cost and schedule goals should be based on the value of work performed or a comparable concept. Appendix Four illustrates the earned value concept for establishing cost and schedule goals, one of several concepts that could be used.

2. *Performance goals*. The performance goals should be realistic assessments of what the acquisition is intended to accomplish, expressed in quantitative terms if possible. For example, an illustrative performance goal may be that the asset will allow the agency to process, on average, 1,000 units of work per month.

3. *Illustrative major milestones in establishing goals*. Illustrative major milestones in establishing or proposing revised baseline goals could be:

- agency mission analysis, process design, and requirements development;
- agency submission and justification to OMB;
- approval for inclusion in the Administration's budget proposal to Congress;
- enactment of appropriations;
- before and after the contract or contracts are signed; and
- other times after the contracts are signed, depending on circumstances.

Budget Authority. Budget Authority (BA) is the authority provided by Federal law to incur financial obligations that will result in outlays.[2] Most budget authority for acquisitions is in the form of appropriations; other types are contract authority, authority to borrow, and spending authority from offsetting collections.[3]

Capital assets. See Appendix One

Commercially Available Off-The-Shelf (COTS) Item. Any item, other than real property, that is of a type customarily used by the general public for nongovernmental purposes, and that has been sold, leased, or licensed to the general public; is sold, leased, or licensed in substantial quantities in the commercial marketplace; and is offered to the Government, without modification, in the same form in which it is sold, leased, or licensed in the commercial marketplace.

Cost. Defined in SFFAC No. 1, *Objectives of Federal Financial Reporting*, as the monetary value of resources used. Defined more specifically in SFFAS No. 4, *Mangerial Cost Accounting Concepts and Standards for the Federal Government*, as the monetary value of resources used or sacrificed or liabilities incurred to achieve an objective, such as to acquire or produce a good or to perform an activity or service. Depending on the nature of the transaction, cost may be charged to operations immediately (i.e., recognized as an expense of the period) or to an asset account for recognition as an expense of subsequent periods. In most contexts within *Accounting for Revenue and Other Financing Sources*, "cost" is used synonymously with expense. See also, "Full Cost."

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2 This is consistent with the definition of budget authority contained in Section 3(2) of the Congressional Budget and Impoundment Control Act of 1974, as amended by the Omnibus Budget and Reconciliation Act of 1990.

3 OMB Circular A-11 Section 14.2 (b) explains BA in more detail.

Full Cost. All direct and indirect costs to any part of the Federal Government of providing goods, resources, and services (OMB Circular A-25). The total amount of resources used to produce the output. More specifically, the full cost of an output produced by a responsibility segment is the sum of (1) the costs of resources consumed by the responsibility segment that directly or indirectly contribute to the output, and (2) the costs of identifiable supporting services provided by other responsibility segments within the reporting entity and by other reporting entities (SFFAS No. 4 *Managerial Cost Accounting Concepts and Standards for the Federal Government*).

Full Funding and Incremental Funding

- **Full funding**. Appropriations -- regular appropriations or advance appropriations -- are enacted that are sufficient in total to complete a useful segment, before any obligations may be incurred for that segment. Full funding for an entire project is required if the project cannot be divided into more than one useful segment. If the asset can be divided into more than one useful segment, full funding for a project may be desirable, but is not required to constitute full funding.

- **Incremental (partial) funding**: Appropriations -- regular appropriations or advance appropriations -- are enacted for part of a useful segment, if the project has useful segments; or for part of the project as a whole, if it is not divisible into useful segments. Under incremental funding, the funds could be obligated to start the segment (or project) despite the fact that they are insufficient to complete a useful segment or project.

Information Technology. Section 5002 (3) of ITMRA defines information technology as:

"(3) INFORMATION TECHNOLOGY. (A) The term 'information technology,' with respect to an executive agency means any equipment or interconnected system or subsystem of equipment, that is used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information by the executive agency. For purposes of the preceding sentence, equipment is used by an executive agency if the equipment is used by an executive agency directly or is used by a contractor under a contract with the executive agency which (i) requires the use of such equipment, or (ii) requires the use, to a significant extent, of such equipment in the performance of a service or the furnishing of a product.

(B) the term 'information technology' includes computers, ancillary equipment, software, firmware and similar procedures, services (including support services), and related resources.
C) Notwithstanding subparagraphs (A) and (B), the term 'information technology' does not include any equipment that is acquired by a Federal contractor incidental to a Federal contract."

Information Technology Systems for National Security. Section 5142 of ITMRA defines a national security system as the following:

"(a) DEFINITION. In this subtitle, the term 'national security system' means any telecommunications or information system operated by the United States Government, the function, operation, or use of which:

1. involves intelligence activities;
2. involves cryptologic activities related to national security;
3. involves command and control of military forces;
4. involves equipment that is an integral part of a weapon or weapons system;
5. subject to subsection (b), is critical to the direct fulfillment of military intelligence missions.

(b) LIMITATION. Subsection (a)(5) does not include a system that is to be used for routine administrative and business applications (including payroll, finance, logistics, and personnel management applications)."

Life-cycle Costs. Life-cycle costs of the asset are all direct and indirect initial costs, including planning and other costs or procurement; all periodic or continuing costs of operation and maintenance; and costs of decommissioning and disposal.

Non-developmental item (NDI). Any previously developed item of supply used exclusively for governmental purposes by a Federal agency, a State, or local government that requires only minor modifications or modifications of a type customarily available in the commercial marketplace.

Outlay. The issuance of checks, disbursement of cash, or electronic transfer of funds made to liquidate a Federal obligation. Outlays also occur when interest on the Treasury debt held by the public accrues and when the Government issues bonds, notes, debentures, monetary credits, or other cash-equivalent instruments in order to liquidate obligations. Also, under credit reform, the credit subsidy cost is recorded as an outlay when a direct or guaranteeed loan is disbursed (GAO Budget Glossary).

Output. A tabulation, calculation, or recording of activity or effort that can be expressed in a quantitative or qualitative manner. They shall have two key characteristics: 1) they shall be periodically or systematically captured through an accounting or management information system, and 2) there shall be a logical connection between the reported measures and the program's mission, goals, and objectives.

Performance Measurement. A means of evaluating efficiency, effectiveness, and results. Performance measurement should include program accomplishments in terms of outputs (quantity of products or services provided) and outcomes (results of providing outputs in terms of effectively meeting intended agency mission objectives.

Support Costs. Costs of activities not directly associated with production. Typical examples are the costs of automation support, communications, postage, process engineering, and purchasing.

Total Project and Useful Segments. The total project includes useful segments that are either information segments or useful assets. A useful segment of the project provides one of the following:

- **Information**. An information segment provides information that allows the agency to plan the project, develop the design, and assess the benefits, costs, and risks before proceeding to full acquisition of the useful asset (or canceling the acquisition). This information comes from activities, or information segments, that include but are not limited to architectural drawings, geological studies, engineering and design studies, and prototypes. The process of gathering information for a project may consist of one or more information segments, depending on the nature of the asset. If the project includes a prototype that is large or complex, the prototype may itself be one segment or may be divisible into more than one.

- **Useful asset**. A useful asset is an economically and programmatically separate segment of the asset procurement stage of the project that provides an asset for which the benefits exceed the costs, even if no further funding is appropriated. The total fixed asset procurement may include one or more useful assets, although it may not be possible to divide all procurements in this way. Illustrations follow:

  Illustration 1. If construction of a building meets justification criteria and has benefits greater than costs without further investment, the construction of that building is a "useful segment." Excavation is not a useful segment because no useful asset results from the excavation alone if no further funding becomes available. For a campus of several buildings, a useful segment is one complete building if that building has programmatic benefits that exceed its costs regardless of whether the other buildings are constructed, even though the building may not be at its maximum use.

  Illustration 2. If the full acquisition is for several items (e.g., aircraft), the useful segment would be the number of complete aircraft required to achieve benefits that exceed costs even if no further funding becomes available. In contrast, some portion of several aircraft (e.g., engines for five aircraft) would not be a useful segment if no further funding is available. Nor would one aircraft be a useful segment if two or more are required for benefits to exceed costs.

  Illustration 3. For information technology, a module (the information technology equivalent of "useful segment") is separable if it is useful in itself without subsequent modules. The module should be designed so that it can be enhanced or integrated with subsequent modules if future funding becomes available.

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Appendix 5

APPENDIX 5-1

U.S. Department of Energy

Washington, D.C.

PAGE CHANGE

DOE 4300.1C Chg 1

6-13-94

SUBJECT: REAL PROPERTY MANAGEMENT

1. PURPOSE. This directive transmits revised pages to Chapter I. "Acquisitions," DOE 4300.1C.

2. EXPLANATION OF CHANGE. Chapter I, paragraph 7, of DOE 4300.1C, has been revised to streamline the contractor leasing process.

3. FILING INSTRUCTIONS.

a.

Remove Page	Dated	Insert Page	Dated
i and ii	6-28-92	i	6-13-94
		ii	6-28-92
I-21 thru I-41 (and I-42)	6-28-92	I-21 thru I-26	6-13-94
		I-27	6-13-94
		I-28	6-28-92
		I-29 thru I-39 (and I-40)	6-13-94
		I-41 thru I-47 (and I-48)	6-28-92

b. After filing the attached pages, this transmittal may be discarded.

BY ORDER OF THE SECRETARY OF ENERGY:

ARCHER L. DURHAM
Assistant Secretary for
Human Resources and Administration

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All Departmental Elements

INITIATED BY:

Office of Field Management

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U.S. Department of Energy

Washington, D.C.

ORDER

DOE 4300.1C

6-28-92

SUBJECT: REAL PROPERTY MANAGEMENT

1. PURPOSE. To establish Departmentwide policies and procedures for the acquisition, use, inventory, and disposal of real property or interests therein.

2. CANCELLATION. DOE 4300.1B, REAL PROPERTY MANAGEMENT (formerly REAL PROPERTY MANAGEMENT AND SITE DEVELOPMENT PLANNING, of 7-1-87); title changed by Change 1 of 2-7-91.

3. SCOPE. The provisions of this Order apply to all Departmental Elements, except as otherwise provided by statute or by specific delegation of authority from the Secretary of Energy, and all contractors and subcontractors performing work for the Department whose contract may involve the acquisition, use, or disposal of real property or interests therein, and where the contractor will be reimbursed for the cost.

4. REFERENCES. The following references are useful or necessary to perform the functions covered by this Order. There are additional historical references included in the text for general information or for research purposes.

   a. DOE 4330.2C, IN-HOUSE ENERGY MANAGEMENT, of 3-23-88, which prescribes policies, procedures, and plans for energy management at all Department of Energy (DOE) sites.

   b. DOE 4320.1B, SITE DEVELOPMENT PLANNING, of 1-7-91, which establishes procedures for planning development at DOE sites.

   c. DOE 4330.4A, MAINTENANCE MANAGEMENT PROGRAM, of 10-17-90, which establishes policies, procedures, and plans for real property maintenance management at all DOE sites.

   d. "Real Property Inventory System Reference Manual," with change material of 3-90, which provides instructions on the operation of the Automated Inventory System.

   e. DOE LEASING HANDBOOK, OF 6-90, which provides a source of information and guidance for planning, acquiring, and managing leasehold workspace to meet DOE needs.

5. APPLICABILITY.

   a. This Order applies to acquisition, use, inventory, or disposal of all Departmental real property or interests therein.

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Office of Organization, Resources and Facilities Management

b. This Order does not apply to space obtained through the General Services Administration (GSA) within the National Capital Region.

c. The Bonneville Power Administration (BPA) acquires and manages real property under authority derived from the Bonneville Project Act, the Federal Columbia River Transportation Act, and the Pacific Northwest Electric Power Planning and Conservation Act. The Administrator exercises these authorities independent of the provisions of this Order and consistent with prudent utility practices in a multi-utility system environment, and its ratepayer accountability. The Secretary of Energy, through this Order, establishes the general principles and policies for real property management, which policies serve as a guide for BPA in the execution of its real property program.

6. POLICY. It is the policy of the Department that:

a. All real property holdings shall be planned, developed, and managed efficiently, economically and safely, and in compliance with all applicable rules and regulations governing real property;

b. The acquisition, development, utilization, and disposal of facilities and land at all major DOE sites will be in accordance with an approved Site Development Plan. This development plan is meant to include the rehabilitation of, major modification of, or additions to existing facilities;

c. Only real property essential to the mission of the Department shall be acquired;

d. All real property holdings shall be utilized effectively; and

e. All unneeded real property shall be disposed of promptly.

7. DEFINITIONS. Definitions are contained in Attachment 1.

8. RESPONSIBILITIES AND AUTHORITIES.

a. The Secretary or Designee.

(1) Authorizes actions to acquire title to or interests in real property by condemnation.

(2) Acting through the Director, Office of Organization, Resources and Facilities Management, or designee, establishes principles and policies relating to inventory, acquisition, use, and disposition of real property owned or controlled by the Department.

b. Director, Office of Organization, Resources and Facilities Management (AD-10).

(1) Serves as the Department's official point of contact relating to inventory, acquisition, use, or disposal of real property.

(2) Coordinates and establishes procedures to implement policies and principles relating to the inventory, acquisition, use, and disposition of real property owned or controlled by DOE.

(3) Formulates and establishes criteria relating to the quantification of need for, and method of, acquisition of real property.

(4) Cooperates with Headquarters Elements in the review and approval of studies submitted to Headquarters justifying the need for real property including land improvements.

(5) As part of the overall budget process, makes recommendations to the Secretary regarding compliance with this Order for all real property actions.

(6) Maintains an inventory of real property owned, leased, or controlled by DOE and for Departmental projects by its contractors.

(7) Provides real property reports to the Office of Management and Budget (OMB), GSA, and other Federal agencies, as required.

(8) Reviews, comments on, and implements, as appropriate, OMB issuances, Federal Property Management Regulations (FPMR), Executive orders, and legislation which affect the real property responsibilities of the Director, Office of Organization, Resources and Facilities Management.

(9) Designates representatives to serve on various interagency committees and task forces pertaining to the real property and facilities management areas of responsibility of the Director, Office of Organization, Resources and Facilities Management.

(10) Maintains liaison with OMB, the General Accounting Office, GSA, Department of Justice, and other Federal agencies concerning real property matters as they relate to the responsibilities of the Director, Office of Organization, Resources and Facilities Management.

(11) Acting through the Chief, Real Property Branch (AD-141), reviews real property management programs of PSO or his/her designee not

less than once every 3 years to determine compliance with this Order.

(12) Acting through the Chief, Real Property Branch (AD-141), issues certificates redelegating to program officials in Headquarters or to field elements the authority for real property transactions as specified in Chapter IX, "Delegations of Authority," of this Order.

(13) When deemed appropriate, issues policy directives or memoranda necessary to clarify this Order and grants exception or modifications to the requirements of this Order.

c. Program Senior Officials (PSO) or Designees.

(1) Review and recommend to the Chief, Real Property Branch, approval or disapproval of the documented studies justifying the need for acquisition of non-DOE-controlled real property.

(2) Assure that documented studies and proposals to acquire real property and continuing plans for utilization of Government-owned or -controlled real property are made with full consideration of economy, efficiency, programmatic needs (both current and future), and all applicable laws and regulations.

(3) Ensure that all reports and information disseminated are consistent with the information contained in the Real Property Inventory System 2 (RPIS2) maintained by the Director, Office of Organization, Resources and Facilities Management.

(4) Administer procedures, as set forth by the Director, Office of Organization, Resources and Facilities Management, relating to real property activities under their cognizance.

(5) Must approve all real property actions prior to authorization by or execution by a certified real property representative.

(6) Implement authorized real property actions.

(7) Review contractor practices relating to the acquisition and management of real property for conformity with this Order, including assurance that continuing plans for utilization of Department-owned, -controlled, or -leased real property are made with consideration of economy, efficiency, and programmatic need for the work to be done.

less than once every 3 years to determine compliance with this Order.

(12) Acting through the Chief, Real Property Branch (AD-141), issues certificates redelegating to program officials in Headquarters or to field elements the authority for real property transactions as specified in Chapter IX, "Delegations of Authority," of this Order.

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(3) Ensure that all reports and information disseminated are consistent with the information contained in the Real Property Inventory System 2 (RPIS2) maintained by the Director, Office of Organization, Resources and Facilities Management.

(4) Administer procedures, as set forth by the Director, Office of Organization, Resources and Facilities Management, relating to real property activities under their cognizance.

(5) Must approve all real property actions prior to authorization by or execution by a certified real property representative.

(6) Implement authorized real property actions.

(7) Review contractor practices relating to the acquisition and management of real property for conformity with this Order, including assurance that continuing plans for utilization of Department-owned, -controlled, or -leased real property are made with consideration of economy, efficiency, and programmatic need for the work to be done.

PLANNING, of 1-7-91, prior to the effective date of this Order as amended, are hereby confirmed and ratified and shall remain in full force and effect unless or until rescinded, amended, superseded, or terminated.

10. PROCEDURES.

a. Detailed implementing procedures are contained in the appropriate chapters of this Order.

b. Questions regarding this Order should be directed to the Chief, Real Property Branch, Office of Organization, Resources and Facilities Management (AD-141).

BY ORDER OF THE SECRETARY OF ENERGY:

DOLORES L. ROZZI
Director of Administration
and Human Resource Management

DEFINITIONS

1. ABANDONMENT IN PLACE is the discontinued use of a facility without physical removal. Such abandonment must be documented to show conformance with 41 CFR 101-47.5, Abandonment, Destruction, or Donation to Public Bodies.

2. ACQUIRED LAND is land obtained from public or private sources, but excludes land withdrawn from public domain.

3. ANNEXATION is a proceeding, instituted by a municipality, to include Federal lands in its corporate limits.

4. AREA is a portion of a site. This term is applicable at larger sites that have been segmented into "areas" for facilities planning or other purposes as opposed to a "special area," which is offsite. Example: The "300 Area" at Argonne National Laboratory (ANL), which is a portion of the ANL site devoted to primary research and development.

5. BUILDING is an improvement that is suitable for housing people, materials, and/or equipment, or which provides only partial protection from the weather, such as a shed.

6. CANCELLATION CLAUSE is a lease clause permitting cancellation of a lease agreement by one or both parties to the lease when certain specified conditions are met.

7. CADASTRAL RECORDS are official records that show quantity, ownership, and value of real property or the rights thereto.

8. CONDEMNATION is a judicial proceeding, initiated by the Government under its right of eminent domain, to take private property for public use.

9. CONTRACTING OFFICER is a Departmental official who is authorized to execute and administer contracts under delegated contract authority.

10. DECLARATION OF TAKING is a pleading filed in a court with a condemnation proceeding, whereby, with the deposit of just compensation, the interest in the property, as stated in the pleading, is vested at once in the Government.

11. DEED is a written instrument, whereby, title to real estate is transferred. Deeds are usually under seal and must be recorded.

12. DISPOSAL is permanent or temporary transfer of DOE control and custody of real property to a third party who, thereby, acquires rights to control, use, or relinquish the property.

13. DONATION (GIFT) is the voluntary transfer or conveyance of an interest in property without payment or consideration of any kind.

14. EASEMENT is the right to use land belonging to another for a specific purpose, with the owner retaining title. The owner's use is restricted to activities that will not interfere with the purposes for which the easement was granted.

15. EMINENT DOMAIN is the right of the Government to take private property for public use.

16. ENCUMBRANCE is a claim against property, such as an easement or a mortgage, which prevents transfer of ownership free and clear of any claims; however, it may be transferred or sold to another, subject to the outstanding claim or claims.

17. EXCESS REAL PROPERTY is land, improvements to land, or both, including interest therein, which is not required for the Department's needs or the discharge of its responsibilities.

18. FACILITY is a general term used to describe any or all types of fixed site improvements, including buildings, structures, and utilities.

19. FAIR MARKET VALUE is defined as the amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would be sold by a knowledgeable owner willing but not obligated to sell to a knowledgeable purchaser who desires but is not obligated to buy. In ascertaining that figure, consideration should be given to all matters that might be brought forward and reasonably be given substantial weight in bargaining by persons of ordinary prudence, but no consideration whatever should be given to matters not affecting market value.

20. FAIR RENTAL VALUE is the rental value under the proposed terms and conditions that the use of the real property commands in a competitive market.

21. FEDERAL LEGISLATIVE JURISDICTION is the power and authority of the Federal Government to legislate and exercise executive and judicial powers within defined areas.

22. FEE TITLE is full and unconditional ownership of surface, subsurface, and air rights. The words "fee" and "fee title" are used interchangeably.

23. FIELD ELEMENT is any officially established Departmental organization located outside the Washington, DC, Metropolitan Area.

24. FINAL JUDGMENT is the final order issued by the court in a legal action after all litigation is complete.

25. GENERAL PURPOSE SPACE is space in buildings and associated land under the assignment authority of GSA that GSA has found to be suitable for the interchangeable use of Federal agencies.

26. GRANTEE is the person to whom an interest in the real property interest is conveyed.

27. GRANTOR is the person conveying an interest in real property.

28. IMPROVEMENTS are buildings, structures, utility systems, transportation systems, and fixed equipment so attached to the building or structure as to become a part thereof, and which cannot be removed without damaging either the improvement or the property to which it is affixed.

29. JUST COMPENSATION is the monetary equivalent for the value of the property taken as determined by the court in condemnation proceedings.

30. LEASE is an agreement, which gives exclusive possessory interest in the property for a specified time, in exchange for payment of rent to the owner.

31. LICENSE is a privilege to use or pass over property for a specified purpose.

32. LIEN is a claim against the property to satisfy a debt.

33. METES AND BOUNDS is a description of the property in which boundaries are described by directions and distances from a point of beginning.

34. NOMINAL RENT is consideration in money or services of a token amount, usually $1.00 per annum. It denotes a consideration unrelated to the fair rental value of the leased property.

35. OPTION is an agreement in which a property owner gives the Government the right to acquire an interest in his or her property at a specified price within a specified time.

36. OUTGRANT is a right to use DOE real property by means of a lease, easement, license, or permit.

37. PROGRAM SECRETARIAL OFFICER is a Senior outlay program official and includes the Assistant Secretaries for Conservation and Renewable Energy; Nuclear Energy; Fossil Energy; Defense Programs; Environmental Restoration and Waste Management, and the Directors of Energy Research, Civilian Radioactive Waste Management, and New Production Reactors.

38. PERMIT is a temporary right of exclusive or nonexclusive use of real property. It is generally applicable to granting another Federal agency the right to use DOE property, or vice versa.

39. PUBLIC DOMAIN LAND is land that the United States acquired from another nation by treaty, conquest, or purchase, ownership of which has never left the United States. These lands are administered by the Department of the Interior.

40. QUITCLAIM DEED is an instrument that transfers any title, interest or claim the grantor may have in property, without a warranty that such title, interest, or claim is valid. Also known as a deed without warranty. It does not guarantee clear title and is not acceptable to convey property on which the Government intends to make permanent improvements.

41. REAL PROPERTY OR REAL ESTATE, for purposes of this Order, are synonymous. Real estate means land and anything permanently affixed to the land such as buildings, fences, and those things attached to buildings such as light fixtures, plumbing and heating fixtures, or other such items, which would be personal property if not attached.

42. REAL PROPERTY REPRESENTATIVE, or realty specialist, is the person designated by the Head of the Field Element as the contact with the Chief, Real Property Branch, and who will answer for the appropriateness of real property actions in that organizational element.

43. RELATED PERSONAL PROPERTY is any personal property, which is an integral part of real property or is related to, designed for, or specially adapted to the functional or productive capacity of the real property and whose removal would significantly diminish the economic value of the real property.

44. PERSONAL PROPERTY generally means movable items, which are not permanently affixed to or considered to be an integral part of the real property. Generally, but with exceptions, items remain personal property if they can be removed without serious injury either to the real property or to the items themselves.

45. RESTORATION is the act of restoring land and/or buildings to the condition in which it was received, less normal wear and tear.

46. RETROCESSION is the act of reverting back to a State the U.S. Government's legislative jurisdiction over property.

47. RIGHT OF ENTRY is the temporary right to enter upon property for a specified purpose without acquiring any real property or interest therein.

48. SCREENING is the process of circulating real property availability notices to determine if there is a requirement for use by another organization or agency.

49. STRUCTURE is any improvement that is not a building or a utility constructed on or in the land. Examples of structures include bridges, antenna towers, tanks, fixed cranes, roads, and sidewalks.

50. SURPLUS PROPERTY is excess property for which screening through other Federal agencies by GSA shows no Government requirement for the property.

51. TEMPORARY ACQUISITION OR TEMPORARY USE is the acquisition of less than an ownership title to real property for a definite period of time related to present and foreseeable Departmental requirements for real property in support of a particular program or project.

52. TITLE EVIDENCE is an analysis rendered by a title insurance company or other competent authority concerning the status of the legal title to a parcel of real property.

53. TITLE OPINION is, in the case of real property being acquired by the United States, the opinion of the Attorney General as to the efficacy of the Government's title to that property.

54. TOPOGRAPHIC MAP shows contour elevations at stated intervals along with natural features and geographic information.

55. UTILITY is a system, or any of its components, which generates and/or distributes (via pipelines, wires, buses, or electromagnetic waves) a commodity or service to itself and/or to other facilities.

56. WITHDRAWN LAND is public domain land that has been reserved by the Department of the Interior for use by a Federal agency for a specific purpose.

CHAPTER I

ACQUISITIONS

1. QUANTIFYING THE NEED.

a. The acquisition of real property is governed by Public Law 91-646. Prior to 1989, the various executive agencies adopted their own rules that would be followed in applying Public Law 91-646 to their specific programs; however, beginning in 1989, a single rule was adopted by all agencies. That rule was codified in 49 CFR Part 24. Acquisitions by DOE must comply with that regulation.

b. Within certain limitations that are discussed in this Chapter, Public Law 95-91 (91 Stat. 565) authorizes DOE to acquire real property. When new programs, expanding requirements of existing programs, administrative requirements, or other reasons result in a need for additional land and/or improvements, the appropriate program or management personnel should quantify the need. This requires justifying how much space is needed, for what period of time, and where and why it is required. Any decision must be based on a coordinated analytical effort by fiscal, legal, and technical personnel, as well as program and real property representatives. The real property representative must assure that input from all appropriate offices is solicited and considered.

c. In quantifying the need, describe the minimum real estate interest needed to satisfy the project requirements in such a way that the reviewing levels will have a clear understanding of the nature of the requirement. Information, with backup documentation, on the following must be included:

(1) Proposed uses of the real property;

(2) Air, surface, and subsurface rights required;

(3) Estimated period of need;

(4) Amount of real property required, including, as appropriate, interim requirements based on the latest available GSA guidelines;

(5) Physical characteristics;

(6) Access and transportation requirements;

(7) Availability of funds;

(8) Environmental impacts;

(9) Security considerations;

(10) Utilities requirements;

(11) Required proximity to other Government or commercial facilities;

(12) Availability of skilled labor; and

(13) Demographic considerations based on proposed use (e.g., public safety and sensitivity of programs).

(14) Decommissioning and decontamination requirements at project completion.

d. Construction on land already owned by the Government is covered in DOE 6430.1A, GENERAL DESIGN CRITERIA, of 4-6-89, and DOE 4700.1, PROJECT MANAGEMENT SYSTEM, 3-6-87.

e. The real property aspects of construction projects shall be coordinated among budgeting, accounting, engineering, technical, legal, and real property staffs in the field elements for review and concurrence.

f. If Government-owned lands and/or improvements are available that meet the minimum programmatic needs, they must be utilized. After determining that no property within DOE's jurisdiction is available, the acquiring office must contact the GSA regional office and local offices of other appropriate Federal agencies and request information on excess or under utilized Government-owned property. A determination should be made as to whether the requirement can be satisfied by available Government-owned property. Reasons for not using such property must be documented in the project file.

g. General purpose office space to house Federal employees is outside the lease acquisition authority of DOE under Public Law 95-91. However, GSA has delegated authority to the Secretary to acquire general purpose space outside designated metropolitan areas. General purpose space within those metropolitan areas must be requested through GSA unless authorized by specific legislation. A more detailed discussion is included in Paragraph 7, "Leases."

h. If the space can be provided within the authority of DOE and is temporary, such as to house people during a construction project, then relocatable personal property, such as a trailer, should be

considered. In order for relocatable structures to qualify as personal property, the following criteria must be met:

(1) It must be designed to be readily and economically moved, erected, disassembled, stored, and reused.

(2) The completed structure must consist of no more than two single-story units, both of which are transportable on the public highways.

(3) The cost to disassemble and relocate the structure, including repackaging, repair, and refurbishment of components, must not exceed 20 percent of the structure's acquisition cost or current replacement cost, whichever is greater. Acquisition cost includes the cost of the building components, the cost of delivery to the site, and the cost of assembly. Acquisition cost does not include the cost of site improvements, such as paving, foundations, landscaping, and utilities, which are real property improvements that must be acquired as such, even if they serve relocatable structures.

(4) Design must provide economical, complete disassembly, and reassembly without substantial damage to the components.

(5) Where structures are connected (e.g., breezeways and walkways), each structure is considered a separate structure for purposes of paragraph 1h(2).

i. Any unit that does not meet the criteria in paragraph 1h, but which the PSO or his/her designee believes should qualify as personal property, must be submitted to the Chief, Real Property Branch, and the Director of Property and Equipment Management, for their review and necessary approval, prior to classification as personal property.

j. When a determination is made that personal property will fill the need, a comparison must be made of the total cost of lease versus purchase to determine the method of acquisition, as is required by DEAR 907.4 and FPMR 101-25.5.

2. ACQUISITION PLANNING.

a. The real property representative will ensure that a Preliminary Real Estate Plan (PREP) is prepared containing those items listed in paragraph 2e whenever there is a requirement to acquire additional realty interest by:

(1) Fee purchase;

(2) Lease, if the term (including all options) is 5 years or greater; and the total rent, including the cost of initial alterations averaged over the term of the lease, exceeds $500,000 per year;

(3) Any contract, which will result in construction of DOE-owned property improvements on non-DOE land, which will be funded as a line item construction project and where the estimated cost of the project will exceed $5 million; and

(4) Transfer of excess Government-owned property from another agency to DOE, or withdrawal of land from the public domain.

b. The PREP will serve as a decision document affecting all future site selection activity. As such, it must be reviewed by all affected personnel including program, budget, procurement, and real property. Certified real property representatives may exercise the real estate approval responsibility for PREPs, except for PREPs of real estate actions, which are part of Major System Acquisitions or Major Projects. In those cases, the PREP must be reviewed and approved by the Chief, Real Property Branch.

c. The intent of the PREP is to assure general agreement on the proper alternative early in the planning cycle. For line item projects the PREP must be submitted at the same time as the Conceptual Design Report. At the option of the preparing office, the Plan may be a separate report or it may be included in the Conceptual Design Report. If a separate report is prepared, it may be submitted in advance of the Conceptual Design Report, if so desired.

d. The PREPs that require Headquarters approval will be submitted to the Chief, Real Property Branch, who will obtain the necessary concurrences within Headquarters.

e. The PREP must include the following information:

(1) A brief description of the program or project;

(2) An analysis of all viable options and alternatives considered, along with advantages and disadvantages of each; and

(3) A recommended option, for which the following information must be provided:

(a) Site and/or building size and probable site boundaries (copy of plat, if available);

(b) Preferred area of consideration, with an area map; and

(c) Cost estimate for the recommended alternative.

(4) If a leasing action or fee acquisition requires a particular or unique property, then pertinent information for that site only will be required.

3. PURCHASE OF PROPERTY.

a. Site Selection. Once it is determined that purchase of private land is the preferred option, specific appropriated funds to acquire private land must be obtained. Planning should continue while awaiting funding authority.

b. It is recognized that in some cases a site for a new facility may be so closely associated with an existing site or facility, that only one site can reasonably be considered. In such cases, a sole source justification fully supporting that conclusion must be prepared.

c. Where multiple sites will be considered, a site investigation team should be formed to search for appropriate sites.

d. It should be noted that legislative authority, sufficient appropriated funds, and appropriate authorization (see Chapter IX, Delegation of Authority) are required before program personnel or a contracting officer may commit the Government to a real property action. Title to all real property purchased by DOE or by the contractor for DOE on a fully reimbursable basis must vest in the Government at the time of acquisition unless other action is authorized by specific legislation.

e. The DOE site investigation teams should have three to five members drawn from the local field element, the PSO for the requesting program, and other Headquarters Elements, as appropriate. The real estate representative from the acquiring office must be a member of this team. The function of the team is fact finding and advisory only. Preparing its recommendations, which will not be made public, the team will take the following actions:

(1) Comply With Executive Order 12372, "Intergovernmental Review of Federal Programs," by determining its applicability to the specific real property action. Guidance on applicability and implementing instructions are contained in 10 CFR 1005.

(2) Arrange for Public Notice.

(a) When a requirement for acquisition of non-Government-owned real property is known, and multiple sites will be considered, it should be advertised to the public.

Notice of this intent to select and acquire a site should be given by paid advertising in local newspapers. A copy of the notice should be sent to any property owners known to be interested. The advertisement shall contain the following information:

1 Desired boundaries;

2 Amount and type of space needed;

3 Unique characteristics or requirements, if any;

4 Date space is required;

5 Planned schedule for acquisition and displacement of property occupants, if any; and

6 Source where further information may be obtained.

(b) Competition must be solicited in all acquisitions except in those cases where sole source can be justified. In those cases, the file must be thoroughly documented and any required approval obtained before proceeding.

(3) Contact Owners of any additional sites not offered in response to the advertisement that are considered suitable to meet DOE needs to determine their willingness to sell.

(4) Inspect Sites in the area, which are offered for sale and appear to meet DOE requirements. Payment may be required to gain entry (for testing or other information) in certain cases; such payment is authorized. Owners of the property will be given the chance to accompany the team during its onsite investigation.

(5) Collect and Evaluate Information required to complete an evaluation of the alternative sites. The level of detail for backup data for preliminary site evaluation is a matter of judgment. However, the file must contain full and complete data that document the reasons for recommending a particular site. It should also identify potential real property acquisition problems that can take a long time to resolve. These problems should be identified as early as possible so that corrective action can be taken. Special assistance can be requested from the Chief, Real Property Branch, to seek solutions to acquisition problems.

(6) Select the Site. The site evaluation report should be forwarded to the official making the selection. This official will be named by the appropriate PSO or designee and must not be a member of the site selection team.

f. Documentation. The data described below will be collected or developed for all sites and evaluated in making the recommendation for a specific site:

(1) Description of Real Property or Real Property Interests, including a general description of each parcel of real property being considered, total acreage, availability for purchase, and possible method of acquisition.

(2) Environmental Requirements, including compliance with the National Environmental Policy Act (NEPA) (Public Law 91-190), the National Historic Preservation Act (Public Law 89-665), the Endangered Species Act (PL 99-625), the Resource Conservation and Recovery Act (Public Law 94-580), Floodplain Management (Executive Order 11988), and Protection of Wetlands (Executive Order 11900), and the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S. Code 9601 et seq.) as amended by the Superfund Amendments and Reauthorization Act (Public Law 99-499), and other applicable requirements identified in (d) below. These should ordinarily be completed prior to the submission of any real property action for review and/or approval. Information on DOE's responsibilities under these requirements can be obtained from:

(a) DOE Guidelines for Compliance with NEPA of 12-15-87 (52 FR 47662), as amended 3-27-89 (54 FR 12474) and 9-7-90 (55 FR 37174);

(b) DOE National Environmental Policy Act implementing procedures (DOE NEPA Regulations), 10 CFR 1021, which establish Departmental procedures for implementing the procedural provisions of NEPA pursuant to the Council on Environmental Quality regulations. These regulations were published on 4-24-92 (57 FR 15122);

(c) DOE 5440.1D, NATIONAL ENVIRONMENTAL POLICY ACT COMPLIANCE PROGRAM of 2-22-91;

(d) DOE 5400.1, GENERAL ENVIRONMENTAL PROTECTION PROGRAM, of 11-9-88;

(e) DOE 5400.4, COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION AND LIABILITY ACT REQUIREMENTS, OF 10-6-89;

(f) DOE Regulations for Compliance With Floodplain/Wetlands Environmental Review Requirements (10 CFR 1022);

(g) The AD NEPA Compliance Officer, designated under DOE 5440.1D, whose responsibilities include assisting in the planning and execution of AD's NEPA compliance activities;

(h) The Office of NEPA Oversight (EH-25) for assistance in compliance with NEPA; and

(i) The Office of Environmental Compliance (EH-22) for assistance in compliance with related environmental requirements.

(3) Toxic and Hazardous Substance Requirements in real property acquisitions are serious items which must be addressed prior to any commitments being made to acquire land and/or improvements.

(a) The management of hazardous substances is addressed under numerous Federal statutes, with a comprehensive definition covering all statutes provided under Section 101(14) of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA). A complete list of CERCLA hazardous substances can be found in 40 CFR 302.4.

(b) State and local regulations may also address management of hazardous substances, or control the sale of property containing or potentially containing toxic/hazardous waste.

(c) Properties being considered for acquisition shall be thoroughly investigated including onsite investigations of land and buildings, review of previous occupancies and records of local, state, and Federal regulatory agencies, review of possible contamination from adjoining properties and whatever other steps are appropriate to assure that no contamination exists. Personnel qualified in hazardous site investigations should be used to assure that all potential contamination is considered.

(d) The identification and assessment of such contaminants as:

1 Friable asbestos
2 Equipment containing Polychlorinated Biphenyls
3 Underground storage tanks
4 Radioactive materials (including Radon)
5 Urea formaldehyde insulation
6 Pesticides

(e) If a site will be considered on which contamination exists, special care must be exercised, particularly for sites listed or having potential to be listed on the CERCLA National Priorities List. Having the seller conduct the site cleanup, in accordance with State and Federal environmental requirements prior to purchase, is the preferred solution. The following additional actions should be taken prior to purchase:

1 Assure that the acquisition agreement contains adequate language to protect DOE from liability;

2 Determine costs of site cleanup (if DOE will be responsible);

3 Determine the length of time required for cleanup; and

4 Coordinate with the State and Federal environmental authorities.

5 Consult with the Deputy Assistant Secretary for Environment (EH-20) and the Deputy General Counsel for Environment, Conservation, and Legislation (GC-10).

The followup required includes tasking qualified personnel to monitor the cleanup, to assure compliance and obtain the environmental agencies approval of the work accomplished.

(f) Considerations of safety, health, and comfort shall be included, taking into account applicable regulations and standards such as those issued by the Occupational Safety and Health Administration, National Fire Protection Association, American Association of Heating, Air-Conditioning and Refrigeration Engineers, and other organizations as applicable.

(4) Seismic Standards. The degree of compliance with Executive order 12699, dated January 4, 1990, will be described, to ensure compliance with appropriate seismic design and construction standards.

(5) Parcel Descriptions, including perimeter descriptions for use in acquisition by purchase or condemnation. A perimeter or tabular description of the total area will be based on acceptable survey data. Parcel descriptions from the available public records will be furnished for each separate ownership.

(6) List of Owners of all parcels, including the owners of easements and other rights, and their addresses.

(7) Estate(s) to be Acquired shall be shown for each parcel of land. Certain interests, such as mineral rights, water rights, and timber rights may be separated from the remaining interests in real property. When this separation occurs, a determination must be made whether acquisition of the separate interest is required. If it is not required, it will be excluded from the estate to be acquired. Whenever real property or capital improvements are to be constructed on the land, fee title must be acquired, unless Congress authorizes another estate.

(8) Current Use, including present residential, industrial, commercial, or agricultural uses, described in enough detail so that reviewers will have a full understanding of the present utilization of all parcels.

(9) Subsurface Rights.

(a) This should include information on any underground water rights and on mining, oil, or gas activities within the parcels proposed for acquisition, as well as in the general area. This documentation should:

1 Identify minerals being removed, subsidence, the period during which the mining operations have taken place, possibility of termination of such operations, and whether surface or subsurface mining operations are conducted.

2 Provide an evaluation of the possibility of minerals being developed, and if such development would interfere with proposed DOE operations.

3 Identify mineral interests under separate ownership and include the names and addresses of the owners.

(b) Information on mineral characteristics of lands and mineral production may be obtained from the local offices of the U.S. Geological Survey or the Bureau of Mines. Comments and recommendations on the acquisition of mineral interests or their exclusion will be made. Recommendations will also be made on terms and conditions under which the mineral rights may be exercised if they are to be excluded, considering security problems, likely exploration, and their effect on DOE use of the land.

(10) Estimated Acquisition Costs for each alternative being considered should be obtained by the real property representative. The estimate should include both the costs of acquiring the needed property and fees associated with procuring information necessary to complete the transaction. Specific items to be considered in preparing an acquisition cost estimate include:

(a) Property-owner entitlements, which include property value, loss in value to remaining lands, and relocation benefits. Relocation benefits address relocation housing payments, rent supplements, moving costs, interest differential, and transfer costs.

(b) Acquisition services, including title information, appraisal fees, legal closing costs, and possible condemnation expenses.

(c) If leasing is being considered, a preliminary market survey should be prepared to determine rental prices per square foot of similar buildings in the area and a description of lease terms currently being offered in the market.

(d) This information should be developed only to the extent necessary to aid selection of an alternative.

(11) Submerged Areas. Determine ownership of any submerged area adjacent to high lands being considered, because ownership of high lands does not always allow the right to construct, to fill, or to deposit spoil in the abutting submerged areas.

(12) Taxes. Name and address of the taxing authority, amount of the taxes paid during the preceding tax years, current assessed value of the property to be acquired, and current tax rate.

(13) Easements. Copies of, or information on, all existing easements, licenses, leases, or other rights of third parties, and a recommendation on extinguishment or acquisition subject to each interest.

(14) Vicinity Map showing the location of the real property to be acquired and its proximity to major highways, railroads, rivers, airfields, and metropolitan areas. Any significant features in its immediate and general vicinity, which might affect its acquisition or its proposed use should be noted.

(15) Property Map showing:

(a) Exterior and parcel boundaries of the real property to be acquired;

(b) General location of major improvements and structures;

(c) Siting of proposed DOE construction;

(d) Location of existing rights-of-way for roads, highways, railways, utilities, and for other purposes;

(e) Proposed route of relocation of any of the existing rights-of-way;

(f) Approximate location and direction of flow of natural water courses; and

(g) Other pertinent information that may affect acquisition or use of the real property.

(16) Relocation Assistance. Provide an estimate of the funds needed to cover payments and services given to persons who will be displaced as a result of the acquisition. Such assistance must be provided according to Public Law 91-646 (84 Stat. 1894), Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, so that disproportionate economic losses are not suffered by the former occupant(s) as a result of the move. Relocation assistance includes providing funds for moving and related expenses, costs incurred in searching for another location, and actual direct losses experienced as a result of the move.

In addition to monetary aid, Public Law 91-646 (84 Stat. 1894) also requires that advisory services be provided to displaced persons.

g. Acquisition Assistance From Other Agencies. In areas where DOE real property expertise is not available, the services of another Government agency, such as GSA or the Corps of Engineers (USACE), may be requested. If services from another agency are not available, they may be contracted for. Requests for services from USACE must come to the Chief, Real Property Branch, if the local USACE office must obtain approval of the work from its Headquarters. Prior Headquarters approval or coordination is not required for informal contacts with other agencies, for assistance from GSA and other Federal agencies for actions otherwise within the authority of the field elements, or for assistance from USACE that does not require the USACE Headquarters approval.

h. Decision. When the site evaluation report is completed and the recommendation prepared, the entire package is presented to the site selection official, who is named by the appropriate PSO or designee and who must not be a member of the site selection team, who then makes the decision (see page I-7, paragraph 3e(6)).

i. Acquiring Title. After a recommended site is selected for acquisition by purchase, the acquiring office will proceed as follows:

(1) Ownership Data for all property being acquired will be verified and complete legal description for each parcel will be obtained, if not already assembled, in the site evaluation phase. Property boundaries must be identified before contracts are entered into for appraisal, title evidence, and survey. The identity of the property owner and the legal description may be obtained from the local registry of deeds, a title insurance company, land court, or tax assessor. If a plat plan is not available in the legal description, the city clerk or the tax assessor may be able to furnish one. Should the area to be acquired consist of less than the total area owned, a description of the area to be acquired must be prepared based on and reconciled to the description of the land as contained in the deed of record.

(2) Title Services. The need for the services of a title company begins early in the fee acquisition process and continues through to completion of the action.

(a) Requests for Title Services should be made to those companies that are acceptable to the Department Of

Justice. These usually include the major title companies. The local U.S. Attorney may assist by identifying such companies. Another source is "The Directory of the American Land Title Association," published by the Association at 1828 L Street, NW., Washington, DC 22036. Procurement of title evidence should be done by contract.

(b) Preliminary Title Report should be obtained at the earliest practical date and furnished to the appraiser for information and use. This report must be prepared in accordance with Department of Justice standards. It should also be used by the negotiator in negotiations.

(c) Title Evidence. One of the following types of title evidence will be obtained by the field element or contractor:

1 Title Insurance Policy. A contract ensuring interests acquired in property against all defects in title; or

2 Certificate of Title. A contract in which a title company certifies that title to a specific parcel of land is good and unencumbered except for the defects and encumbrances shown. This form of title evidence is acceptable only when a title insurance policy cannot be obtained.

(3) Appraisals are required for all acquisitions of interests in real property. Detailed information on appraisal requirements, choosing an appraiser, and obtaining an appraisal is given in Chapter III, "Appraisals."

(4) Topographical and Boundary Survey is made to identify individual parcels and land rights needed for the project and, if necessary, to give the metes and bounds description. A right of entry for survey and exploration must be obtained if the surveyor is going to enter the land. The survey will be accomplished so that the legal description contained in the title evidence can be checked and verified. A notification should be sent to the property owners that the survey will be made.

(5) Making Offer to Owner. The owner of real property to be acquired shall be furnished with a written statement of, and summary of the basis for, the amount established by DOE as just compensation. Where appropriate, the just compensation for the real property acquired and for damages to remaining

real property shall be separately stated. An Offer to Sell should accompany the Statement of Just Compensation.

(6) Negotiations are initiated with the property owner after authority to acquire has been received. Prior to starting negotiations with the property owner, the negotiator should review the appraisal, title evidence, and preliminary title opinion; become completely familiar with the Government project and the property to be acquired; and be aware of what curative title work may be needed. The negotiator should also be fully knowledgeable of any information which might have an effect on the property value, especially the presence of tenants with or without lease. Negotiations should be conducted in a businesslike and courteous manner. The negotiator must not resort to coercion or threats of condemnation and should fully explain the owner's right to relocation assistance if such is necessary. The negotiator should begin the negotiations by offering, in writing, the amount established by the DOE as just compensation. If after negotiations an agreement cannot be reached on an acceptable price, condemnation action may be required. Acquisition by condemnation is described in Chapter IV, "Condemnation."

(7) Required Elements for Negotiation are as follows:

(a) Negotiator's Report. A written report of negotiations on each parcel must be prepared by the negotiator. The report should be a chronological history of the negotiations, factors considered in evaluating the owner's offer, and justification for acceptance or rejection of offer.

(b) Time Limits. Negotiations should be completed as quickly as possible. As a general rule, three personal negotiation sessions should produce an agreement to sell or make it apparent that further efforts to negotiate will serve no useful purpose.

(8) Acquisition from Members of Congress or DOE Employees. When a member of Congress or an employee of DOE or its agent has a direct interest in real property being acquired by DOE, the tract must be acquired by condemnation.

(9) Options. Only options with no cost to DOE will be sought. Contractors may not purchase options if the cost is to be ultimately paid by DOE under the contract.

(10) Reservations in Contract to Sell. Reservations or exceptions of crops, timber, or improvements, with the right to these for a specified period of time, will be permitted if determined to be in the best interest of the Government. The reservation shall indicate that, should the reserved crops, timber, or improvements not be removed within the period of the reservation or any extension thereof granted by the Government, title to such crops, timber, or improvements shall vest in the Government.

(11) Subsurface Rights. In most acquisitions, it is necessary to obtain all subsurface rights to minerals, coal, oil, or gas. Under circumstances where these rights need not be extinguished, provisions should be made in the offer and the deed to subordinate such rights to protect DOE use. This may be done by restricting these rights so that there will be no interference with DOE operations on the property, and so that they will not preclude later sale or other disposition of the U.S. Government or DOE interest.

(12) Interim Occupancy. Under certain circumstances, depending on when DOE needs the property, the owner(s) or tenant(s) may be permitted to continue to occupy the property for a limited time under a rental agreement. This should be determined during negotiations and made a part of the formal settlement package.

(13) Deed. The deed will be prepared in accordance with the "Standards for the Preparation of Title Evidence in Land Acquisition by the United States," issued by the Department of Justice. These can be obtained from the Chief, Real Property Branch, or from the Land and Natural Resources Division, Department of Justice, Washington, DC 20530. Once the deed is executed, it must be recorded in the local jurisdiction or municipal offices so that the Government can protect its title to the property.

(14) Preliminary Title Opinion. After an acceptable title document has been received, it will be forwarded to the Land and Natural Resources Division, Department of Justice, for examinations and preliminary title opinion, as required under section 355, Revised Statutes (40 U.S.C. 255, 33 U.S.C. 733, and 50 U.S.C. 175), as amended by Public Law 91-393, approved 9-1-70 (84 Statute 835). A copy of the offer to sell from the owner, if any, and a draft of the deed should accompany the title evidence as part of the submittal to the Department of Justice. No real property may be purchased or a permanent easement acquired until the Department of Justice has approved the title.

(15) Closing of fee acquisitions may be made by the contract firm that prepared the title evidence if in-house capability is not available. To the extent not otherwise obtainable through use of title company escrow arrangements, proper closing action when acquiring title in real property is the responsibility of the closing attorney. If the expertise is not available from the title company under contract or USACE, assistance should be requested from the Chief, Real Property Branch. When the closing attorney is satisfied that all objections to the title are eliminated, the purchase price will be paid to the property owner, and DOE will simultaneously take possession of the property. All instruments releasing liens or encumbrances will be recorded with the clerk of the court or registrar of conveyances prior to the deed being recorded.

(16) Preoccupancy Inspection. At the time of closing, that is, the date that title passes to the United States, a DOE employee must inspect the acquired property and prepare a "Certificate of Inspection and Possession." A sample format may be found in "A Procedural Guide for the Acquisition of Real Property by Governmental Agencies," Land and Natural Resources Division, Department of Justice, 1972.

(17) Final Title Opinion. A final title assembly shall be submitted to the Attorney General as soon after closing as possible. Information submitted with the request for preliminary and final title opinions shall meet the requirement of "A Procedural Guide for the Acquisition of Real Property by Governmental Agencies."

(18) Recorded Disposition. The Attorney General's opinion on the title and related documents, along with a copy of the deed, will be made a part of the official property file at the acquiring office. If persons or businesses are to be relocated, the field organization should submit a report on the relocation program to the Chief, Real Property Branch.

j. Condemnation. If the Government is unable to acquire the needed property at a just and reasonable price through negotiation, as a last resort, DOE may request the Department of Justice to condemn the property. This is discussed in Chapter IV, "Condemnation."

k. Federal Legislative Jurisdiction. The DOE rarely seeks to obtain legislative jurisdiction over real property which it acquires. Decisions relating to DOE's obtaining or relinquishing Federal legislative jurisdiction are the responsibility of the PSO or designee in coordination with the local real estate representative and counsel.

4. TRANSFER FROM ANOTHER GOVERNMENT AGENCY.

a. Authority. Section 202a of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 483), authorizes GSA to provide for transfer of excess real estate among Federal agencies. These transfers will be made according to the Federal Property Management Regulations (FPMRs).

b. Notice of Availability. GSA regularly issues notices of availability of excess property (known as screening).

c. Reimbursement. Current policy requires that an agency budget for the property and pay the appraised fair market value to GSA before accountability is transferred to the requesting agency.

d. Documentation. A request for excess Federal property should be supported by:

(1) Complete information on the intended use of the property and the justification for the transfer;

(2) Identity and location of the property with adequate descriptions thereof, including copies of real estate maps of the land areas and a vicinity map showing location of the property in relation to the installation requesting it; and

(3) GSA Form 1334, "Request for Transfer of Excess Real Property and Related Personal Property," fully completed for transmittal to GSA. These forms can be obtained from the nearest GSA store.

5. WITHDRAWAL OF PUBLIC DOMAIN LANDS.

a. Authority and Policy. The authority vested in the President to withdraw and reserve public domain lands has been delegated to the Secretary of the Interior. In accordance with Public Law 95-91 (91 Stat. 565, 42 U.S.C. 7101), DOE may request the Department of the Interior to withdraw public domain land for DOE use. Only the minimum area required is to be withdrawn and reserved for DOE use.

b. Procedures for withdrawal of public lands are as follows:

(1) The requirement for public lands is developed by the real property representative in coordination with the program office.

(2) An application for withdrawal of public land, following the requirements in 43 CFR 2310, is submitted by the field element to the appropriate Bureau of Land Management (BLM) office. The application will contain a complete justification for the withdrawal and will include information regarding:

(a) Number of acres and location of the area involved, including a detailed description of exterior boundaries and a map outlining the boundaries of the area to be withdrawn;

(b) Whether the use will result in contamination of the area, and if so, an indication of the type of contamination, the areas involved, and whether periodic decontamination action is required;

(c) Length of time the area is required; and

(d) Use of water resources and whether the right to use conforms to State laws and procedures.

(3) Before a withdrawal aggregating 5,000 acres or more can be finalized, the Secretary of the Interior must notify both Houses of Congress. Congress then has a minimum 90 days to take no action or adopt a concurrent resolution stating that it does not approve the withdrawal. (See Public Law 94-579 (90 Stat. 2743), Federal Land Policy and Management Act of 1976.)

(4) If prompt use of the land is needed, the application for withdrawal will include a request to the BLM office to expedite action.

(5) The field element will be responsible for presenting the DOE position in any hearings held by the State director of the BLM on a proposed withdrawal. Usually there will be no local hearings on withdrawals that require legislation since hearings before Congress are considered to be public hearings.

(6) When approved by the Department of the Interior, a public land order will be issued by that Department, withdrawing and reserving the land for DOE use. This will be published in the Federal Register. A copy of the land order and/or items in the Federal Register will be made a part of the real property file at the field element.

(7) Under Public Law 94-579 (90 Stat. 2743), Federal Land Policy and Management Act of 1976, new withdrawals can be for a maximum of 20 years, at which time the withdrawal must be rejustified and reapproved by the Department of the Interior. If a withdrawal is needed for more than 20 years, congressional approval of the longer term is required. Requirements for such justification have been furnished to field elements. Additional information may be obtained from the local office of the BLM.

(8) Withdrawals in effect as of 10-21-76, and not exempt, must be rejustified and reapproved as required under section 204e of Public Law 94-579 (90 Stat. 2743). Schedules for review have been furnished by BLM. The respective field element should contact the local BLM office at least 6 months prior to a scheduled review to discuss the content of the required report, including any environmental assessments or mineral surveys.

6. EXCHANGES AND DONATIONS.

a. On rare occasions, real property is acquired by DOE through exchange or donation. The acquisition procedures are the same as for fee purchase.

b. For exchanges, programmatic justification is required. The properties to be exchanged must be of approximately like values. An agreement will be prepared that describes both the offered property and the Government-owned property that are to be conveyed and the monetary consideration to be paid by either party. Appraisals must be obtained on all properties involved. Title evidence, clearance and closing are required. The party conveying property to the Government must be reimbursed for the full value established in the approved appraisal unless a written waiver of just compensation is furnished and included in the acquisition file.

c. For donations, which must be accepted by the Secretary of Energy or designee, an agreement will be entered into setting forth the terms and conditions of the donation and conveyance to the United States. An appraisal is required, and title clearance and closing are processed in the same manner as a fee acquisition.

d. The requirements under paragraphs 3f(2) and (3) of this chapter shall be addressed, as appropriate.

7. LEASES. When quantification of the program real property requirements results in a decision that less than fee interest will best serve the needs of the Government, then the alternative of leasing space should be explored.

a. Types of Leases. A lease conveys the right to use property belonging to another for a period of time in return for payment of rent under terms set out in the lease agreement. Some of the conditions of the lease are dictated by who signs the document. All leased space must be acquired, designed, and occupied in a manner which meets all legal and regulatory requirements. Those requirements are detailed in the United States Department of Energy Leasing Handbook dated June 1990. The most common leases for DOE are signed by:

(1) DOE under Public Law 95-91 (91 Stat. 565), the DOE Organization Act;

(2) A DOE contractor as authorized under the contract with DOE;

(3) A DOE contractor under its own corporate authority;

(4) GSA for space assigned for use by DOE; and

(5) DOE under a delegation of authority from GSA.

b. Leases Signed by DOE Under Public Law 95-91 (91 Stat. 565).

(1) Public Law 95-91 (92 Stat. 565) authorizes DOE to acquire by lease, real property other than general purpose office space necessary to accomplish its mission. Leases may be used to acquire needed special purpose facilities and land.

(2) DOE may lease special purpose space for more than a year provided that no-year funds are either obligated for the entire amount of the firm term rent or the amount of the cancellation payment, if one is provided, plus rent to the date on which cancellation may be exercised. DOE 2200.5A, FUND ACCOUNTING, of 12-31-91, accounts for obligations for additional guidance regarding obligations criteria.

(3) GSA has delegated to DOE authority, which augments Public Law 95-91 (91 Stat. 565), and, which is further discussed in Paragraph 7j.

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c. Leases Signed by Contractors-General. When real property is leased by a contractor to perform work for DOE, and the cost of the lease rent is reimbursed under the DOE contract, acquisition of the leasehold interest (a "covered" contractor lease) will follow the procedures in this Order. There are two procedures for covered contractor leases, depending on whether or not the contractor has an approved leasing system. To obtain approval of its leasing system, the contractor must have approval of the DOE programmatic approving official (Operations Office Manager for the eight operations offices, or PSO or designee for other field offices), and by a Certified Realty Specialist (CRS). An approved leasing system must include the following elements:

(1) Leases must be within dollar and square footage authorizations prescribed by DOE;

(2) The contractor shall develop and use a standard lease package, including terms and conditions approved by DOE;

(3) The lease requirement must be competed or the contractor's sole source justification must be approved by DOE and included in the contractor's lease file;

(4) Reasonableness of price must be demonstrated (via appraisal, broker data, etc.);

(5) The contractor must maintain real property lease files that reflect the process used to acquire the leased property and that provide a good audit trail;

(6) The contractor shall utilize personnel who have been appropriately trained for real property lease acquisition actions; and

(7) The contractor shall plan lease actions for continuing requirements so holdovers do not occur.

d. Contractor Leasing Procedure, Contractors with Approved Leasing Systems. Once the CRS has approved a contractor's leasing system, the CRS may approve square footages and allowances as described in this paragraph so long as the total estimated annual rent based on the allowance and estimated square footage does not exceed $500,000 per annum. Where the projected annual rent would exceed $500,000, the proposal, together with a CRS recommendation, must be submitted to the Real Estate Team for Headquarters review and approval. In either case, the procedures of this paragraph will apply to the leasing action.

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(1) The contractor may lease general purpose office space to house contractor personnel. The contractor may not lease general purpose office space to house DOE or other Government personnel.

(2) No prospectus is required for contractor leases.

(3) Indemnity and/or hold harmless clauses are discouraged. When market conditions dictate, such clauses may be used with prior consent of DOE.

(4) All contractor lease agreements must be consistent with the Chief Financial Officer's guidance on scoring of budget authority for that agreement. The budget authority must be scored in the first year of the contract for the entire firm term of the lease. However, if there are cancellation rights, then the budget authority must be scored for the rental until cancellation rights can be exercised, plus any cancellation penalties.

(5) Reimbursable contractor leases shall contain certain clauses, terms, and conditions as approved by the cognizant DOE contracting officer and CRS consistent with guidance provided by the Real Estate Team.

(6) In acquisition of space, contractor leases are governed by the same standards as those for Federal employees in the following areas:

(a) The amount of square footage;

(b) Justification for above standard alterations; and

(c) Use of the proper appropriated funds.

(7) The space requirements must be reviewed and approved by the CRS in the appropriate DOE office. The space requirements must be well planned and adequately described to enable the CRS to classify the space in accordance with the space types used by GSA in their budgeting rental matrices.

(8) The requirements must be furnished to the CRS in adequate time to allow for all necessary DOE reviews plus sufficient time for the contractor to negotiate a lease meeting the requirements of this Chapter. If the contractor does not negotiate a lease within the approved DOE thresholds for square footage and/or rental rate as discussed below in paragraph 7d(10)(c), sufficient time must be allowed for DOE review and approval of the entire lease package prior to the contractor entering into any lease agreement.

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(9) For the CRS to develop a predetermined rental allowance for fully serviced, turnkey space (Allowance), the contractor must provide anticipated terms and conditions that will effect the Allowance for the lease. This will include, but not be limited to, lease term and firm term, escalators if any, buildout, renewal rights, and cancellation rights.

(10) The CRS will review and approve the square footage of space, which may not be exceeded, and develop the Allowance. The Allowance is to be developed as a composite annual square foot rate (weighted average) for the total of all types of space involved. The Allowance shall be developed in accordance with paragraphs 7d(10)(a), (b) and (c).

(a) Initially use the GSA rental matrices for the Budget Year of the budgeting cycle, which is generally provided by GSA approximately 18 months before the Budget Year.

(b) Confirm or adjust the GSA data by one or more of the following methods:

1 Contact the appropriate GSA regional office and determine the accuracy of the matrix data;

2 Conduct a market survey;

3 Have an appraiser conduct a market survey or prepare an appraisal establishing a range of rental values;

4 Subscribe to real estate information services for commercial office rental properties provided by local and national real estate organizations; and

5 Any other reliable source of rental data not listed above.

(c) The GSA rental rates are for fully serviced, turnkey leases and may require adjustments for special space requirements over and above commercial standards. Any such special space requirements will require the preparation of independent cost estimates. The estimated cost of such requirements will be amortized over the initial term of the lease. If there are cancellation rights during the initial term of the lease, a cancellation penalty clause may be included. The cost of the special space requirements, amortized over the initial term and estimated square footage of space to be leased, is added to the initial annual square foot rate developed in paragraph 7d(10)(b) to adjust the Allowance.

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(11) The method of measuring space must be the same in identifying the square footage requirements and the development of the annual square foot rent.

(12) The CRS must thoroughly document the files clearly showing how the Allowance was established.

(13) Developing the Allowance for exercising a contractor priced renewal option shall follow the same procedures as for the initial lease term. The contractor will need to justify the continuing need for the space. Then the CRS will develop rental data for the subject market to determine the reasonableness of the annual square foot rate for the renewal option being evaluated. Unpriced options shall not be used. If a priced option is not available a succeeding lease is required.

(14) Justifications for space and Allowances are also necessary for supplemental lease agreements for expansions, succeeding leases, etc. Lease extensions are to be avoided.

(15) If the preapproved space requirements and/or Allowance are not considered adequate by the contractor, the contractor will have the following options:

(a) Apply to the CRS for revised allowances;

(b) Complete the negotiations and submit the lease package for DOE review(s) and approval(s) for space and/or rent outside the thresholds; or

(c) Assume all costs for space and rent over the approved square footage and Allowance.

(16) If the contractor negotiates a total acquisition cost that is equal to or below the Allowance and is in compliance with all other requirements of this Order, no further DOE review(s) of the lease package will be necessary. "Total Acquisition cost" means the sum of all amounts necessary to provide fully serviced, turnkey space plus any approved special requirements.

(17) If the total acquisition cost exceeds the Allowance, the lease package will require field office and perhaps Headquarters review, depending on the annual rent. It will be necessary for the lease package to contain all the documentation required for a standard DOE lease review.

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(18) Contractors that are found to be performing their leasing activities unsatisfactorily are subject to being reverted to procedures outlined in paragraph 7e and required to submit their lease actions to DOE for pre-award review(s).

(19) In addition, the solicitation for space must include the clause specified in paragraph 7g(6)(g) regarding energy conservation and must meet the requirements of Paragraph 7k, "Alterations to Leased Space After Initial Occupancy."

e. Contractor Leasing Procedures, Contractors without an Approved Leasing System. When a contractor does not have an approved leasing system, then the procedures of paragraphs 7d(1) through (6), and paragraphs 7g(2) through (15), except paragraph 7g(13)(b), must be followed.

f. Emergency Contractor Leasing. If leased space is necessary to house either new DOE contractors during the transition into new contracts, or existing contractors with urgent and compelling short term lease requirements, the requirements of paragraphs 7c, d, e and g are waived except for the following:

(1) The space requirements must be approved by the appropriate DOE official;

(2) The term of the lease shall not exceed 18 months;

(3) Competition must be sought; and

(4) Reasonableness of price shall be demonstrated as follows:

(a) If 10,000 square feet or less--appraisal of fair annual rental, or a minimum of three current comparable lease rentals, or a minimum of three documented competitive offers.

(b) If over 10,000 square feet--appraisal of fair annual rental.

(5) Initial and subsequent alterations may not exceed 25 per cent of the annualized base rent without DOE approval.

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(6) If leased space is determined to be the only option for the contractor's long term space requirements, the contractor shall have a lease agreement for the permanent space requirements consummated within one year of the effective date of their contract.

(7) If the emergency space will be replaced by leased space, the solicitation for replacement space cannot include moving costs as an award factor.

(8) The contractor may not lease general purpose office space to house DOE or other governmental personnel.

g. Policies and Procedures. The policies and procedures of this paragraph shall be followed by DOE in leasing real property. For applicability to contractor leasing see paragraphs 7c, d, e, and f. In cases where authority and funding have been obtained, the acquiring office must follow the regulations set out by GSA in FPR Temporary Regulation 68, 48 FR 12522, dated 3-25-83, as confirmed in Federal Acquisition Circular 84-1, 49 FR 12972, dated 3-30-84. Subsequent statutes and regulations such as the General Services Administration Acquisition Regulation, Competition in Contracting Act, repeal of Section 322 of the Economy Act, modified appraisal requirements for small leases, etc., must be complied with as appropriate. Some of the requirements are further explained in ensuing paragraphs.

(1) Any lease for a public building, as defined in Section 13 of the Public Buildings Act of 1959, with a net annual rent over $1,650,000 is subject to the requirement that a prospectus be submitted to GSA for obtaining approval of the appropriate Committees of Congress prior to any commitment by the Government. This is limited to GSA delegated lease actions. It should be noted the prospectus threshold is subject to adjustment annually based on changes to the Department of Commerce Composite Index of Construction Costs. Contact your GSA regional office for the latest threshold.

(2) "Termination for Convenience" is not a term properly used in a lease. A clause that provides the Government or contractor with the right to cancel the lease after a given time is a cancellation clause. To enter into a lease with such a clause, an amount equal to the full rent covering the period up to the first possible date of cancellation and the amount of the cancellation payment due on that date, if any, must be specifically obligated or committed to the lease contract. The total amount of the Government's liability for payment under the terms of a lease must be committed at all times during the term of that lease.

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(3) Delineated Area. The area defined must be large enough to provide adequate competition. In addition, FPMRs require that preference be given to locations within the central business district of the central city within a Standard Metropolitan Statistical Area unless such a location is incompatible with the DOE mission. Location outside the central business district must be fully justified and documented.

(4) Advertising. When a new requirement for leased real estate is determined, it must be advertised to the public if the space exceeds 10,000 square feet. Paid advertisements must be placed in local newspapers. Competition must be obtained except in those cases where absolute justification can be documented for sole source acquisition of the required real estate interest. Such documentation and finding must be signed by the real property representative and/or other designated officials, depending on established thresholds, in the acquiring office. The public notice will include the delineated area, amount and type of space needed, date space is required, term of the lease (both firm and renewal options), and the source where further information may be obtained.

(5) Market Survey. After responses to the advertisements are received, a market survey shall be conducted by a representative of DOE or the contractor to inspect each property offered and any others that are available and can meet the Government's needs. The file must be carefully documented for any properties rejected. The market survey will set the posture for the balance of the leasing action. Therefore, the individual representing DOE or the contractor must have full knowledge of the requirements so that only those properties that can meet the requirements are accepted.

(6) Solicitation for Offers.

(a) For leases of 10,000 square feet or more, a set of minimum specifications will be prepared in the form of a solicitation for offers. Requirements must be based on performance and must include such items as required levels of heat, light, and power; fire protection; partitioning; any special equipment installation needed; responsibility for utilities and janitorial services; hours the building is open; parking needed; outside maintenance such as snow removal or landscape maintenance; and any factors to be considered in evaluation, such as the required occupancy date or proximity to another location, availability of eating

establishments, transportation and other facilities, etc. Any special requirements associated with the space need must be clearly identified.

(b) The solicitation for offers will be distributed to all known offerors of space which have the potential to meet the Government's requirements. Those offerors will then be asked to submit a written offer to lease at a specific rental. Offerors who do not respond should be contacted and asked the reasons for nonresponse. Information on the required contents of the solicitation for offers will be found in the Leasing Handbook and GSA Acquisition Regulation.

(c) The solicitation will require that the space to be leased will be altered to DOE's specifications prior to acceptance and that the cost will be amortized as part of the rent. All maintenance, janitorial services, and cost of utilities shall be the responsibility of the lessor under the lease. In any case where there are deviations from this paragraph, the file will be documented with complete justification.

(d) The solicitation may include the requirement for renewal options if justified by the program. If such options are solicited, priced options shall be required, which may or may not be a part of the award evaluation.

(e) Escalator clauses for operating costs may be used in multiyear leases. The escalator should be based on the Consumer Price Index (CPI) for Wage Earners and Clerical Workers, U.S. City Average, All Items Figure, published by the Bureau of Labor Statistics. Other forms of escalation may be considered. However, the file must be clearly documented explaining why the CPI was not used.

(f) Tax adjustment in multiyear leases shall be made in accordance with a clause similar to the following.

(1) The Government shall pay additional rent for its share of increases in real estate taxes over taxes paid for the calendar year in which its lease commences (base year). Payment will be in a lump sum and become due on the first workday of the month following the month in which paid tax receipts for the base year and the current year are presented, or the anniversary date of the lease, whichever is later. The Government will be responsible for payment only if the

receipts are submitted within 60 calendar days of the date the tax payment is due. If no full tax assessment is made during the calendar year in which the Government lease commences, the base year will be the first year of a full assessment.

(2) The Government's share of the tax increase will be based on the ratio of the square feet occupied by the Government to the total rentable square feet in the building. If the Government's lease terminates before the end of a calendar year, payment will be based on the percentage of the year in which the Government occupied space. The payment will not include penalties for non-payment or delay in payment. If there is any variance between the assessed value of the Government's space and other space in the building, the Government may adjust the basis for determining its share of the tax increase.

(3) The Government may contest the tax assessment by initiating legal proceedings on behalf of the Government and the lessor or the Government alone. If the Government is precluded from taking legal action, the lessor shall contest the assessment upon reasonable notice by the Government. The Government shall reimburse the lessor for all cost and shall execute all documents required for the legal proceedings. The lessor shall agree with the accuracy of the documents. The Government shall receive its share of any tax refund. If the Government elects to contest the tax assessment, payment of the adjusted rent shall become due on the first workday of the month following conclusion of the appeal proceedings.

(4) In the event of any decreases in real estate taxes occurring during the term of occupancy under the lease, the rental amount will be reduced accordingly. The amount of any such reductions will be determined in the same manner as increases in rent provided under this clause.

(g) The solicitation must include a clause requiring the successful offeror to meet the DOE Energy Conservation Voluntary Performance Standards for Commercial

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Buildings. The clause should essentially state, "Any proposed new building must comply with 10 CFR Part 435, Energy Conservation Voluntary Performance Standards for Commercial and Multi-Family High Rise Residential Buildings; Mandatory for New Federal Buildings. All offers on existing buildings shall include retrofit of building components to meet the standards of 10 CFR Part 435, where they are life cycle cost effective over the firm term of the lease. Guidelines for determining the life-cycle-cost effectiveness of retrofit in existing buildings are found in 10 CFR Part 436." Questions regarding these standards are to be addressed to the Energy/Utilities Team, Office of Infrastructure Support Services, for guidance and assistance.

(7) Negotiations. Negotiations will be conducted with all offerors to clarify any remaining issues, attempt to make all offers responsive to the solicitation for offers, and attempt to negotiate the rentals offered as low as is economically reasonable. Award must be made to the responsible offeror with the lowest price. If factors other than price are to be considered in the award of a lease contract, then those award factors must be stated in the solicitation or they may not be used. Award factors requiring subjective evaluation are not to be used since they are a major source of protests. Objective award factors to which dollar values can be assigned and supported are preferred. All offers must be evaluated using the same criteria and must be reviewed for responsiveness to all requirements of the solicitation. A record of negotiations with reasons for rejecting offers and giving details of discussions with each offeror must be prepared and placed in the lease file prior to award of a lease.

(8) Cancellation Clause. Leases may contain a clause that requires payment for early cancellation only if, at the time the lease is signed, DOE obligates sufficient no-year funds to pay the total liability. (Also, see paragraph 7b(2).)

(9) Lease Extensions. Lease extensions will be avoided wherever possible. Succeeding leases will be used instead, providing the opportunity for update to current Government lease acquisition statutes, regulations and policy.

(10) Appraisal. After offers are received, negotiations completed, and the low responsive offer is identified, an appraisal is obtained to determine the fair rental value. Full appraisals are required for leases in excess of 10,000 square feet and may be obtained for smaller leases, if desired. A format similar to the GSA Form 1241E, "In-Lease Appraisal" should be

used for leases that are for less than 10,000 square feet. However, a complete discussion of the adjustment of comparables to the subject will be included, as well as maps, photographs and other details adequate for a reviewer to fully understand the appraisal conclusions. The lease files shall contain an appraisal review document to verify compliance with paragraph 2d of Chapter III hereunder.

(11) Fair Annual Rental Value. The Government or the contractor must negotiate the lowest possible economic rent. It is general DOE practice, in real estate acquisition, not to exceed the approved appraisal by more than 15 percent. No lease rental may exceed the approved appraisal by more than 15 percent without the prior review and approval of the Chief, Real Property Branch. In any lease action where the appraised fair rental value is exceeded, the file must be documented to show that vigorous negotiations were conducted prior to acceptance of a rental or before submittal to Headquarters for approval.

(12) Award.

(a) If the rent falls within the required limits, the real estate specialist in the acquiring office will approve the documents and the lease may be awarded. At the time of award, other offerors are to be advised in writing that an award has been made. However, if the lease is for 10,000 square feet or more, written approval of the real property representative and of his/her supervisor are required.

(b) The award is made by sending a letter of acceptance from the contracting officer to the successful offeror, together with the Standard Form 2 or contractor modified version of the Lease for Real Property, "Mandatory and Recommended Clauses" as discussed in paragraph 7d(5) above, GSA Form 3518, "Representations and Certifications, the solicitation, and any additional paragraphs that have been negotiated.

(c) The lease must have a date of occupancy at the time of award; and, while the contract is binding as of the date of award, rent does not begin until the effective date of the lease, which is the date the space is completed and ready for occupancy by the Government or its contractors. If the occupancy date changes, and the change is approved by the Government or contractor, then a supplemental agreement shall be executed. The lease is unsigned by the Government when it is mailed to the

offeror, and is signed and dated only after it is returned. Care must be taken to assure that the lease is properly signed, witnessed, and dated by the lessor, or duly authorized representative, and by a Government contracting officer acting within proper limits of his/her authority.

(d) The lease will be prepared in an original and three copies, with the original retained by the acquiring office, an executed copy to the lessor, and a copy to the appropriate Departmental finance office.

(13) Inspection.

(a) Prior to acceptance and occupancy of the facility by the Government, representatives of both the lessor and DOE shall inspect the property and determine that it meets the terms of the lease. An inspection report shall be made setting out the results of the inspection.

(b) Inspections are also encouraged during the term of the lease to ascertain compliance with the terms and conditions of the lease. It is important that the condition reports be adequate and accurate so that they may serve as a reliable measure of any change in the condition of the property. They should be signed by both parties.

(c) Similarly, an inspection of the property must also be conducted upon termination of the lease. The final condition report, when compared with the initial reports, will serve to determine any restoration obligation under the lease.

(14) Modification to Lease. Lease renewal options or justified extensions with annual rentals exceeding $500,000 will be submitted to the Chief, Real Property Branch. In addition, amendments and modifications must be submitted for the approval of the Chief, Real Property Branch, when:

(a) The amendment increases the space and/or the rent so that the sum of rent in the basic lease and all amendments exceed $500,000 per annum.

(b) The modification to the terms of the lease is a deviation from the provisions of this Order or a

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deviation from any of the regulations applicable to Government leasing, whether or not such regulation is referenced in this Order.

(15) Condemnation. If a leasehold interest cannot be acquired through negotiations, condemnation action may be considered but will be approved only in those instances where there is no alternative. Any proposal to condemn a leasehold interest will be undertaken in accordance with the procedures outlined in Chapter IV, "Condemnation."

(16) Quasi-Real Property Actions. Some real property requirements may be more efficiently acquired by a service or supply contract without jeopardizing DOE legally or financially. Those considered appropriate for inclusion in this Order and the conditions relating to each are as follows:

(a) Apartments for personnel on travel status.

1 Contract term shall be less than a year;
2 Volume of use by travelers and cost of occupancy shall justify this arrangement by cost comparison to standard travel lodging facilities; and
3 The acquisition must be competed.

(b) Commercial storage units not including warehouses.

1 Contract term shall be less than a year; and
2 The acquisition must be competed.

h. Leases Signed by a Contractor at No Risk to the Government

(1) A DOE contractor may enter into a lease for a period beyond that of the fiscal year, or the period of the DOE contract, as long as DOE is not identified as being liable for any of the lease costs, in case of a termination of the contract, and the lease costs are recovered through an indirect expense pool. The contract must contain a clause which expressly states that the terms of the leases and all associated costs are the sole responsibility of the contractor or the contractor and/or the contractor's corporate Headquarters, as appropriate. The lease between the lessor and the contractor must not in any manner or form identify DOE as a potential correspondent who may be liable for any lease payments or any other associated costs not paid by the contractor. As a matter of policy, nothing in the lease shall bind or purport to bind the Government to the lease.

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(2) Allowable costs for the lease will be in accordance with Federal Acquisition Regulation 31.205-36, Rental Costs.

| i. Leases Signed by GSA for DOE Space.

(1) When general purpose office space is required to house DOE employees, or a mix of DOE and contractor employees, the requirements should be quantified as for any other space need. The package containing a justification for the space requested, the delineated area, date the space is required, the completed Standard Form 81, "Request for Space," and Standard Form 81A, "Space Requirements Worksheet," and a complete listing of special requirements is to be submitted to the Director of Real Estate in the appropriate GSA Regional Office. The standard forms can be obtained at the nearest GSA store.

(2) Any space request to be submitted to GSA, which does not comply with Federal office space utilization policy, shall be submitted to the Chief, Real Property Branch, for review and approval. The submittal must fully justify the need to exceed the established guidelines. Headquarters will forward the space request to the appropriate GSA regional office after review and approval.

(3) After GSA has advertised the space requirement, the acquiring office must be invited to accompany GSA personnel on the market survey, and GSA may issue solicitations only to offerors jointly agreed to by GSA and DOE. Once DOE agrees to issue the solicitation to a potential offeror, DOE has agreed to accept that space if it is the lowest responsive offer.

(4) GSA must obtain DOE approval of the solicitation for offers before it is distributed. The copy is submitted for review and approval to the requesting office by GSA. Once the solicitation is approved by DOE, it binds DOE to accept any space that meets the requirements set out. Therefore, the solicitation must be promptly and carefully reviewed to assure that all of the requirements are included and properly stated and that DOE review time does not delay GSA's schedule to permit timely acquisition of the space. If there is a dispute, the Chief, Real Property Branch, should be advised immediately.

(5) There are few valid grounds for objecting to the issuance, if the space is within the delineated area and the offeror can reasonably be expected to alter or renovate the space to meet the minimum requirements at an economic rent by the required date.

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(6) Once a lease is awarded, GSA must work with the acquiring agency to obtain a layout of the space acceptable to the needs of DOE. Again, DOE must make certain that delays on its part do not prevent GSA from taking action to acquire the space by the time it is needed.

j. Leasing of Space Under GSA Delegated Authority. When space is leased under a delegation of authority from GSA, DOE may enter into a long-term lease, as specified in the delegation, without obligating funds beyond the current year liability.

(1) A GSA delegation may be for a one-time specific space requirement or a generic delegation for certain classes of space needs.

(2) By Delegation of Lease Acquisition Authority (Delegation), dated July 16, 1987, GSA granted to DOE long-term leasing authority. The authority is based on criteria as set forth in the Delegation and Memorandum of Understanding (MOU) included as Attachment I-1, "GSA Lease Delegation Documents."

(a) The DOE leasing authority under Public Law 95-91 (91 Stat. 565) is augmented by the delegation to permit leasing of special purpose space for up to 20-years firm, while committing annual obligation of funds.

(b) The delegation expands DOE leasing authority to general purpose space in communities meeting specific criteria, as set forth in the Delegation and MOU, for up to 5-years firm.

k. Alterations to Leased Space After Initial Occupancy.

(1) Alterations to leased space may be accomplished after initial occupancy of the premises. Alterations must be fully justified as to need and cost. Regardless of whether the alterations are performed by the lessor or the tenant, an attempt shall be made to obtain a waiver of restoration from the lessor (as well as an agreement to maintain the alterations if the lessor is performing the work). The real estate file must contain a record of all alterations.

(2) Payment for alterations performed by the lessor subsequent to initial occupancy and not included in the original rental rate may be accomplished by amortizing the cost over the remaining firm term of the lease or by lump sum payment. In either case, it is generally preferred for the improvements to remain the property of the lessor. This limits potential liabilities of the lessee arising from the alterations. Alterations by

Vertical line denotes change.

the lessor shall be accomplished by supplemental agreement to the lease.

(3) Alterations may be made by the lessee in which case ownership should be retained by the lessee. Alterations by the lessee are discouraged because of potential liabilities arising from alteration to the real property of a third party. When such alterations must be performed by the lessee, every reasonable attempt should be made to obtain the right to abandon the alterations in place in lieu of the obligation to remove and restore.

(4) CRSs in the field of leasing are authorized to approve alterations to leased space, subject to all other normal approvals for real estate transactions, up to $500,000 per alteration project. Projects exceeding this threshold must be referred to the Office of Infrastructure Support Services for review and approval.

(5) Alterations to contractor leased space must be reviewed by a CRS in the field of leasing whenever the cost of an alteration project exceeds $25,000.

8. ACQUISITION OF OTHER INTERESTS.

a. Easements.

(1) Permanent easements are used to acquire lineal rights-of-way for such uses as roads, railroads, pipelines, and utilities, or to restrict the use of another's property by acquiring specific rights in that property. When an easement is the appropriate estate and permanent improvements will be made by the Government, permanent rather than temporary easements must be used.

(2) Temporary easements are sought to gain short-term or one-time access to a property or right-of-way across it; for example, for hauling material during a project construction phase, or to do nondestructive testing. If the cost of a temporary easement exceeds $10,000, an appraisal supporting that cost is required. The acquiring office may obtain an appraisal if the cost is less than $10,000; but in any event the file must be documented to demonstrate that the cost agreed to is fair and reasonable.

(3) Procedures. Permanent easements must be sought at no less than the appraised fair market value. When it is necessary to purchase an easement, the field element will follow procedures for purchase of property found in paragraph 3. The acquisition of easements may be required for rights-of-way for

access roads and utility lines that cross or encroach on the rights-of-way or property of railroad companies, public utility companies, cities, counties, and States. In this case, an easement from the owner of the underlying fee is required and an agreement from the user must be obtained equal in duration to the life of the easement. If the licensor demands payment of more than the appraised value of the right to be acquired, or if the licensor is not vested with authority to grant the needed easement rights; consideration will be given to the acquisition of a permanent easement by condemnation.

b. Licenses and Permits.

(1) DOE is authorized to acquire temporary use of real property by license or permit in accordance with Public Law 95-91 (91 Stat. 565) and the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 471). This type of interest will be obtained when the proposed use is of a temporary nature. No permanent construction will be placed on land where the Government has only a temporary interest. Since licenses or permits contain no warranty of title, it must be determined prior to making use of property that the owner has sufficient interest in the property to grant temporary use. Licenses and permits will be reviewed by legal counsel as to legal sufficiency prior to execution. The terms "license" and "permit" are identical and interchangeable. Usually, the term "permit" applies only when one Government agency grants the use of its property to another Government agency. Contractors may acquire temporary use of property under license or permit if the use is required to fulfill contract commitments and the action has been authorized by the appropriate field element.

(2) A written notice to the owner will be made when the temporary interest is no longer required. A joint inspection shall be made with the property owner or the designated agent sufficiently in advance of the end of the use period to allow restoration within the use period, thus avoiding a claim for added rental compensation. This should be done even though the time period of the Government interest is contained in the executed instrument.

c. Use of Real Property Accepted as a Gift. Real property, accepted as a gift under section 652 of the DOE Act, 42 U.S.C. 7262, or its proceeds, must "be used as nearly as possible in accordance with the terms of the gift, bequeath, or devise."

Vertical line denotes change.

d. Improvements to Non-Government-Owned Property.

(1) Under decisions of the Comptroller General, the Government is generally precluded as a matter of policy from using appropriated funds to make improvements to non-Government-owned property.

(2) In addition, the Comptroller General has established as governmental policy that, in general, permanent improvements may not be made to non-Government-owned land.

(3) The Comptroller General has tended to look at this issue on a case-by-case basis. In certain cases, the Comptroller General has concurred in exceptions to this policy. The basic premise on which the Comptroller General has allowed exceptions to the policy against permanent improvements to private property is whether the Government's interests in the overall project are adequately protected with respect to such improvements. In making such a determination, the Comptroller General has established the following general criteria that must be addressed in order to allow the use of Federal funds for such improvements: (a) the expenses of the improvements are nominal in comparison with the total price of the contract; (b) the improvements are incidental and essential for the accomplishment of the authorized purpose of the appropriation; and (c) improvements are used for the principal benefit of the Government (46 Comp. Gen. 26, 27, (1966); 42 Comp. Gen. 480 (1963)).

(4) It must be emphasized that it is exceptional to permit permanent improvements to non-Government-owned real property. Requests for approval must be submitted to the Chief, Real Property Branch, before any such action is taken.

Vertical line denotes change.

GSA Lease Delegation Documents

1. Delegation of Lease Acquisition Authority

2. Memorandum of Understanding

3. Headquarters Implementing Memorandum

DELEGATION OF LEASE ACQUISITION AUTHORITY

Pursuant to the authority vested in me by the Federal Property and Administrative Services Act of 1949, 63 Stat. 377, as amended, lease acquisition authority is hereby delegated to the Secretary of Energy. This delegation shall extend to the leasing of space under the authority of Section 210(h)(1) of the above-cited Act, for terms not to exceed 5 years, for general purpose office space. Additionally, authority is hereby delegated to the Secretary to enter into lease contracts for terms not to exceed 20 years for special purpose space to augment existing Department of Energy (DOE) statutory authority.

This authority is subject to the following conditions:

1. The authority to lease can be redelegated only to officers, officials, and employees of DOE who have been adequately trained as or lease contracting officers.

2. DOE will make every reasonable effort to utilize all leased locations in accordance with Federal Property Management Temporary Regulation D-73, effective February 11, 1987.

3. The general purpose leasing authority is applicable only in geographic areas where the General Services Administration (GSA) controls less than 250,000 square feet of space. The special purpose multiyear authority referenced above is without geographic limitations.

4. Prior to undertaking any leasing actions for new acquisitions, renewal options, or succeeding leases, DOE must verify, with the appropriate GSA Assistant Regional Administrator, Public Buildings Service, that no suitable vacant Government-controlled space is available nor any planned consolidations of Federal agencies in the community.

5. Within 90 days after execution of each lease pursuant to this delegation, DOE will provide the Office of Governmentwide Real Property Policy and Oversight the following information: name and address of the leased building, total square footage leased, utilization rate of office space leased, annual rental, estimated cost of services or utilities to be paid separately by the Government (if any), and the term of the lease, including any cancellation or renewal rights.

The authority granted herein shall be exercised in accordance with the requirements and limitations of the above-cited Act and other applicable statutes and regulations, including the General Services Administration Acquisition Regulation, as amended, to include the Competition in Contracting Act.

RC Golden

Administrator

July 16 1987

Date

Memorandum of Understanding
General Services Administration
and the Department of Energy

The purpose of this memorandum is to establish procedures for implementation of the delegation of leasing authority from the Administrator of General Services Administration (GSA), under which the Department of Energy (DOE) has assumed responsibility for the leasing of general purpose office space in geographic areas where GSA controls less than 250,000 square feet of space; and multiyear leasing authority for special purpose space to augment DOE's statutory authority. The delegation, Enclosure 1, provides authority for firm term leases up to 5 years for general purpose office space and not to exceed 20 years for special purpose space.

One of GSA's primary concerns in granting the delegation of leasing authority was to effect more efficient utilization of Federal personnel and administrative costs devoted to providing Federally-owned and leased space for various Federal agencies. It is, therefore, intended that full responsibility for all cited lease actions be assumed by DOE. It is the mutual desire of GSA and DOE that availability of Federally-controlled space be considered for DOE offices and, therefore, pursuant to section 101-17.102 of the Federal Property Management Regulations (FPMR), Temporary Regulation D-73, DOE will continue to make space needs known to GSA's regional offices, and shall document their file if space is not available.

1. DOE activities shall continue to qualify for use of space in Federal buildings administered by GSA, whenever feasible, according to the following criteria:

   a. Present DOE space assignments in Federal buildings are not terminated by the delegation of leasing authority, nor may DOE lease replacement space for any assignment currently housed in a Federally-controlled building without obtaining the prior approval of the appropriate Assistant Regional Administrator for Public Buildings Service. All space relinquishments by DOE must be in accordance with FPMR requirements.

   b. Requests for future space requirements in Federal buildings will be honored in parity with all other Federal space requests.

   c. Present and future space assignments in Federal buildings will be subject to rent as provided by P.L. 92-313, and as implemented by the FPMR's. In addition, DOE assignments in GSA space may be subject to actual expenses as noted in FPMR D-73, section 101-17.302.

2. All existing single tenant GSA leases for the DOE locations noted in Enclosure 2, together with all correspondence and supporting documentation, will be transferred from the GSA region to the appropriate DOE office on or before September 1, 1989. GSA leases, which include space for other Federal activities as well as DOE, will not be transferred but will continue to be administered by GSA.

3. All outstanding requests for leased space outside of the GSA controlled areas, will be returned by the GSA regions to the appropriate DOE office except those cases in which a GSA region has in hand a signed lease instrument executed by a prospective lessor as a result of completed negotiations. In such cases, the region will proceed to obtain necessary GSA clearance. The lease contract, however, will be executed on behalf of the Government by the DOE contracting officer. Upon completion, all correspondence and supporting documentation will be promptly transferred to the appropriate DOE office.

4. Prior to undertaking any leasing action for new acquisitions, renewal options, or succeeding leases, DOE must advise the appropriate Assistant Regional Administrator for Public Buildings Service by providing the square footage, location, and special requirements of the space to be leased. DOE may proceed with leasing actions 10 working days after the appropriate regional official has been advised, providing the official determines that no suitable Government-controlled space is available nor are any consolidations planned for Federal agencies in the community where the lease action is to occur. If no such information has been provided to DOE, DOE may proceed to complete the leasing action. The Commissioner of the Public Buildings Service will be the deciding official in all matters of contention arising between the regional GSA offices and the DOE offices in regard to lease actions under this delegation.

5. Leases with average net annual rentals of $1,500,000, including all known costs to provide fully serviced, occupiable space, will require submission to the Office of Management and Budget (OMB) and to the House Committee on Public Works and Transportation (HCPWT) for consideration prior to award. DOE is responsible for preparing the prospectus proposal package and forwarding it to the appropriate regional office of GSA for submission to the GSA central office, OMB and the HCPWT.

Administrator (Acting)
General Services Administration

Assistant Secretary
Management and Administration

United States Government

Department of Ener

memorandum

DATE: MAR 2 3 1990

REPLY TO ATTN OF: MA-202.31

SUBJECT: General Services Administration Delegation of Lease Acquisition Authority

TO: Distribution

The final documentation implementing the delegation of lease acquisition authority from the General Services Administration (GSA) has been signed by the Department of Energy (DOE) and GSA. The delegation allows DOE to lease general purpose office and storage space, for a maximum term of 5 years, outside of metropolitan areas where GSA controls at least 250,000 square feet of space. In addition, GSA has delegated its multiyear leasing authority to DOE for acquisition of special purpose space for periods up to 20 years. This allows multiyear, firm-term leases while obligating only the current year's rental obligation.

Recognizing that many offices have limited resources trained in real estate leasing, this office has put into place an interim procedure for implementing the GSA delegation. Headquarters and three field offices currently having staff that meet the GSA qualifications are agreeable, subject to workload demands, to assist in acquiring leased space under the delegation. The office receiving the assistance will be expected to fund all travel costs of the "assistance team" as well as providing logistical support throughout the lease action.

While this assistance team is available, offices which desire to utilize the delegation are encouraged to request redelegation from the Director of Administration. To obtain a redelegation, consistent with the intent of the GSA delegation to DOE, the requesting office must have on staff a trained realty specialist with adequate experience in lease acquisition to assure compliance with GSA regulations, DOE policies, and good real estate practices.

In addition, the office must establish a review and concurrence process, which will review the proposal for compliance with generally accepted principles of Government contracting. It should be stressed that this is a concurrence review, not an approval. As such, the field office manager, or his/her designee, may determine disposition of comments, which cannot be resolved between the realty specialist and the reviewer. Finally, as provided in the GSA delegation, there must be a contracting officer who has completed the designated courses for executing real estate contracts. The contracting officer could be the realty specialist, the reviewer, or a third party. Because real estate leasing is outside the DOE procurement line of authority, it need not be a warranted DOE contracting officer.

Any office requesting redelegation should submit their plan for implementation, including identification and qualifications of the individuals who will perform the functions identified, to the Real Property Branch for review. Upon review of the plan, the Real Property Branch will communicate with the requesting office, identifying any areas needing clarification. Delegation will be by letter from the Director of Administration. That letter will include any conditions or limitations on the delegation.

Delegations which would utilize the Headquarters assistance team for a portion of the functions (realty specialist, reviewer, contracting officer) will be considered. It is our intention to remain as flexible as possible to meet field needs.

Copies of the Delegation of Lease Acquisition Authority and Memorandum of Understanding outlining the conditions of the delegation are attached. Your offices should contact the appropriate GSA office in your area to obtain copies of the current General Services Administration Acquisition Regulation. Part 570 outlines leasing requirements. Section 501.603-70(h)(1)(vi) provides current training requirements for real estate leasing contracting officers.

If there are questions regarding this memorandum, or if we can be of further assistance, please contact Roger Arola at FTS 895-3503 or locally at 586-3503.

Charles R. Tierney
Director of Administration

Attachments

CHAPTER II

DISPOSAL OF REAL AND RELATED PERSONAL PROPERTY

1. DISPOSAL OF UNITED STATES-OWNED LAND AND/OR IMPROVEMENTS.

   a. Real property holdings of DOE and its contractors must be limited to the minimum required to accomplish assigned missions. Real property is excess when it is not needed to fulfill current requirements and DOE has no need for it in the foreseeable future.

   b. The Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 471), provides that each Federal agency will report excess real property under its control, except in foreign countries, to GSA. Supervision and direction of disposal of surplus real property, except in foreign countries, are the responsibility of GSA. Unless authorized by a specific act of Congress, all disposal of real property will be made under the authority of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 471), and implementing regulations issued by GSA.

   c. The DOE has limited authority to dispose of real and related personal property. These specific statutory authorities are discussed later in this Chapter. All other real and related personal property must be disposed of through GSA or in conformance with regulations issued by GSA.

   d. Real property utilization surveys are required by Executive Order 12512 and FPMR 101-47.2, respectively. The intent of the surveys is to identify real property that can be declared excess and reported for disposal. The Executive order surveys apply to all DOE sites except those sites consisting exclusively of land withdrawn from the public domain. The Executive order surveys are conducted on a 5-year cycle. Those surveys are to be actual, onsite inspections of land and improvements. It is DOE policy to conform to the survey report format prescribed by GSA. DOE Headquarters will attempt to keep field elements informed of changes by GSA in the format.

   e. Annual reviews required by FPMR 101-47.802 must be made by all Federal agencies on their real property holdings, including leased properties (see Attachment II-1, "Annual Reviews"). Initial reviews should be based on onsite inspections. Subsequent reviews can be desk reviews rather than actual, onsite inspections. The report summarizing the survey findings should be kept on file and available for review in the field office.

f. When the PSO or designee makes a determination that certain real and related personal property are no longer required by a program, the appropriate real property representative will prepare a memorandum stating that the property is excess to the program needs, together with a completed Standard Form 118, "Report of Excess Real Property," (SF 118) giving the recommended method of removing the property from DOE accountability. All appropriate local concurrences (such as counsel, environmental, etc.) must be obtained. The memorandum must be approved in writing locally or by Headquarters if the action exceeds the field element's authority. The field element will either screen the property to determine if it is excess to the needs of the entire Department or request the Chief, Real Property Branch, to conduct such screening. If Headquarters approval of the disposal action is not required, the field element would report the property to GSA for disposal. Documentation to be submitted to GSA is identified in CFR 101-47.2.

g. For disposals that include both Government-owned land and improvements, the memorandum should address the following items:

(1) Summary of the affected site and DOE mission and reasons why this property is no longer required in support of the mission;

(2) General description, location, size, acquisition cost, nature of real estate interest proposed for disposal, brief history, effects upon severance, mineral and other rights, impact upon the natural resource conservation program of the installation, existence of facilities of cultural or historical significance as defined by 36 CFR 800, and any other relevant information, which explains the proposed disposal action;

(3) A brief discussion of the environmental and economic impact of the proposed disposal action, with a summary of the environmental requirements, need to comply with environmental laws and regulations (see paragraph 3f(2) of Chapter I;

(4) Number of personnel affected;

(5) Detailed estimate of one-time closing and other costs and of recurring annual savings, including a breakdown of operational and maintenance cost savings;

(6) Disposition of, and impact upon, tenants of the installation;

(7) Justification for portions of the installation proposed for retention, if any;

(8) Nature of existing outgrants, permits, or permitted temporary uses;

(9) Any recent appraisal reports which are available;

(10) Any restrictions to be imposed on the excess land;

(11) Proposed date the facilities will be vacated;

(12) For disposals of real property with an aggregate acquisition cost of $1 million or more, evidence of compliance with the requirements of 41 CFR 101-47.301-2, "Applicability of Anti-Trust Laws";

(13) A site and vicinity real estate map identifying the parcels;

(14) Photographs, if available;

(15) Number, type, use, size, age, and general condition of facilities and utilities proposed for disposal;

(16) Any known interest in acquiring the property;

(17) Indication that DOE has not contemplated acquisition of any land for similar use at or near this location and that the property has been screened at the site;

(18) Certification that requirements of DOE 5400.5, RADIATION PROTECTION OF THE PUBLIC AND THE ENVIRONMENT, of 2-8-90; Section 120(h) of CERCLA; and any other Federal, State, or local regulations have been meet for residual radioactive material and any other hazardous substances. This applies whether Government-owned land, improvements, or both, are being disposed of. Also see paragraphs 1o and 1p below;

(19) Completed SF 118, and other requirements of 41 CFR 101-47.202-2, ready for transmittal to GSA;

(20) Certification of compliance with 40 CFR 761 regarding use and storage of Polychlorinated Biphenyl (PCB) will be required when there is any possibility PCBs have been utilized (transformers);

(21) A statement regarding presence or absence of friable asbestos; and,

(22) Any underground storage tanks must be identified, in Block 18 of the SF 118, as to location, size and former use.

h. In addition to other information, the SF 118 will include all related or appurtenant easements, licenses, and related personal property. Decontamination data will be included, if appropriate, in accordance with 41 CFR 101-47.202-7. Information on flood hazards will be included as required by 41 CFR 101-47.202.2(b)(6).

i. When Headquarters approval of a proposed disposal is required, the Chief, Real Property Branch, will transmit the completed report of excess real property to the appropriate GSA regional office. A copy of the forwarding letter to GSA will be furnished to the field element.

j. GSA will review the submission to assure that the documentation is complete, that the property is not encumbered, and that it has a marketable title. GSA will then advise the field element of the acceptance date of the report of excess. DOE has responsibility for maintenance and safety, as defined in 41 CFR 101-47.402-2, for 5 fiscal quarters from the date of acceptance of the report of excess by GSA.

k. Subject to the approval of the Administrator of GSA, reports of excess may be withdrawn or corrected at any time prior to disposition of the property by filing a modified SF 118 with the GSA regional office. Approval of the official signing the report of excess is required for significant corrections or withdrawals. (SF 118a, "Buildings, Structures, Utilities and Miscellaneous Facilities," 118b, "Land," and 118c, "Related Personal Property," should be procured from local GSA supply channels.)

l. Interim use of excess and surplus property is permitted under the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 471). GSA has general supervision, direction, and approval authority over interim use of such properties pending final transfer or disposal. As general guidelines, GSA will limit interim use to 1 year with the right to cancel on 30-day notice from GSA. Interim use may be by lease, license, or permit.

m. When real property is transferred from one agency to another, it is GSA's policy under 41 CFR 101.47.203-7(f)(2) that the benefiting agency must pay fair market value for the property.

n. At one time reservations of uranium, thorium, and other fissionable materials were routinely retained in conveyances of surplus real property. The Government's interest in these estates has been released by Title 42, United States Code, Section 2098.

o. Whenever DOE enters into any contract for the sale or other transfer of real property which is owned by the United States and on which any hazardous substance was stored for one year or more, was known to have been released, or was disposed of, the contract must include notice of the type and quantity of such hazardous substance and notice of the time at which such storage, releases, or disposal took place, to the extent such information is available on the basis of a complete search of DOE files. The applicability of this requirement, and the contents of the notice are further specified in CERCLA section 120(h)(1)-(2), and 40 CFR 373.

p. In compliance with CERCLA section 120(h)(3): in the case of any real property owned by the United States on which any hazardous substance was stored for one year or more, was known to have been released, or was disposed of, each deed entered into from the transfer of such property by the United States to any other person or entity shall contain:

(1) to the extent such information is available on the basis of a complete search of DOE files,

(a) a notice of the type and quantity of such hazardous substances,

(b) notice of the time at which such storage, release, or disposal took place, and,

(c) a description of the remedial action taken, if any, and,

(2) a covenant warranting that

(a) all remedial action necessary to protect human health and the environment with respect to any such substance remaining on the property has been taken before the date of such transfer, and

(b) any additional remedial action found to be necessary after the date of such transfer shall be conducted by the United States.

(The requirements of subparagraph (2) shall not apply in any case in which the person or entity to whom the property is transferred is a potentially responsible party with respect to such real property.)

2. DISPOSAL OF DOE-OWNED IMPROVEMENTS WITHOUT THE UNDERLYING LAND.

a. When real and related personal property are to be disposed of without the underlying land, it must be reported as excess real property for offsite removal. The accountable office will follow the same procedures as for disposal with the land. In addition to the documentation required in paragraph 1a - p, if abandonment in place or demolition of the property is recommended, at least two independent estimates of salvage value must also be obtained. If no one within DOE has a need for the property and there are no purchasers during the GSA screening process, GSA will notify DOE and the accountable office may proceed with disposition. The authority for this disposal was delegated to Executive agencies by GSA in 41 CFR 101.47.

b. Once GSA has advised DOE that the excess property has been screened and no interest has been expressed, the entire financial and administrative responsibility rests with DOE. Cost for whatever future actions are required must be committed prior to closeout of the contract or project.

c. Custody of Documents. Pending transfer or disposal of excess property, the field element will retain custody of legal documents relating to the acquisition, temporary use, or disposal of the property. During this period, the field element will make available to appropriate GSA officials copies of property documents needed to proceed with the transfer or disposal action. Originals of legal documents will be furnished to GSA to effect a final transfer or disposal of the property.

d. Personal Property. Personal property at installations due to be discontinued shall be disposed of in accordance with DOE Property Management Regulations (PMR) 109-43.311-5 and PMR 109-50.

e. Excess Property Not Reported. No reports to GSA are required for:

(1) Excess non-Government-owned property held under lease, permit, license, easement, or similar instrument, when Government-owned improvements are to be transferred to the owner of the land in restoration settlement and:

(a) The lease or other similar instrument is subject to termination by the grantor or owner of the premises within 9 months;

(b) The remaining term of the lease or other instrument, including renewal rights, will provide for less than 9 months of use and occupancy;

(c) The term of the lease or other instrument would preclude transfer to, or use by, another Federal agency or disposal to a third party; and

(d) The lease or other instrument provides for use and occupancy of space for office, storage, and related facilities, which do not exceed a total of 2,500 square feet.

(2) Leased space assigned by GSA and land and improvements owned by and permitted from other Government agencies.

(3) Excess timber, sand, gravel, and stone-quarried products and growing crops on nonexcess land regardless of value.

(4) Excess withdrawn or reserved public domain lands, regardless of value, which are offered to and accepted by the Department of the Interior for return to the public domain.

(5) Excess prefabricated movable structures, such as Butler-type storage warehouses and quonset huts, and house trailers (with or without undercarriages), which are located on nonexcess land. For disposal only, such structures shall be reported as personal property and disposed of in accordance with DOE PMR 109-43-3.

f. Property that otherwise would not be reported because it falls within the exceptions under subparagraph (1) above shall be reported to GSA if:

(1) Government-owned improvements are located on the premises; or

(2) The continued use, occupancy, or control of the property by the Government is needed for the operation, production, or maintenance of other property owned or controlled by the Government that has been reported excess or is required to be reported to GSA.

3. DOE AUTHORITY FOR DISPOSAL OF REAL PROPERTY. DOE can dispose of real property and related personal property under certain statutory authorities when the proposed action meets the provisions and requirements of the specific authority.

a. Atomic Energy Act. Under section 161g of the Atomic Energy Act of 1954, as amended, 42 U.S.C. 2201(g), DOE is authorized to "sell, lease, grant, and dispose of such real property as provided in this Act." Use of this authority is limited to those functions under the jurisdiction of the Act, and any disposal under this authority

requires prior approval of the Assistant General Counsel for General Law and the Chief, Real Property Branch. To obtain such approval, an Action Memorandum recommending the disposal shall be submitted, together with the pertinent background information and justification otherwise required for a disposal of real property, to the Chief, Real Property Branch, with a copy to the Assistant General Counsel for General Law.

b. Atomic Energy Community Act. Under the Atomic Energy Community Act of 1955 (69 Stat. 472, 42 U.S.C. 2301 et seq.), DOE has authority to dispose of real property within the atomic energy communities of Oak Ridge, Tennessee, Richland, Washington, and Los Alamos, New Mexico, that were originally owned and managed by the Atomic Energy Commission. This Act establishes the terms, conditions, and procedures for the disposal of property in those communities.

c. Power Marketing Administration. Under the Bonneville Project Act of 1937 (50 Stat. 731, 16 U.S.C. 832 et seq.), the Administrator of the Bonneville Power Administration has authority "to sell, lease, or otherwise dispose of... such real property and interests in land acquired in connection with construction or operation of electric transmission lines or substations as in his judgment are not required for the purposes of this Chapter..."(16 U.S.C. 832a(e)). Exercise of this authority is subject to approval of the President. Note, however, that the generic authority contained in 50 U.S.C. 1622(d) limits the disposal of surplus power transmission lines, providing that if a State or Federal agency certifies that the surplus transmission line "is needful for or adaptable to the requirements of any public or cooperative power project, such line and the right-of-way acquired for its construction shall not be sold, leased for more than a year, or otherwise disposed of, except as provided in... this section, unless specifically authorized by Act of Congress."

d. Naval Petroleum Reserves. Authority "to alienate from the United States the use, control, or possession of any part of the Naval Petroleum Reserves" or to exchange land is subject to consultation with the Senate and House Committees on Armed Services and the approval of the President, pursuant to 10 U.S.C. 7431(a).

e. Oil Shale Conversion Facilities. Section 19 of the Federal Non-Nuclear Energy Research and Development Act of 1974, as amended, 42 U.S.C. 5919, authorizes DOE to enter into cooperative agreements for the conversion of oil shale into alternative fuels and to share with the other party the cost of construction of a modular facility for conversion. Subsection (b)(5)(B) provides that:

"After successful demonstration of the modular facility, as determined by the Administrator, the facility is eligible for financial assistance under this section for purposes of expansion into a full-sized facility and the applicant may purchase the Federal interest in the modular facility.... If expansion of such facility is determined not to be warranted by the Administrator, he may, at the option of the applicant, dispose of the modular facility to the applicant at not less than fair market value... or otherwise dispose of it, in accordance with applicable provisions of law, and distribute the net proceeds thereof, after expenses of such disposal, to the applicant in proportion to the applicant's share of the cost of such facility."

f. Energy Reorganization Act of 1974, as Amended, 42 U.S.C. 5821(B).

(1) Section 111(b) of this Act provides that for facilities constructed from funds provided to DOE under authority of this Act:

"Fee title to all such facilities and items of equipment shall be vested in the United States, unless the Administrator or designee determine in writing that the research, development, and demonstration authorized by such Act would best be implemented by permitting fee title or any other property interest to be vested in an entity other than the United States; but before approving the vesting of such title or interest in such entity, the Administrator shall (i) transmit such determination, together with all pertinent data, to the Committee on Science and Technology of the House of Representatives and the Committee on Energy and Natural Resources of the Senate and (ii) wait a period of 30 calendar days (not including any day in which either House or Congress is not in session because of adjournment of more than 3 calendar days to a day certain), unless prior to the expiration of such period each such committee has transmitted to the Administrator written notice to the effect that such committee had no objection to the proposed action."

(2) As a general rule, this transfer authority is exercised at the beginning of a project. Its use requires the prior approval of the Chief, Real Property Branch.

g. Sale.

(1) If DOE is authorized by specific statute or by delegation from GSA to sell real property to private parties, sale will be accomplished by competitive bidding, unless otherwise limited by contractual obligations.

(2) DOE will not offer for sale any real property which has been contaminated with explosive or toxic materials or other harmful elements before full compliance with DOE decontamination procedures.

(3) As a general rule, all collections received by DOE shall be deposited as miscellaneous receipts to the General Fund of the Department of the Treasury unless otherwise authorized by statute or DOE 2200.6, FINANCIAL ACCOUNTING, Chapter IX, Reimbursable Work, Revenues, and Other Collections.

4. DISPOSAL OF OTHER INTEREST IN REAL PROPERTY. Granting of licenses, permits, and easements, as well as outleasing, are disposals of interest in property of varying degrees.

a. If land or facilities controlled by DOE are temporarily underutilized, they may be outgranted to others for use during an interim period, within certain limitations, if the proposed use is consistent with Departmental mission requirements, security, and public safety. Prior to outgranting any interest in DOE-controlled real property, field elements must comply with the requirements and intent of Section 106 of the National Historic Preservation Act. The order of preference for outgrants when more than one party is interested in the property and no compelling reasons dictate otherwise is:

(1) Other Federal agencies;

(2) State and local Governments; and

(3) Private organizations or individuals.

b. Outgranting DOE property for private use by lease will be done by obtaining competitive offers through advertising, whenever feasible. Competitive offers are not required when:

(1) Granting licenses or permits for a firm term of a year or less or to other Federal agencies;

(2) Granting leases to local, county, or State Governments; and

(3) Granting easements where it can be documented from the file that competition is impractical or unnecessary.

c. Granting Outleases.

(1) Temporarily underutilized DOE-controlled property may be outgranted by lease; however, terms of such leases, including all options, shall be for not more than 5 years as provided in Public Law 95-91 (91 Stat. 565). Appraisals shall be obtained, and payment received should be no less than the appraised fair market rental value except in cases where it is clearly in the best interest of the Government to accept less. Such cases will be thoroughly documented in the file. The Interdepartmental Waiver Doctrine should be considered whenever there is a possibility of outgranting property to other Federal agencies.

(2) All leases must specify, as a minimum, the amount of realty to be occupied, its specific location, a beginning and an ending date with any options, hours for use or access, amount of rent to be paid, who is responsible for operation of the leased property, and who is responsible for furnishing maintenance, utilities, and services. If the Government is to provide more than just the space, rates must be developed and added to the rent, if they were not included in the appraised fair rental value. Rental monies received will be deposited by the fiscal officer in the appropriate account.

(3) All leases granting the lessee possession and use of improvements will require the lessee to ensure such improvements for their full value, if practicable, to make certain the improvements will be available for future DOE use. Outleased property will not be subleased or assigned without the lessee obtaining prior approval from the Departmental contracting officer. The outlease instruments will include a clause restricting sublease or assignment.

d. Granting Easements.

(1) Granting easements over, in, across, and upon DOE lands places encumbrances on the property, which could have an effect on DOE use and disposal. Therefore, easements should be granted only when the granting does not conflict with DOE use or when the easement provides a clear benefit to DOE. When granting easements, ascertain that the Government's interest in adjoining property and its remaining interest in the easement area are protected. Easements are granted for such purposes as roads, railroads, pipelines, and utility lines.

(2) Fair market value will be charged for easements. In those cases where the grantee is a State or local Government or nonprofit organization, or when the grant will primarily benefit the Government, the easement may be granted without charge and the file should be documented to show the reason. DOE has authority to grant the following kinds of easements:

(a) Easements for road widening are granted under 40 U.S.C. 345c. This law provides that, upon application by a State or a political subdivision, the Head of the Executive Agency having control over the property may, with or without charge, convey, or transfer such interest in the property consistent with the best interest of the Federal Government.

(b) General easement authority is contained in 40 U.S.C. 319. This authority is unlimited as to purposes for which easements may be granted; however, it should not be used for purposes which another statute specifically authorizes. The authority can be used to grant an easement requested by a State or its political subdivision for roads or streets on land under exclusive legislative jurisdiction of the Federal Government, if it is determined to be in the best interest of the Government to relinquish entire or concurrent jurisdiction to the State. Easements for roads and streets may be granted in perpetuity.

(c) With certain restrictions, general easement authority is also granted under section 161g of the Atomic Energy Act.

(3) Terms and Conditions. Terms and conditions of easements shall include the following:

(a) The grantee shall maintain the property in good condition and make necessary repairs;

(b) Use of the property by the grantee shall not interfere with Government operations. This may be omitted from easements for Federal-aid highways;

(c) Relocation of any facilities constructed by the grantee that interfere with Government operations will be required at the expense of the grantee. This relocation provision may be omitted when such provision would be impractical or unreasonably burdensome to the grantee; and

(d) The easement will be terminated for default, for nonuse for a period of 2 consecutive years, or if the easement is abandoned.

e. Licenses and Permits.

(1) Licenses or permits may be granted for temporary use of Departmental property and shall be revocable on 30-day notice. DOE may permit other Federal agencies to use DOE property as long as the use does not interfere with the Departmental mission. There is no charge to other Federal agencies for use of the real property. The term of the permit should be limited to the actual time required for contemplated use and may be for any period so long as it is revocable on not more than 30-day notice. Permits may be renewed with proper justification.

(2) Payment of fair market value is required for all other users, unless (a) the proposed use will benefit only the Government, or (b) the user is a local Government entity. Amount of payment is usually based on local practice. Advice on charges may be obtained from the USACE, BLM, or local appraisers.

(3) When a commercial user, such as a bank or service station, requests a permit to use DOE land, the field element must have a justifiable need for the offered service that cannot be filled offsite, must give all other like organizations the right to compete, and must require the recipient of the license or permit to pay not less than fair market value for the use of the Government property.

f. Credit Unions. Specific legislative authority, at 12 U.S.C. 1770, "Allotment of Space in Federal Buildings," permits assignment of available space in Federal buildings, at no cost, for use by credit unions. To be eligible for such space, at least 95 percent of the members of the credit union must be Federal employees or were Federal employees at the time they joined the credit union. Members of their immediate families are also eligible. Credit unions that do not meet the requirements for free space but do provide service to DOE or onsite contractor employees, are eligible for space on a noncompetitive basis, although fair rental value must be charged. If more than one credit union desires the space, then the space must be competed among the credit unions.

g. Automatic Teller Machines (ATM). By memorandum dated 12-4-85, the Director of Administration established DOE policy regarding ATMs, which is as follows:

(1) If the ATM is solely for the use of members of a Federal or contractor credit union, which is authorized space on a DOE facility, then the installation of an ATM shall be authorized on a no-cost basis. It is recommended that a license be issued to the credit union rather than a lease.

(2) An ATM, which services commercial banking customers as well as credit union members may be allowed, provided that the ATM is operated by the credit union and not the bank.

(3) A lease is the proper vehicle to authorize the installation of an ATM when it is installed by a commercial banking institution and is presently in place on DOE-controlled property. Space shall be leased at not less than the fair market rental value. Installation of additional ATMs, which are not operated by Federal or contractor credit unions, must either be competed or, if one financial institution is allowed to install an ATM without competition, then all financial institutions must be allowed to install an ATM if they so request.

h. Annexation. Annexation is an action taken by a municipality to incorporate DOE lands into its corporate limits. It is the policy of DOE not to oppose annexation except where such action would not be in the best interest of the Government. Such determinations are the responsibility of the PSO or designee, in consultation with counsel and a certified real property representative.

5. DISPOSAL UNDER GRANTS. Grants will be governed by standards set out in Attachment N, OMB Circular A-110, and 10 CFR 600.431. These cover the management and disposal of property furnished by the Government, paid for in whole or in part with Federal funds, or charged to a project supported by a Federal grant. DOE actions in such management and disposal will comply with the requirements therein, using this Order for implementation. Consideration should also be given to cooperative agreements covered by the DOE Assistance Rules, 10 CFR 600.117.

6. RELINQUISHMENT OF WITHDRAWALS. Relinquishments must comply with the procedures prescribed in 43 CFR 2372.1.

ANNUAL REVIEWS

1. Real Property Utilization Survey

2. Real Property Annual Review - Leased Facility

DEPARTMENT OF ENERGY
REAL PROPERTY UTILIZATION SURVEY
SEE FPMR 101-47.8-1 FOR STANDARDS FOR COMPLETING SURVEY

1. Responsible Office_____ 3. Location (City or County, State)_____

2. Facility Name_____
4. Acreage_____
5. Estimated fair market value (EFMV) of land owned: $_____
6. Acquired by: 6a. Purchase _ 6b. Donation _ 6c. Exchange _ 6d. Other(Describe) _
_____
7. Purpose (use) of facility:_____
8. Improvements: 8a. Yes _ 8b. No _ 9. No. of Improvements: None _1-50 _over 50 _
9a. Type of improvements with gross square footage:_____
_____
9b. EFMV of improvements: $_____ 10. Total EFMV: $_____
11. Use of site: 11a. Year round _ 11b. Periodic _ (Give dates):_____
12. Is site jointly used by others? 12a. Federal Agency _
utilized _ 22c. Not put to optimum use:_____
12b. State or Local Government _ 12c. Business or individual _ 12d. No. _
13. Explain outgrants (e.g., easements, licenses, permits):_____
_____
14. Future plans for use of site:_____
_____
15. Is property use compatible with surroundings?_____
16. Could operating and maintenance costs be reduced if site was relocated?_____
17. Will contemplated program changes alter property requirements?_____
18. Are buffer zones kept to a minimum?_____
19. Is Government-owned land essential to meet program requirements?_____
20. Is property being retained because it is considered undesirable landlocked?_____
21. Is there land or space available for use by others on a temporary basis?_____
22. Degree of utilization: Definitions on back of form. Check one box and use remarks for further explanation. 22a. _ Fully utilized: 22b. _ Underutilized: 22c. _ Not utilized _ 22d. Not put to optimum use:_____
23. Remarks:_____
_____
24. Previous survey: 24a. _ Annual 24b. _ Executive Order 5 year 24c. _ GSA
24d. Date_____ 24e. Determination:_____
25. This site and/or improvements are recommended for: 25a. Retention _
25b. Partial excess _ 25c. Excess _
26. Surveyed by (Name, Title, and Date):_____
27. Reviewed by (Name, Title, and Date):_____

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U.S. DEPARTMENT OF ENERGY
REAL PROPERTY ANNUAL REVIEW - LEASED FACILITY
(Definitions and Instructions Attached)

****

1. Responsible Office_____ 2. Lease (Lse) Type_____
3. Building (Bldg) Name_____ 4. Bldg Address_____
5. Lessor_____ 6. Lessee_____
7. Lse No._____ 8. Original Occupancy Date_____
9. Beginning Date of Current Lse Term_____ 10. Lse Expiration Date_____
11. Current Annual Rent_____
12. Fully Serviced - Yes_____No_____ 13. Serv/Util (S/U) not included (ni)
14. Cost - S/U ni_____
15. Renewal Terms_____ 16. Renewal Annual Rent_____
17 Renewal Notice_____
18. Lessee Cancellation Rights_____
19. Lessor Cancellation Rights_____
20. Bldg use_____
21. Square Feet: Lse Total_____ Office_____ Storage_____ Special_____
22. Parking Spaces_____ 23. Acreage (Land Lse Only)_____
24. Land Use (Land Lse Only)_____

	Yes	No	N/A
25. Will anticipated program changes alter space requirements?		___	___
26. Is all support space being efficiently utilized?		___	___
27. Can any future expansion needs be satisfied in this building?		___	___

28. Number of Occupying Personnel: Total_____ Office_____
29. Degree of Utilization: Check appropriate box and use remarks for further explanation or discussion: 29a. __ Fully utilized: 29b. __Underutilized:29c. __Not utilized:29d. __Not put to optimum use:
30. The lease for this building and/or land is recommended for: 30a. __Retention: 30b. __Renewal: 30c. __Cancellation:
31. Remarks:_____

32. _____
Annual Review by: (Name, Title and Date)
33. _____
Approved by: (Name, Title and Date)

DEFINITIONS:

Fully utilized: The property under lease is in full use and is essential for accomplishment of the agency mission. No portion of the property could be disposed of without detrimental effect on program accomplishment.

Underutilized: The property under lease is only partially used for program purposes. A definable portion of the leased property could be utilized by others or disposed of without detrimental effect on program accomplishment. Identify portion of leased property considered underutilized.

Not utilized: The property under lease is not in full use by the agency or use is so minimal that the property could be used by others or excessed. What action has been taken to excess or improve use of the property?

Not put to optimum use: The property under lease is utilized in some degree, but there are potential uses which would be of greater value in terms of program accomplishment, income from sale, etc.

INSTRUCTIONS: The following instructions explain what information is requested for various items on the Real Property Annual Review - Leased Facility.

Item No.	Information Required
1.	This item should identify either a DOE Field Office, technology center, power administration, etc.
2.	Identify what is being leased such as a building, parking, land, or a combination, etc.
4.	Here include street address, city and State.
6.	Identify the specific DOE or contractor office that executed the lease.
7.	Show the date DOE or the contractor initially occupied the leased building or assumed leasehold interest in a land lease.
9.	Identify the effective date of the lease term now in effect.
10.	Identify the expiration date of the lease term now in effect.
13.	Items here may include electricity, janitor services, water & sewer, etc.
14.	If the services and utilities, not included in the lease rental, are obtained under a subcontract the actual costs should be shown. If they are furnished by force account use the best estimated cost available.
15.	Identify the number of renewal terms and length of each in years.
16.	Identify if a specific renewal rate is reflected in the lease, if the current rental will continue with escalator adjustments in accordance with the lease terms or another method is used to determine the renewal rate.
17.	Show the date by which the renewal notice must be exercised.

18. Indicate if whole and/or partial cancellation is allowed, how much notice is required, and the date after which cancellation may be exercised.
19. The same as No. 18 above.
20. Identify by predominant use such as office, warehouse, laboratory, etc.
21. To the extent possible, identify the breakdown of space as listed.
26. Support space is that not continuously occupied by agency personnel such as conference rooms, libraries, file areas, etc., but is still as-built office type space.

CHAPTER III

APPRAISALS

1. REQUIREMENTS.

   a. For purposes of this Order, an appraisal is a written statement independently prepared by a qualified appraiser, which sets forth an opinion of the value of an adequately described property as of a specific date, supported by presentation and analysis of relevant market, cost, and income information.

   b. Appraisals are prepared for the purposes of facilitating decision-making, as well as complying with various legal requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (84 Stat. 1894), and FPMRs.

   c. Appraised values most frequently requested and when required include:

      (1) Fair market value - required in the acquisition and disposal of fee interest and permanent easement rights in real property;

      (2) Fair rental value - required for inleasing and outleasing of real property; and

      (3) Value for offsite removal - required where real property is acquired or disposed of without the underlying land and must be relocated from its present site.

   d. Fair market value is the price at which a willing seller would sell and a willing buyer would buy, neither being under undue or abnormal pressure. Implicit in this definition is an awareness by both the seller and buyer of the market forces, which affect value. The value estimated by the appraiser is based upon an analysis of the three approaches of similar properties in the area. A complete definition is included proceeding the Order.

   e. Fair rental value is the rent that space currently commands in a competitive market under specific lease terms and conditions. The appraiser must be given the solicitation, if applicable, a copy of the proposed lease terms and conditions, but not the proposed rent, and architectural and layout drawings when available, so that the property can be appraised on the exact terms and conditions proposed. Additionally, the appraiser must be instructed to separately estimate base rent, the value of any utilities or

services included in the proposed lease, and the value of any other items that are part of the rent such as taxes, insurance, maintenance, space buildout, etc.

f. The contract rent should not exceed the fair rental value estimated by the appraiser, and justification for approving rent in excess of the appraised fair rental value must be documented in the file. (See page I-29, paragraph 7g(12)).

g. The requirement to obtain the appraised value for offsite removal is applicable to buildings, structures, and related machinery and equipment, which DOE has an obligation to remove from the site. The value is set by establishing whether the property has value offsite and, if not, by estimating the costs to dismantle, demolish, or remove the property and restore the site and is normally obtained as a written estimate from a salvage contractor. This cost may be partially or completely offset by any salvage value in arriving at the value for offsite removal.

2. SELECTION OF APPRAISERS.

a. Only qualified appraisers shall be selected to prepare appraisals for DOE. Those selected should have successfully completed appraisal courses sponsored by nationally recognized appraisal organizations and have prepared similar appraisals for other Federal or State agencies. Appraisers who have received a professional designation from the Appraisal Institute are generally acceptable. Specialists should be assigned to appraise unique or complex property involving special machinery, equipment, mineral deposits, or timber.

b. Procurement of appraisal services may usually be accomplished through utilizing the Corps of Engineers (USACE) under the existing DOE-USACE memorandum of understanding. Alternately, the DOE field element may obtain appraisal services through informal solicitation. Appraisers may be contacted by telephone to determine qualifications, appraiser interest, ability to complete the appraisal when needed, and estimated fee. Not less than three qualified appraisers should be requested to submit a letter outlining their understanding of the assignment, level of work anticipated, contract due date, fee, and qualifications. Estimated appraisal fees in excess of $10,000 must be procured under formal procurement procedures.

c. Appraisal documentation must be consistent with the "Uniform Appraisal Standards for Federal Land Acquisition", of 1973 and professional standards of nationally recognized appraisal organizations. The data and analysis prepared by the appraiser should explain, substantiate, and document the value appraised.

d. The appraisal must be reviewed and approved before authorizing expenditure of Federal funds for the planned real estate action and payment of the appraisal fee. Persons reviewing the appraisal should have a fundamental knowledge of appraisal principles and techniques. Certified realty specialists have established thresholds for approving appraisals. However, if the appraisal exceeds those thresholds or if the complexity of the appraisal warrants, efforts should be made to obtain appraisal review services from other agencies; obtain a fee review appraiser; or request review by the Headquarters Real Property Branch staff.

e. All acquisitions of real property from private owners shall comply with the policies set forth in Public Law 91-646 (84 Stat. 1894), Title III. In general, Title III requires that every effort be made to acquire the property amicably and to provide disclosure of essential information necessary for the owner to evaluate the reasonableness of DOE's offer, and it forbids any coercive action to bring settlement. Procedurally, the Act requires that:

(1) Real property be appraised before beginning negotiations;

(2) The owner be provided an opportunity to accompany the appraiser on an inspection of the property;

(3) The Agency offer just compensation, which cannot be less than the Agency's approved appraisal;

(4) The owner be provided an offer letter setting forth the amount of just compensation and separately stating any loss in value to the remainder;

(5) In the case of condemnation, deposit in court an amount not less than the approved appraisal of fair market value; and

(6) The Agency offer to acquire any unusable remaining tract (uneconomic remnant).

f. In summary, appraisals must be obtained to document and support the expenditures of Federal funds. The appraisals must be independently prepared and meet specific legal requirements; in other words, appraisals obtained by property owners or for loan or insurance purposes are not acceptable. Therefore, it is essential that appraisals be prepared by qualified appraisers and meet minimum documentation standards and that they be reviewed and approved prior to authorizing real property actions supported by Federal funds.

CHAPTER IV

CONDEMNATION

1. ACQUISITION CONDEMNATION. It is DOE policy to acquire authorized real property interests in land and/or improvements by direct purchase, at a just and reasonable negotiated price. However, in certain circumstances it will be necessary to initiate condemnation proceedings. Condemnation occurs when the Government exercises its right of eminent domain to take property for public use. Under the Constitution, a person cannot have his or her property taken for public use without due process of law and without just compensation. The Attorney General, upon request by DOE, will institute condemnation proceedings and prosecute the proceedings to completion.

2. NEED FOR CONDEMNATION PROCEEDINGS. Such action may be undertaken when:

   a. There are title defects, which preclude acquisition by voluntary conveyance;

   b. Multiple ownership is involved and an agreement to purchase cannot be obtained;

   c. The property owner refuses to negotiate or sell at a just and reasonable price;

   d. Immediate possession of the property by the Government is essential, and there is insufficient time for negotiations or to obtain an offer to sell;

   e. The property owners cannot be located; or

   f. When a member of Congress or an employee of DOE or its agent has a direct interest in real property being acquired by DOE.

3. AUTHORITY. Unless otherwise delegated, recommendations for condemnation actions will be approved by the Office of Counsel of the appropriate field element and will be submitted to the Chief, Real Property Branch, for review. A "Complaint in Condemnation" and "Declaration of Taking" filed in conjunction with it will contain a citation of the congressional authorization and appropriations acts for the particular project and any other applicable acts of Congress. Unless specifically delegated otherwise, the Secretary or the Under Secretary must approve condemnation actions.

4. PROCEDURES.

a. Condemnation Assembly. The request to condemn shall include an assembly of information, and one copy, incorporating the items, information, and certifications required by the Department of Justice in "A Procedural Guide for the Acquisition of Real Property by Governmental Agencies," Chapter I, "Acquisition by Condemnation Proceeding." (This document is for sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402, Stock No. 027-000-00150-5.) Include one additional copy of all items for the assembly.

b. Notice to Owners and Tenants. When a decision is made to recommend condemnation, a notice will be sent to the affected property owners and tenants so advising. If the reason for condemnation is disagreement over value of the property to be acquired, a period of time for acceptance will be indicated, and a statement will be included that if the offer is not accepted, the field element intends to recommend condemnation of the property to Headquarters.

c. Order of Possession. Upon filing of a "Declaration of Taking," the court is authorized to establish the time and the terms on which the property owners shall surrender possession to the Government. The letter of transmittal to the Attorney General will give the date by which the Government desires possession of the property. Based on this letter, the Department of Justice will have the U.S. Attorney obtain an appropriate Order of Possession or right-of-entry based on the needs involved.

d. Condemnation with Agreements to Purchase. If parcels on which there are agreements for purchase are contained in the condemnation proceedings to cure title defects or other reasons, the U.S. Attorney will be notified of this fact, and a signed copy of the agreement shall be provided to him or her.

e. Deposit of Funds. The appropriate DOE finance office will provide a check for the estimated just compensation to the U.S. Attorney for deposit in the Registry of the Court at the time of filing.

f. Interim Occupancy. When property owners or tenants are allowed to remain on the property, the conditions and terms under which such persons will remain on the property will be stated in a lease agreement.

g. Actions Following Filing of Declaration of Taking. When notified that a "Declaration of Taking" has been filed, the following actions must be undertaken by the field organization acquiring the property:

(1) Post the property indicating it is now Government property (this only applies once an Order of Possession has been signed by the court);

(2) The property should be inspected and a Certificate of Inspection and Possession completed and retained in the file.

(3) Update the title evidence as of the date of recordation of the "Declaration of Taking"; and

(4) Have appraisals updated to the date of taking.

h. Settlement. At the direction of the U.S. Attorney, an authorized representative of DOE may conduct discussions for offers of settlement with the property owners as to the amount of compensation to be paid for the property. Upon reaching a satisfactory agreement as to price, a stipulation, approved by the U.S. Attorney, may be executed.

i. Court Awards. If the court awards an amount in excess of the amount deposited by DOE in the Registry of the Court, the U.S. Attorney will notify DOE and request that a check for the deficient amount be sent to the U.S. Attorney for deposit in the Registry of the Court.

j. Appeals. If the court award seems unreasonable and the U.S. Attorney determines that the facts warrant an appeal or a motion for a new trial, the U.S. Attorney may request DOE views and recommendations on the case. If DOE considers the award to be unreasonable, it should present its reasons to the Department of Justice and request consideration of an appeal.

k. Record Disposition. Certified copies of the final judgment and opinions of the Attorney General are to be retained in the real property files at the installation as part of the permanent DOE property records.

CHAPTER V

MANAGEMENT OF NATURAL RESOURCES

1. FORESTRY MANAGEMENT. When DOE-controlled land contains areas suitable for the conservation and management of forest resources, a forest management program will be established. This program will include forest administration, timber management, timber sales and harvesting, reforestation, forest protection, and all other elements related to timber production. On land withdrawn from the public domain, DOE should coordinate with the Bureau of Land Management.

2. SOIL AND WATER CONSERVATION.

   a. To assure that maximum benefits are derived from existing natural resources and to prevent needless expenditure of funds for the preservation of these resources, a soil, water, and plant conservation plan shall be developed and maintained by the field elements, and funds should be made available for the execution of the plan. The plan must be in accordance with current conservation and land-use practices, include proposed changes in land use and drainage patterns, and outline all soil and water conservation problems and requirements. In addition, the conservation plan should contain:

      (1) Brief description of land and water areas;

      (2) DOE use requirements;

      (3) Pertinent soil, climate, or erosion conditions;

      (4) Technical guidance criteria for recurring actions required to economically preserve, improve, or sustain the area; and

      (5) Any special problems in connection with the conservation of these resources.

   b. A copy of the soil and water conservation plan will be kept on file in the appropriate field elements for review and appropriate action.

3. FISH AND WILDLIFE MANAGEMENT. All installations having suitable land and water areas will have programs for the harvesting of fish and wildlife by the public. Hunting, fishing, and trapping will be in accordance with the fish and game laws of the State. Appropriate State licenses are required. Provisions will be made for controlled public access to DOE property for hunting, fishing, and trapping, provided it does not interfere with missions. Fish and wildlife management will be

integrated with other natural resources activities. Cooperation with State and Federal fish and conservation agencies is required, pursuant to 16 U.S.C. 661, 470, 1536, 703, 1431, and 668; 42 U.S.C. 4331; 7 U.S.C. 136; and 33 U.S.C. 1401. A management program that complies with accepted scientific practices will be established.

4. CULTURAL RESOURCE MANAGEMENT. Prior to outgranting any interest in DOE-controlled real property, field elements must comply with the requirements and intent of Section 106 of the National Historic Preservation Act. In managing cultural resources, field elements should be further guided by the Archaeological Resources Protection Act and American Indians Religious Freedom Act.

5. NATIONAL ENVIRONMENTAL RESEARCH PARKS. Suitable DOE-owned or -leased land may be designated as a national environmental research park. Property holdings will be reviewed periodically and may be set aside for the exclusive use of nonmanipulative environmental research for definite or indefinite periods of time.

CHAPTER VI

ADMINISTRATION

1. REAL ESTATE INVENTORY AND RECORDS. PSOs or designees have the responsibility to maintain all records of real estate assets and appropriate backup data. Cadastral records are records pertaining to land, interests therein, or rights thereto, of the United States under DOE control, and will contain the originals or an executed copy of all real estate instruments with maps and backup data. When responsibility for a contract is transferred from one DOE organization to another, inventory and pertinent property records for all real property and related personal property should accompany the contract.

2. AUTHORITY.

   a. Title 44 U.S.C. 31, Records Management by Federal Agencies.

   b. Title 41 CFR Part 101, Federal Property Management Regulations.

   c. DOE 1324.2A, RECORDS DISPOSITION, of 9-13-88.

   d. DOE 1324.3, FILES MANAGEMENT, of 3-2-81.

   e. DOE 1324.4, MICROGRAPHICS MANAGEMENT, of 11-2-83.

   f. DOE 5500.7B, EMERGENCY OPERATING RECORDS PROTECTION PROGRAM, of 10-23-91.

3. CREATION OF RECORDS/FILES. Two separate and distinct sets of records: permanent cadastral records and operations/working files.

   a. Cadastral Records.

      (1) Cadastral records shall be created containing original or, if not available, duplicate originals of all muniments of all land holdings within the administrative control of the field element for the following types of interests:

         (a) Fee acquisition;

         (b) Withdrawal from the public domain;

         (c) Permanent easements;

         (d) Permanent full/partial disposals;

         (e) Jurisdiction; outgrants, ingrants; and

(f) Other items, which are of such significance as to be deemed worthy of retention by the field element.

(2) A library of microfilm of everything in the cadastral records must be maintained in accordance with DOE 1324.2A and 1324.4.

(3) Cadastral records shall be contained in files that are clearly labeled and sequentially organized by facility and type of action so as to present a logical, chronological chain of events in accordance with DOE 1324.3. The following Order is recommended:

(a) Acquisition.

1 Fee simple.

2 Withdrawal from the public domain.

3 Easements (one easement to a file).

(b) Disposal.

1 Disposals.

2 Partial disposals (one action to a file).

3 Disposal of lesser interests (outgrants, termination of temporary rights).

(c) Jurisdiction (if appropriate).

(d) Other (if appropriate).

(4) To ensure uniformity of recordkeeping throughout DOE, the following muniments shall be kept in the cadastral files:

(a) Permanent Acquisition of Fee or Easements.

1 By Purchase or Donation. The final opinion of title together with all related title papers including the approved appraisal, purchase agreement, certificate of inspection and possession, certificate of noninterference, negotiator's report, deed, closing instructions, survey (metes and bounds or legal description), map or drawing, and the certificate of title or title insurance policy.

2 By Condemnation. Secretarial request to Attorney General for institution of condemnation. Complaint in Condemnation, Declaration of Taking, Attorney General's confirmation opinion of title with related documents attached, order of possession, Secretary's request for amendments to the proceeding (if any), Attorney General's opinion on amendments with all documents attached, final opinion on each parcel in the proceeding with all attachments, and the appropriate items as defined for purchase or donation.

3 By Reassignment from another DOE Component. Letter of approval, letter of reassignment, and all muniments.

4 By Transfer from another Federal Agency. DOE request for transfer of land or interests affecting land (SF-1334, if applicable), Agency official transfer letter, or memorandum with all muniments and related papers.

5 By Withdrawal from the Public Domain. Application to the Department of the Interior for permanent or long-term withdrawal of public domain land for use of DOE with description and map (if any), and copy of the Public Land Order or other document withdrawing the land.

(b) Partial Disposals. Letters to GSA with Report of Excess (SF-118, 118a, 118b, and 118c) and Report of Title, approvals, if any, letters of transfer to other Federal Agencies, quitclaim deeds, easements of indefinite term, and letters of donation.

(c) Full Disposals. Letters to GSA with Report of Excess (SF-118, 118a, 118b, and 118c) and any document indicating final disposition of the property.

(d) Reassignment to another DOE Component. Only the reassignment letter should be kept by the transferring DOE component. All other records should be transferred to the acquiring office.

(e) Legislative Jurisdiction. Letter of application to State governors specifying the need for Federal jurisdiction and/or letters to State governors accepting jurisdiction; deeds of cession by the State and/or other documentary evidence of cession and acceptance of jurisdiction by the Federal Government; and documentary

evidence of modification and retrocession. Any other type of jurisdiction shall be so noted in the acquisition file.

b. Operations/Working files. Operations/working files should be created to document the conduct of current business. These files should also be clearly labeled and sequentially organized by installation and type of action in a manner similar to the system used for cadastral records in accordance with DOE 1324.3.

4. MAINTENANCE AND USE OF RECORDS/FILES.

a. All cadastral and operations/working files shall be maintained to accurately reflect the current status of any given action.

b. The cadastral records shall be updated with completed actions otherwise required in the files. Cadastral records shall be monitored to assure accuracy of information.

c. Files should be examined to assure that there is no extraneous information in the file.

d. Operations/working files should be used to track an ongoing action and those actions not of a permanent nature.

e. Once an action is completed and qualifies for storage as a cadastral record, all original muniments shall be removed from the operations/working file, microfilmed, and placed in proper sequence in the cadastral records. Nonpermanent actions, when completed, should remain in the operations/working file and need not be microfilmed.

f. Any information stored in the cadastral or operations/working files shall be preserved in such a manner as to prevent loss or destruction in accordance with DOE 1324.3 and 5500.7B. In some cases, these files may be the only records available that document the Government's legal rights. In any event, assuming a deed or lease has been recorded elsewhere, these files serve as a backup and have the advantage of being easily and readily accessible when required.

5. DISPOSAL OF RECORDS/FILES.

a. Records shall be stored, subsequently disposed of, and retention schedules established in accordance with existing DOE 1324.2A.

b. The originals of all title papers shall be retained by the field elements until such time as the property is reported excess to GSA, is transferred to another Federal Agency, or disposed of in some

other manner consistent with the Federal Property Management Regulations and DOE policy.

c. Disposals through GSA. Original muniments shall be assembled and forwarded to GSA with the Report of Excess. Original muniments of title should also accompany a direct transfer to another Federal Agency. In the event of a partial disposal, the original muniments of title shall be retained by the field element if the greater portion of the facility is also to be retained.

d. Disposals by DOE.

(1) To another Federal Agency. Original muniments shall accompany transfers to other Federal Agencies. In the event of a partial disposal, the guidance outlined in paragraph c above shall be followed.

(2) To a Non-Federal Entity. No title documents need to be furnished if the disposal, or partial disposal, is to a non-Federal entity.

e. Inventory. A survey of all real property is required annually by 41 CFR 101-47.2 to determine whether all Government property is needed and optimally utilized. In addition, DOE 2200.6, FINANCIAL ACCOUNTING, CHAPTER VI, "Plant and Capital Equipment," at page VI-33, paragraph 5b, provides guidance that physical inventories of real property are to be taken at least every 10 years. All surveys and inventories must be made by DOE personnel or authorized contractor personnel. Personnel who perform the physical inventory shall not be the same as those who maintain the property records or have custody of the property. Inventories must be signed and certified correct. Copies of each inventory shall be available in the field element office for review by the Controller and the Office of Organization, Resources and Facilities Management.

f. DOE personnel who are responsible for a real property inventory shall submit to the manager of the field element having jurisdiction a listing of all discrepancies disclosed by a physical inventory, a signed statement that the inventory was completed, and a statement that the property records and the inventory agree except for the discrepancies reported. Inventory summaries shall be prepared showing cost by asset type so that dollar totals can be correlated to financial control accounts. The Head of the Field Element, the Property Administrator, and the Finance Director shall investigate all significant discrepancies, determine the causes, and effect remedial measures.

6. REAL PROPERTY REPORTS.

a. Annual real property reports will be prepared for Tree Planting, Vending Stand Operations, and the Worldwide Real Property Inventory Reporting System, as described in Attachment VI-1, "Annual Real Property Reports Requirements." Reports should be transmitted to the Chief, Real Property Branch, by the dates shown. Negative reports are required and may be made by telephone to the Chief, Real Property Branch.

b. Reports required by GSA will be prepared and submitted by the Office of Organization, Resources and Facilities Management, using inventory information.

c. Additions, changes, or deletions to the automated system should be completed prior to the end of each quarter.

d. DOE F 4300.3, "Semi-annual Summary Report of DOE-owned Plant and Capital Equipment," is required to be completed by offsite, nonintegrated contractors as of February 28 and August 31 of each year, and as of the final date of the contract. The original and two copies of the report shall be sent to the Property Administrator, who in turn will provide copies to the Contracting Officer and to the Servicing Financial Organization.

ANNUAL REAL PROPERTY REPORTS REQUIREMENTS

REPORT TITLE/FORM OF REPORTING	DUE DATE	AUTHORITY	NO. OF COPIES TO BE SUBMITTED
Department of Agriculture			
Annual Tree Planting and Seeding Report (1450-DOA-AN) Memorandum report of number of acres planted with tree seedlings or directly seeded with trees during fiscal year. Do not report species, grasses, planting, or seeding done for landscaping purposes.	11-30	Forest Service Manual 3215	Original and one copy
Department of Education			
Vending Facility Activity under the Randolph-Sheppard Act (1270-ED-AN)	2-15	Randolph-Sheppard Act, 20 U.S.C. 107	Original and one copy

Memorandum report noting, in order by State:

1. Total number of vending concessions or facilities established: record total number of Randolph-Sheppard Act (R-S) facilities by type and status at end of fiscal year.

   (a) Number of cafeterias: record R-S cafeteria facilities in fiscal year.

   (b) Number of snack bars: record R-S snack bar facilities in fiscal year.

   (c) Number of sundry or dry: record R-S sundry or dry facilities in fiscal year.

   (d) Number of vending machines: record R-S vending machine facilities or locations in fiscal year.

2. Total number of prospective sites surveyed with State Licensing Agency in fiscal year: record R-S sites surveyed on controlled property (food and other concessions) in fiscal year.

3. Total number of feasible sites identified for future development: record total number feasible sites for future development in existing and new (construction) buildings.

4. Total estimated number of non-R-S facilities or concessions in item 1 above, if available: record total number non-R-S concessionaires on property controlled by the Federal Property Managing Agencies (i.e., private/commercial contractors).

5. Total amount of vending machine income collected and processed by DOE.

6. Dollar amount of vending machine income disbursed to the State Licensing Agency in each State.

General Services Administration

Worldwide Real Property Inventory Reporting System (0315-GSA-Q4)	Annually FPMR 101-3.204 (a)	Prepared by the Office of Organization, Resources and Facilities Management using RPIS2

CHAPTER VII

REAL PROPERTY INVENTORY SYSTEM 2

1. APPLICABILITY. The following must be included in the Real Property Inventory System 2:

   a. All real property owned or controlled by DOE. This includes land owned in fee, easements, leases, withdrawals from the public domain, and transfers from other Government agencies. It also includes licenses and permits if:

      (1) The license or permit, in fact, conveys a leasehold interest to DOE, such as a permit from another Federal agency; or

      (2) The DOE constructs improvements on the land occupied by permit or license, that is, adds structure or buildings, or significant changes to the property itself.

   b. Contractor real property transactions, including leases, which are subject to the requirements of this Order, or which result in the acquisition or construction of Department-owned property.

2. USER'S REFERENCE MANUAL. The User's Reference Manual is compiled and distributed by the Director, Office of Information Resources Management, and contains detailed information on procedures for data entry and system operation. Copies can be obtained by requesting them in writing from the Chief, Real Property Branch.

3. DATA ENTRY GUIDELINES. Only changes to the data base must be reported or updated. The following guidelines detail when actions must be reported:

   a. Land (Fee or Easement).

      (1) When the deed is recorded, if it is a voluntary sale;

      (2) When the Declaration of Taking is filed, if it is an action of condemnation; and

      (3) If condemned without filing a Declaration of Taking, when the final judgment is issued.

   b. Transfers from Other Agencies. On the effective date of the transfer, usually found in the letter from GSA transferring accountability.

c. Withdrawals from the Public Domain. On the effective date of the public land order (usually the date published).

d. Acquisition of Leasehold Interests, Permits, Licenses, and Other Similar Actions. When executed.

e. Improvements to Land. New buildings, other structures or facilities, capital improvements to existing improvements, modifications of structures, and facilities or buildings shall be reported within 30 days of beneficial occupancy by the Government. Normally, the requirement is fulfilled when those responsible for construction forward a construction completion report to the field elements responsible for the inventory and to those responsible for the Financial Information System. Recommended contents of a construction completion report are contained in the detailed policies and procedures for management of construction projects. The exact procedures may vary at different field elements where other techniques besides the construction completion report are utilized to report real property.

4. DELETIONS.

a. Disposals of Fee Simple Title Interests. Property is deleted from the inventory when title is conveyed to another party or accountability is transferred to another Government agency. Property reported as excess to GSA is reported in the inventory until final disposition is made by GSA.

b. Disposals of Easements. Property interests are deleted from the inventory when sold or transferred to another Government agency or party, or when the instrument expires or is terminated. Leases assigned to another party, whereby the assignee becomes liable for all future costs and obligations under the lease, are deleted from the inventory upon the effective date of the assignment.

c. Abandonments. Property is deleted from the inventory on date of contract closeout.

d. Demolitions. If part of a new construction contract, demolitions will be reported at the time the new construction is reported. If only demolition is involved, the report is to be made within 30 days of acceptance by the Government or within 30 days of the time the improvements are removed physically from the site (if sold for offsite removal).

5. EXCEPTIONS. During the period from 10-1 through 10-31 of each fiscal year, only entries from actions completed prior to 10-1 will be permitted. This is necessary to allow for yearend closeout and reconciliation with the Financial Information System.

CHAPTER VIII

SPACE UTILIZATION AND REPORTING

1. UTILIZATION.

   a. DOE and DOE contractor controlled space shall be utilized as efficiently as possible. Storage and special types of space will be managed to assure optimum utilization. Office space will be managed in accordance with FPMR, Temporary Regulation D-73 (FPMR, TR D-73) or 41 CFR Part 101-17 when it is published as the Final Rule in the Federal Register. This space management policy applies to the categories of space as listed below:

      (1) Space owned and leased by DOE; and

      (2) Space leased by DOE contractors where the contractor is subject to this Order (see page I-22, paragraph 7c(4)).

   b. Space assigned to DOE and DOE contractors by GSA must comply with FPMR, TR D-73, and is subject to GSA utilization surveys conducted to assure compliance. GSA will not take action on space requests that are not in compliance unless they are fully justified.

2. REPORTING.

   a. Space owned and leased by DOE, and space assigned to DOE by GSA, must be reported annually to GSA and the Office of Management and Budget on GSA Form 3530, "Work Space Management Plan and Budget Justification (WSMP & BJ)."

   b. Section 101-17.007 of FPMR, TR D-73, discusses the requirements for preparing and submitting the report. GSA Form 3530 and instructions for preparing the report are included in the FPMR, TR D-73, Section 101-17.4902-3530.

   c. Headquarters will annually submit a call to the DOE field elements for the necessary information. The field element data are required in Headquarters by the last workday in March each year.

   d. FPMR, TR D-73, Section 101-17.007(g) requires the update of the WSMP & BJ for the current year to reflect final budget decisions prior to March 1 each year. Field elements, where reportable changes occur, must submit their changes to the Chief, Real Property Branch, by February 1 each year. No field call for this information will be made by Headquarters.

3. NEW CONSTRUCTION REVIEWS. For new construction projects the following reviews are to be conducted by the field element real estate staff:

   a. The site plans for all new construction; and

   b. The Titles I and II drawings for all new construction projects that include office space.

CHAPTER IX

DELEGATIONS OF AUTHORITY

1. BACKGROUND.

   a. Education and training programs to further staff development and increase professionalism in the Department were outlined in Secretary of Energy (SEN), SEN 11-89, SETTING THE NEW DOE COURSE, of 9-15-89. To further this important goal, to assure that properly trained, adequately experienced personnel are available to review real estate actions for the Department, and to establish clear lines of authority for real estate actions, a Real Estate Certification Program is hereby established. With the effective date of this Order, the delegations to the DOE Field Office Managers and the Administrators of the Power Marketing Administrations, which were contained in DOE 4300.1B, REAL PROPERTY AND SITE DEVELOPMENT PLANNING, of 7-1-87, are canceled. Future delegations for real property transactions will be through the certification program or by direct delegations as described in this Chapter.

   b. This change applies only to the generic delegations for real estate transactions in DOE 4300.1C. Any specific written delegations issued prior to the effective date of this Order, including the delegations of authority to approve title from the Department of Justice and the delegations for specific leasing or lease management actions from the Administrator of the General Services Administration, remain in full force and effect until they either expire by their own terms or are specifically withdrawn in writing.

   c. In no case is this program designed to eliminate line management responsibility for facility-related decisions. Rather, it is intended to further assure that there is a clear understanding of who has the experience and training in a field element to provide the required real estate input to the decisionmaking process, and to assure that once the management decision has been made, that it is carried out in a manner that meets requirements of Federal real estate law, regulations, and good business practices. By formally recognizing who are the trained, accountable real property representatives of each office, it will assure that necessary real estate input is included in decisions.

2. AUTHORIZING OFFICIALS WITHIN HEADQUARTERS. The authority of the Secretary of Energy to take real estate actions, as the same are defined in this Order, is redelegated to selected positions in Attachment IX-1, Authority Levels in Headquarters of this Order. Those positions listed in Attachment IX-1, may redelegate their authority, in writing, to any Federal employee of the Department for a specific transaction, or group

of transactions, provided that they find in advance that such redelegation is necessary for the successful conduct of Departmental programs, that the Real Estate Certification Program described in this Chapter is not adequate for accomplishing programmatic purposes, and provided that such findings are reduced to writing and concurred in by one higher level of authority.

3. DELEGATIONS THROUGH THE CERTIFICATION PROGRAM.

a. Except as noted above, redelegations to program officials in Headquarters or to field elements will be through the Real Estate Certification Program established in this Chapter. The Chief, Real Property Branch, will issue certificates to qualified individuals in four distinct areas of specialty: 1 Acquisition by other than lease (Acquisition), 2 Leasing except for leases executed under the delegation of lease acquisition authority from GSA (Non-GSA Leasing), 3 Leasing under the delegation from GSA (GSA Leasing), and 4 Land Management and Disposal.

b. To qualify for redelegation from the Chief, Real Property Branch, an individual must meet the experience and education criteria established in this Chapter.

(1) Experience. A minimum of 5 years of creditable experience in the real estate field, at least 1 year of which is at the journeyman level in the specialty area of delegation. Journeyman level leasing experience will be credited in both the GSA leasing and non-GSA leasing specialty, so that only 1 year of journeyman level experience is necessary for certification in both specialties. Experience may be in the public or the private sector. Experience as a GS 1170 Realty Specialist or GS 1171 Appraiser will count as full credit toward the experience requirement. Other experience will be evaluated for its application to the realty specialist field and credited on a full or partial basis as determined by the Chief, Real Property Branch.

(2) Education. Education may be substituted for experience. One hundred sixty classroom hours of approved classes will be the equivalent of 1 year of journeyman level experience. A list of courses will be maintained by the Real Property Branch and furnished to all field elements. These courses will be credited toward fulfillment of experience in appropriate specialty areas. The courses will be annotated to indicate the type of experience they will be credited toward; e.g., acquisition, leasing, or land management and disposal. Courses may be nominated for the list by submission to the Chief, Real Property Branch. Adequate information about the

course should be furnished to the Chief, Real Property Branch, who will determine the appropriate credit and appropriate specialty area for the class. Maximum credit for any one course will be 40 classroom hours.

4. CERTIFICATION PROCESS.

a. Issuance. Certificates will be issued to Federal employees of the Department meeting the qualification requirements in any or all of the four specialty areas of real estate activity after review of a request for such certification from the appropriate organization. While the delegation is designed to meet field requirements for real property actions, delegations may also be requested from Headquarters employees meeting the requirements and having the demonstrated need for the delegation. Requests should include adequate information on training and experience to permit review and evaluation. Employees so certified may authorize or contract for real estate actions within that specialty and within the limits of the delegations established in this Chapter. Such authority may be redelegated, in whole or in part, by the certificate holder to other Federal DOE employees, provided that the redelegation is to a person who meets the qualification requirements of this Order. Redelegation to non-DOE employees can only be done with the approval of the Chief, Real Property Branch. In no case may a certificate holder redelegate to individuals outside his chain of command (i.e., the delegator's office must have line management responsibility for the office in which the delegatee is working). The qualification requirement of this Chapter can only be waived by the Chief, Real Property Branch, by the other Headquarters officials listed in Attachment IX-1, or by the Secretary of Energy.

b. Term. Certificates will be issued for 5-year terms and will require review and recertification at the end of the term. Certificates will automatically terminate upon the resignation, retirement, or transfer of the Certificate Holder to another office that has no organizational responsibility for real estate. In addition, the Chief, Real Property Branch can withdraw certification at any time for cause. Certificates will be issued to individuals, not positions.

5. AUTHORITY LEVELS FOR CERTIFIED REALTY SPECIALISTS. Subject to full compliance with the requirements of this Order and policy directives issued pursuant hereto, individuals certified in the appropriate specialty area are authorized to contract for or approve the following real estate actions:

a. Acquisition.

(1) Fee, except donations and exchanges: per tract price not to exceed $500,000 and the price not to exceed 115 percent of the approved appraised value of the property (i.e., not more than 15 percent above).

(2) Permanent Easements: per tract price not to exceed $500,000 and the price not to exceed 115 percent of the approved appraised value of the property.

(3) Temporary Easements: per tract price not to exceed $500,000 for the term, the term not to exceed 20 years, and the price not to exceed 115 percent of the approved appraised value of the property.

(4) Exchanges: The higher value property (acquired or disposed of) not to exceed $500,000.

(5) Transfers from other Federal Agencies: Unlimited authority.

(6) Withdrawals from the Public Domain: Unlimited authority.

(7) Permits and Licenses: Unlimited authority.

(8) Settlements after condemnation proceedings are instituted: per tract settlement not to exceed $500,000.

(9) Approval of Appraisals: While reviews from qualified review appraisers may be obtained for any appraisal, personnel certified for acquisition may approve appraisals that do not exceed the following thresholds:

(a) Fee and Permanent Easements: Value estimates of $50,000 or less.

(b) Temporary Easements: Value estimates of $50,000 or less for the term.

(c) Exchanges: Value estimates of $50,000 or less.

(d) Permits and Licenses: Value Estimates of $50,000 or less for the term.

(10) Approval of Preliminary Real Estate Plans: All plans except those which are part of a Major System Acquisition or a Major Project.

b. Non-GSA Leasing.

(1) GSA Space Requests (SF-81 and related data): Unlimited authority, if space request meets GSA space requirement guidelines. Otherwise, it must be submitted to Headquarters for approval.

(2) Contractor and DOE Leases: Price not to exceed $500,000 per annum, lease term not to exceed 5-years firm, and price not to exceed 115 percent of the appraised fair rental value for the space.

(3) Lease Options: Price not to exceed $500,000 per annum, lease term not to exceed 5-years firm, and price not to exceed 115 percent of the appraised fair rental value.

(4) Approval of Appraisals: While reviews from qualified review appraisers may be obtained for any appraisal, personnel certified for GSA or Non-GSA leasing may approve leasehold appraisals that do not exceed $500,000 per annum.

c. GSA Leasing. Same authorities as acquisition by lease. The reason for a separate delegation for GSA leasing is that the delegation from GSA requires that all redelegation be to realty specialists meeting the specific training requirements of the GSA Acquisition Regulation. Those training courses required at this time will be annotated on the listing of courses maintained by the Real Property Branch.

d. Land Management and Disposal.

(1) Disposal of fee and permanent easements where GSA is the disposal agent: Unlimited authority.

(2) Disposal of fee and permanent easements where DOE is the disposal agent: Original acquisition cost, or fair market value, whichever is greater, not to exceed $500,000.

(3) Temporary outgrants (licenses, permits, outleases, easements for a term): Unlimited authority.

(4) Approval of 12512 Utilization Surveys: Unlimited authority.

(5) Annexation Decisions: Unlimited authority.

(6) Legislative Jurisdiction: Unlimited authority.

(7) Approval of Appraisals: While reviews from qualified review appraisers may be obtained for any appraisal, personnel certified for land management and disposal may approve appraisals in the land management and disposal area that do not exceed the field delegation threshold.

(8) Relinquishment of Withdrawals: Unlimited authority.

6. AUTHORITIES RETAINED IN HEADQUARTERS. In addition to actions exceeding the certification level established in this Chapter, there is retained at Headquarters the following authorities:

a. Approval of all donations to DOE.

b. Signature authority for Declarations of Taking.

c. Submission of lease prospectuses to Congress or to GSA for submission to Congress.

d. Approval to make permanent improvements to non-Government land.

e. Use of section 161g of the Atomic Energy Act for sale or outleasing of property.

f. Determinations of real versus personal property for modular buildings outside the guidelines of this Order.

g. Determinations to vest title pursuant to Section 111 (b) of the Energy Reorganization Act of 1974 (42 U.S.C. 5821 (b)).

7. HEADQUARTERS REVIEW. Real estate actions requiring Headquarters approval shall be submitted to the Chief, Real Property Branch, a minimum of 45 days prior to the field element's required action date.

AUTHORITY LEVELS IN HEADQUARTERS

The Chief, Real Property Branch, Real Property and Facilities Management Division, Office of Project and Facilities Management, is delegated authority to authorize actions or sign real estate contracts subject to the following limitations:

Fee and Easement Acquisition: per tract price not to exceed $1 million.

Exchanges: The higher value property (acquired or disposed of) not to exceed $1 million.

Approval of Standard Form 81's where GSA guidelines for space requirements are exceeded.

Leases where the per annum rent does not exceed $1 million, except for leases executed pursuant to the lease acquisition delegation from GSA. Authority in Headquarters for GSA-delegated leasing is by separate letter delegation.

Prospectuses for submission to Congress or to GSA.

Disposal of fee or permanent easement interest where DOE is the disposal agent: original acquisition cost or estimated fair market value not to exceed $1 million.

Approval of improvements to non-Government-owned land: estimated cost of the improvements not to exceed $1 million.

Determinations of real versus personal property for modular buildings outside the guidelines of this Order. Note that this also must be approved by the Director of Property and Equipment Management.

Approval of appraisal reports, which are not reviewed by a qualified review appraiser or not within the guidelines established in this Chapter for review by certificate holders.

Designation of DOE employees as qualified review appraisers. Such designations will be put in writing by the Chief, Real Property Branch, and will enable the designated individual to exercise approval authority for real property appraisals, regardless of value.

Settlements after condemnation proceedings are instituted: per tract settlement not to exceed $1 million.

Approval of the use of section 161g of the Atomic Energy Act of 1954 for the sale or outlease of property. This must also be approved by the Office of General Counsel.

Determinations to vest title pursuant to Section III (b) of the Energy Reorganization Act of 1974 (42 U.S.C. 5821 (b)).

Approval of Preliminary Real Estate Plans.

All real estate actions, including those that exceed the limitations specified for approval by the Chief, Real Property Branch, may be approved by any of the following individuals:

Director, Real Property and Facilities Management Division;

Deputy Director, Office Of Information Resources Management;

Director, Office of Information Resources Management;

Director, Office of Administration and Human Resource Management; or

Under Secretary

Exceptions to this delegation are as follows:

Only the Secretary or the Under Secretary may sign Declarations of Taking or Complaints in Condemnation or any other directive which institutes a condemnation action.

Only the Secretary or the Under Secretary may authorize acceptance of a donation of real property.

Only individuals meeting GSA's training requirements will be delegated authority to sign leases under GSA's delegation of authority to the Department of Energy. Such delegations within Headquarters will be by letter delegation to qualified individuals.

APPENDIX 5-2

LIFE

CYCLE

ASSET

MANAGEMENT

Good Practice Guide
GPG-FM-024

Site-Selection Process

March 1996

Department of Energy
Office of Field Management
Office of Project and Fixed Asset Management

LIFE

CYCLE

ASSET

MANAGEMENT

Good Practice Guide
GPG-FM-024

Site-Selection Process

March 1996

Department of Energy
Office of Field Management
Office of Project and Fixed Asset Management

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1. INTRODUCTION

1.1 Purpose

The purpose of this Guide is to identify key elements in a formal site-selection process, which is conducted in support of project planning. The site-selection process is conducted to identify possible sites for a proposed project and to compare their relative merits based on environmental protection, technical, safety and health protection, and life-cycle cost requirements. The outcome of the process is the documentation necessary to compare site alternatives, confirm site suitability, make recommendations, and ensure that the site selected meets requirements.

Site-selection processes range from formal, processes for major projects like the Superconducting Super Collider, to semi-formal processes at smaller support facilities. This Guide is based on the Department of Energy's (DOE's) experience in selecting sites for major tasks and reflects some of the difficulties and successes encountered during those efforts.

The site-selection process generally consists of:

- determining that a potential action requires a site selection,
- appointing a selecting official (or site board),
- chartering a team (staff) to support the selecting official,
- identifying site requirements,
- conducting a formal site search,
- evaluating proposed sites against the requirements,
- developing recommendations for the selecting official, and
- selecting the site.

The processes discussed in this Guide represent model and rationalized procedures from which good practices can be derived for lesser efforts.

When DOE projects involve proposed actions at existing DOE sites, which is the case for most DOE projects, the site-selection process relies more on National Environmental Policy Act (NEPA) and Comprehensive Land-Use Planning (or Site Development Planning) processes. This Guide includes examples of such current local site-selection processes.

Although the guidance contained in this Guide is not mandatory, it describes several steps that are critical to ensure compliance with existing regulations. A well-planned, well-documented site-selection process saves time and money by reducing delays associated with legal/procedural challenges while identifying the site that best meets the needs of the project.

1.2 Site Selection, NEPA, and Comprehensive Land-Use Planning

The key process step in the site-selection process is to initiate an assessment of technical and environmental issues early, in that way facilitating compliance with associated regulations and preventing or at least identifying site-selection problems before they occur. Such an assessment includes NEPA requirements, which include an evaluation of the environmental impacts of all reasonable alternatives and the full consideration of land uses at Departmental sites, selected through comprehensive land-use planning process. Like the NEPA process, the site-selection process must begin early in a project, when the proposed action has been identified and supported programmatically.

NEPA. DOE site-selection decisions must be supported by the NEPA process. NEPA documentation is to be used during the decision-making process, and not to rationalize or justify decisions already made [40 Code of Federal Regulations (CFR) 1502.5]. Throughout the selection process, environmental, safety, and health requirements and processes must be fully integrated. The DOE environmental review process is required under NEPA as implemented by the Council on Environmental Quality (CEQ) Regulations (40 CFR Parts 1500 - 1508), DOE NEPA Regulations (10 CFR Part 1021), and DOE O 451.1, NATIONAL ENVIRONMENTAL POLICY ACT COMPLIANCE PROGRAM.

By requiring that environmental information be made available to the decision maker and the public, the NEPA process is intended to help public officials make decisions based on an understanding of potential environmental consequences and to take actions that protect, restore, and enhance the environment.

Because the NEPA process and the site-selection process are interconnected, they involve concurrent and overlapping activities that must be integrated on the same time line.

Table 1 shows which processes occur concurrently.[1] Readers should consult the DOE NEPA guidance manual and 10 CFR 1021 for information on the appropriate level of NEPA documentation for each action; for example, a categorical exclusion (CX), environmental assessment (EA), or environmental impact statement (EIS).

Although the processes may differ for individual projects, interrelated milestones must always occur in the sequence shown, and the site-selection process and the NEPA process must always be integrated, as indicated below.

- The NEPA process must begin early in the site-selection process, as soon as the proposed action can be meaningfully evaluated.
- The site-selection official must consider the environmental information presented in the NEPA document.
- The range of alternatives evaluated in the NEPA document must include all candidate sites under evaluation in the site-selection process. Likewise, the site-selection process must consider all alternatives evaluated in the NEPA document.
- Public involvement activities should be conducted to serve the requirements of both processes.
- The decision on the site must not be made in advance of the NEPA process.
- Detailed design cannot begin until the NEPA process is complete.

Regardless of project size, the site-selection process and the NEPA process function interdependently and must have coordinated actions, milestones, and schedules, as indicated in Table 1. The site-selection official, site-selection team leader, DOE program representative, and site/program NEPA compliance officer should meet throughout the site-selection process to clarify the scope of their respective responsibilities, determine the most effective way to conduct both processes, and coordinate procedures and schedules.

Comprehensive Land-Use Planning Process. Site-selection processes that involve Departmental sites should use, and be in agreement with, land uses selected under the comprehensive land-use planning process. (See *Comprehensive Land-Use Planning Process*, GPG-FM-033.) The public has been involved in the process to develop these

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[1] Both the time line and the comparison table show generalized processes. For example, the NEPA process outlined is not specific for the preparation of either an environmental assessment (EA) or an environmental impact statement (EIS). Actual processes may differ, depending on the type and scope of the proposal.

land uses to support Departmental missions and sustain the area's environment. These selected uses may have already been validated through sitewide or project-specific NEPA processes.

Table 1. Comparison of the DOE NEPA Process and the Formal Site-Selection Process

NEPA PROCESS	FORMAL SITE-SELECTION PROCESS
Identify action.	Identify action.
Determination: Determine level of NEPA review (10 CFR Part 1021 Subpart D).	Appoint site selection official. Organize a team, appoint a team leader, and define task/schedule.
Announce intent to conduct the NEPA process and prepare an environmental document on the proposal.	Announce a pre-solicitation conference (if competed) and invite public comments.
Conduct scoping. Hold Public scoping meeting.	Develop facility and technical requirements. Hold pre-solicitation (if competed) conference.
If NEPA document is an EIS, prepare Implementation Plan (10 CFR & 1021.312).	Develop evaluation criteria and plan.
Prepare and issue draft environmental document. File draft EIS with EPA. Issue notice that draft document is available. Open public comment period (no less than 45 days for an EIS 40 CFR & 1506.10 and 10 CFR & 1021.313(a)). Hold public meeting on draft document (10 CFR & 1021.313(b)). Close public comment period.	Prepare solicitation (if competed). Brief site-selection official and provided with draft NEPA Document. Contact stakeholders, environmental agencies, public. Consider environmental and other information. Issue solicitation (if competed). Hold a pre-proposal conference (if competed).
Prepare final NEPA document.	Evaluate proposed reasonable alternatives. Visit sites/prepare reports.
Respond to comments. Finalize mitigation commitments, if EA, prepare Mitigation Action Plan. Issue notice that final of document is available.	Prepare a site-selection recommendation report for the site selection official. Provide site-selection official with report and final NEPA document.
If NEPA document is an EIS, file final EIS with EPA. Make a decision on proposed action. ROD/FONSI: If EIS, issue Record of Decision; if EA, issue Finding of No Significant Impact (or make determination to prepare an EIS). If EIS, prepare Mitigation Action Plan (10 CFR & 1021.331).	Select the site. Candidate sites considered by the site-selection official must be addressed in the NEPA document; likewise, the decision maker must consider the reasonable alternatives analyzed in the NEPA document (40 CFR & 1505.1). Debrief unsuccessful offerors (competed or not).
Implement decision.	Start detailed design of selected facility.

2. PRINCIPLES AND PROCESSES

Site-selection processes can be differentiated according to the size of the project. The formal or program-directed site-selection process is usually reserved for large or significant projects. This process can be either a competitive process open to any public or private site or a process restricted to DOE-controlled sites. Other site-selection processes deal with the siting of smaller facilities on DOE-controlled sites.

2.1 Formal (Program Directed or Competed) Site Selection

2.1.1 The Site-Selection Official

For many program-directed site selections, a site-selection official (at the appropriate level within the Department) is appointed by the Secretary or an Assistant Secretary to select the site that best meets the purposes and needs of the proposed action. The site-selection official is to review and approve site-selection criteria and evaluation procedures to ensure that they are appropriate. When site-selection official authority has been conferred, it should not be re-delegated without written approval of the appointing official.

An important qualification for the site-selection official is a good understanding of programmatic issues and the technical complexity of the proposed project. Other factors to be considered include, but are not limited to, a good comprehension of the proposed project's potential environmental impacts and the level of authority commensurate with the visibility/importance of the site-selection task.

The site-selection official does not participate in the evaluation of potential sites, but reviews the selection team's recommendations and selects the appropriate site. The site-selection official may also review the site parameters document, the site evaluation plan, the Request for Proposals (RFP), and/or proposals developed by the team or identified by the NEPA process.

2.1.2 Site-Selection Team

Team Leader. To lead the team that will recommend the appropriate site, the site-selection official appoints a site-selection team leader. The team leader will assemble a site-selection team to evaluate potential sites. The site-selection official approves the composition and charter of the team. The team leader needs to have a good understanding of programmatic issues involved, excellent people skills, and experience in leading and facilitating teams.

Team Mission Definition. The site-selection team's purpose is to identify and collect the technical, economic, and environmental protection criteria necessary to formulate site-selection requirements, develop an evaluation plan, evaluate proposed sites, identify alternatives that, at a minimum, meet the purpose and need for the proposed action, and make recommendations to the site-selection official. For significant projects, the team will be chartered by the site-selection official to do some or all of the following.

- Develop site-selection and team processes tailored for the proposed action.
- Identify technical, economic, and environmental protection criteria.
- Coordinate milestones, schedules, and information with the NEPA process.
- Develop site proposal evaluation criteria for the proposed action.
- Prepare an RFP based on identified criteria (for a formal competitive process).
- Conduct site visits.
- Prepare site visit reports.
- Evaluate the proposals.
- Make selection recommendation(s) to the site-selection official.
- Other actions needed for the site-selection task.

Team Members. The key to successful site selection is to involve appropriate experts throughout the selection process. To minimize the number of people needed for the team while maximizing involvement of the proper personnel, membership should be one of two types: core (long-term) and advisory (non-voting).

- Core members are picked for their general expertise in siting or for specific expertise in the sponsoring program, technical area, facility type, or other aspects of the site-selection task. They will be part of the process from the creation of the team to completion of the final report briefing to the site-selection official.

- Advisory (non-voting) members augment the core members to provide advice or support considered necessary or desirable for the success of the siting process. They can provide input to the final report, but they do not develop the final report recommendations. Advisory members may serve on a regular or consulting basis as directed by the team leader.

To facilitate decision making, the team should have as part of its charter a voting procedure that emphasizes consensus decision making throughout the site-selection process.

Team Composition. Team size and composition should reflect the size and complexity of the site-selection task. Because all site selections involve multiple criteria, it is important

that the (core or advisory) members' expertise be appropriate to the task. Experts in the following areas are often included, but other specialties may be involved depending on the type of proposed project and scope of the selection process.

- Program and project management (to advocate for the proposed action).
- Environment, safety and health (to aid in identifying requirements/criteria).
- NEPA[2] (for a strong relationship with the NEPA process).
- Facility or technical expertise (for knowledge of issues that may affect the siting).
- Comprehensive Land-Use Planning (for knowledge of DOE site land uses and developmental goals created with stakeholder involvement).
- Facility management/maintenance (to address related DOE practices and life-cycle costs).
- Utilities (to identify issues relating to utility supply and contractual issues).
- Real estate (when acquisition of real property interests is needed)
- Procurement (if any solicitation is needed).
- Geotechnical (for addressing seismic and soils criteria).
- Legal (to ensure compliance with any applicable legal and regulatory requirement).
- Equal opportunity (to address environmental justice issues).
- Communications/public involvement (for proposed actions that will need extensive public hearings and involvement).
- Government affairs (when State, local or Tribal governments are anticipated to become involved).

Team Process Schedule. A workable schedule is critical to the success of the site-selection process. Because the schedule is a critical factor of the selection process, the

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DOE O 451.1, NATIONAL ENVIRONMENTAL POLICY ACT COMPLIANCE PROGRAM, Section 4e, requires designation of a DOE NEPA Document Manager for each Environmental Impact Statement and Environmental Assessment. Other key NEPA roles responsibilities are also designated in DOE O 451.1.

team must agree on a schedule for completing the site-selection process. The site-selection official approves the schedule. The site-selection process schedule must be coordinated with the NEPA process schedule.

Team Resources. The team may need funds to perform its task. When needed, the team should document the assumptions on which budget estimates are based. It should address the following.

- Travel funds. The number of participants, the number of meetings they will attend, the length of the stay, the cost of accommodations, and related travel costs.
- A place to work. Facilities to house files and documentation and provide private meeting space, including appropriate security.
- Tools. Equipment that may be needed, including, but not limited to, computers, copiers, facsimile machines, graphics printers, cameras for site pictures, and map storage containers.
- Support staff. Help may be needed for administrative service to the team.

2.1.3 Determining Task Scope

The first step in the site-selection process is to determine the scope of the site-selection team's task. Addressing the task scope should begin before a team is formed and a selection official is chosen. The sponsoring program must answer the following questions.

- Is the scope of the proposed action clear and its mission justified?
- What basic selection process is to be used; for example, if a competitive process is used, will it be open to other parties or will only DOE sites be considered?
- How will the process be coordinated with the proposed action's NEPA?
- When are the selection team's recommendations needed?

If these and other task scope determining questions have not been answered, the site-selection official and team must address and resolve them. The site-selection official should have the lead in resolving issues relating to the scope of the team's task.

To effectively integrate the NEPA process with the site-selection process, the team should begin to establish the timing/scope of the site-selection process milestones and how they correspond with the NEPA process milestones listed in Table 1 (e.g., how scoping for the EIS relates to defining site parameters and how the timing of issuance of the Notice of Intent in the Federal Register relates to issuance of an RFP).

The site-selection team should be briefed by functional experts in all aspects of the proposed action. Experts may be team members or DOE program/project officials. The team needs to identify what information and criteria are available and estimate what is still needed. Familiarity with documentation justifying the proposed action's need is important. The aspects addressed should include facility design and its relationship to environmental impacts, infrastructure needs, geology/topography/seismicity, regional resources, workforce composition, transportation systems, etc.

Preparation of NEPA documentation "shall" commence as close as possible to the time the agency is developing or is presented with a proposal (at feasibility analysis go-no go stage) so that preparation can be completed in time for the final statement to be included in any recommendation or report on the proposal; NEPA documentation is to serve as an important contribution to the decision making process and will not be used to rationalize or justify decisions already made (40 CFR 1502.5).

In addition to the DOE functional experts, the following sources can contribute information needed to establish task scope and criteria.

- DOE funding program users and facility operators.
- Designers of similar facilities.
- Builders of similar facilities.
- The affected or concerned public (stakeholders).

Team subgroups may be formed to address particular aspects of the criteria scope. Team members should review all subgroup information and accept or modify that information as a group. The team should also define and arrange the criteria in a way that makes clear and meaningful distinctions in preparation for evaluating the different proposals.

Ideally the team should find extensive information on most criteria in the facility's conceptual design report. The design report should provide a clear understanding of the facility's physical and operational aspects, which is necessary to establish selection criteria. The design report helps team members determine if meeting a criterion is negotiable or mandatory and provides them with a common site reference.

Other documents that may help in determining new data collection scope are DOE Site Comprehensive Land-Use Plans, DOE Site Development Plans, and Local Government Site Comprehensive Plans. These plans have or have access to extensive amounts of information related to acceptable future land uses, environmental and economic conditions/trends, regional data, cultural assets, demographics, utilities, and developmental constraints.

2.1.4 Criteria

All criteria should be categorized as either qualification criteria or evaluation criteria. These criteria will in nearly all cases be publicly distributed through the evaluation and selection processes.

Qualification Criteria are the mandatory or required site characteristics. The proposal either does or does not meet Qualification Criteria. For example, the criteria might require that a minimum of 2,500 acres be provided for site security and as a safety buffer or to meet applicable Public Laws.

The team needs to be aware that some qualification criteria may preclude the further consideration of many design alternatives. The project's design, usually at the preliminary stages, may change enough to allow for another site to be considered. Team members need to have a good understanding of the basis and the possible/potential variability of qualification criteria to design assumptions. Good documentation is critical and external peer review should be considered to enhance process credibility.

Evaluation Criteria are more flexible. Proposals may, under this set of criteria, contain a range of responses, but information should always be as complete as possible.

Qualification and evaluation criteria can be grouped into three broad but interrelated types: technical factors, economic/cost factors, and environmental factors.

- **Technical Factors** are used to evaluate the offeror's ability to accommodate the facility design and purpose. Technical factors include regional geology, transportation infrastructure, utilities, real estate, environmental conditions, seismicity, specific resources, and climate. For example, for a facility with high transportation, communication, utility, and skilled workforce support requirements, the team needs to be able to quantify the level of physical and human infrastructure needed to accommodate the facility.

- **Economic (Cost) Factors** are used to evaluate the cost of site selection to the Government, including the life-cycle cost. Economic factors include the proposed cost estimate, risks, feasibility, direct and indirect return on investment, efficiency, and reasonableness. Although not rated, life-cycle cost for all phases of a proposed action must be considered in every site selection and becomes part of the trade-off analysis made at the time of selection.

- **Environmental Factors** are usually a significant part of the criteria, which include but are not limited to the following.

  - **Impact on Surrounding Community**. Under Executive Order 12898, "Environmental Justice," the proposed project's level of impact on a community and specific demographic groups has to be examined and quantified.

  - **Regulatory requirements**. See section 4 and http://www.eh.doe.gov/oepa/index.htm/

  - **Associated Safety Hazards**. For any facility, especially one with potentially radioactive or other hazardous substances, the team will need to assess the hazard associated with the proposed project. Buffer zone requirements and other control and mitigation criteria have to be quantified.

  - **Land Uses**. The current and planned future land use of potential alternatives, and surrounding uses, affect the selection process. Alternatives should use, and be in agreement with, the land-uses of the adopted local government's land-use plan or the use selected under the DOE site's comprehensive land-use planning process.

  - **Environmental Impacts**. NEPA process will identify and assess the reasonable alternatives to proposed actions that will avoid or minimize

adverse effects of these actions upon the quality of the human environment. Close coordination is necessary to ensure that site-selection criteria benefit from the NEPA process. The team and the site-selection official need to use the same evaluation criteria as those used during the NEPA process to determine reasonable alternatives.

NEPA requires that relevant environmental documents, comments, and responses accompany the proposal through existing agency review procedures so that agency officials use the statement in making decisions (40 CFR 1501.1(d)). The range of alternatives evaluated in the NEPA document must include all candidate sites under evaluation in the site-selection process. Likewise, the site-selection process must consider all alternatives evaluated in the NEPA document. The site-selection official must consider the environmental information presented in the NEPA document. In addition to NEPA analyses, environmental factors should include estimated life-cycle mitigation costs. Finally, any major action resulting in a significant impact assessment must be coordinated with specific State, Tribal, and Federal Agencies.

- State Historic Preservation Office for historical and archeological resource assessments.
- State/Federal EPA for permit requirements related to planned air emissions (through Federal Facilities Coordinator).
- Soil Conservation Service for evaluation of prime farmland.
- The U.S. Army Corps of Engineers for floodplain and wetlands evaluation
- U.S. Fish & Wildlife Service for information concerning endangered species and habitats and mitigation strategies.

Flow-down impacts from all factors also need to be considered; for example, impacts to regional populations from radioactive emissions may be reduced by having a remote site, but transportation and utility related impacts will rise.

2.1.5 Documents and Plans

The Site Parameters Document. Before detailed evaluation criteria for assessing site candidates are determined, the site-selection team should consider both the physical and operational aspects (including safeguards and security and safety requirements) of the

proposed facility to determine needed site requirements. A site parameters document is often prepared for the team so they can clearly understand these requirements before they develop the qualification and evaluation criteria. The site parameters document should also help potential offerors understand the reasons for establishing criteria and for making certain considerations more important than others in the site-selection process.

The Site Evaluation Plan. After defining the scope of their site-selection task, the team should define their process for evaluating proposals for the site. This process should include developing the project impact/requirement categories that will be assessed, defining the scope of the assessment, establishing analytical approaches to be used, and identifying the list of data needed. In addition, the evaluation plan addresses the balance between life cycle costs, technical requirements, environmental impacts, and local economic impacts.

While not criteria per se, the evaluation plan should be used to focus on the identification and collection of "cradle to grave" life-cycle costs for the project, operation of facilities, and mitigation efforts for environmental impacts. The economic considerations of a site should play an important part in the selection.

Depending on the stakes of the site selection (e.g., competition among states), external parties may need to review the assessment categories and evaluation/selection methodology to achieve "buy-in." It is usually beneficial for external and impartial groups to be called upon to review issues raised by the proposals. The evaluation plan must address the scope of their participation long in advance.

The evaluation process is fraught with concern over the quality and validity of data received from offerors. In the past, DOE has expended considerable effort to validate offeror inputs; consequently, the traditional approach of starting with a NEPA analysis may be more effective. This plan can be the basis for both the NEPA assessment document and the site selection. In fact, this approach, used for the Superconducting Super Collider supplemental EIS, is a good model.

In competitive site selections, the evaluation plan is a basis for preparing a clear and fair RFP and is a common reference for the uniform assessment of proposals by team members. The site-selection team should assume that new information requirements will arise during the evaluation process. Although the selection criteria should not change, the team should consider information that may affect the outcome. For practical reasons, and to ensure fair treatment of all participants, a procedure for consideration of new information, which includes a deadline for submittals, should be established (and coordinated with NEPA). All offerors must be given similar opportunities to submit new

information. Minimizing the number of subjective criteria imposed on objective criteria may help to head off complaints from unsuccessful offerors. On Departmental sites, any weighing factors should reflect the values and sustainability goals identified in the site's comprehensive land-use planning process. (See GPG-GM-033.) The evaluation plan should defer to the NEPA evaluation analysis and address only those criteria outside the NEPA process scope.

2.1.6 Stakeholder Interactions

Interaction with stakeholders, which is required under the Public Involvement Policy, is especially important. Involving the public in the decision-making process gives the process more credibility, allows the Department to acquaint the public with facility plans and objectives, and helps DOE understand and address public concerns. Public participation can be achieved by opening team meetings to the public, holding public hearings, or conducting regional or national surveys. (See *Public Participation*, GPG-FM-022.)

The site-selection team should thoroughly assess potential sites and consider contacting any group with environmental concerns about a potential site. Regulating authorities, such as the Environmental Protection Agency or the State equivalent, may be a useful source of additional information or may help verify information on a particular proposal.

2.1.7 The RFPs

The RFP process usually applies if the site selection is competitive and/or includes sites outside DOE control. This type of site-selection process is atypical of the DOE site-selection process. DOE rarely issues a formal solicitation for selecting sites.

Involvement of Offerors and Stakeholders. The RFP tells potential offerors what is required in a proposal and how to submit one. Site-selection teams have found it helpful to obtain input from potential offerors and stakeholders before the RFP is prepared and/or issued. A pre-solicitation conference may be held for that purpose and to facilitate the following.

- Identification of interested parties.
- Review and discussion of the site parameters document and evaluation plan to help clarify the site-selection process or any unresolved issues.
- Identification of the need to have an early statement of interest from candidate sites for inclusion of these alternatives in the NEPA process.

An important fact to remember before issuing an RFP for sites is that considering only the sites offered by proponents conflicts with Council on Environmental Quality guidance: "In determining the scope of alternatives to be considered, the emphasis is on what is "reasonable" rather than on whether the proponent or applicant likes or is itself capable of carrying out a particular alternative" (*Forty Most Asked Questions Concerning CEQ's National Environmental Policy Act Regulations*, Question 2a, 46 FR 18026).

A NEPA document for site selection must address alternatives beyond those offered by proposers, including DOE and other federally controlled sites. The RFP or evaluation plan needs to provide a procedure for ensuring that proposals submitted by candidate sites will be addressed in the NEPA process. The candidate sites must be identified early enough in the site-selection process to be included as viable alternatives in the NEPA document.

- Development of a quality solicitation document that will provide an effective and efficient way of preparing and submitting proposals. If desired, a draft RFP may be presented for comment and revision.

All pre-solicitation conferences should be reviewed and approved by the site-selection official and announced publicly so that all interested parties may attend. The announcement should advise participants to submit questions in writing in advance of the conference and provide a submission deadline and address. It is important to note that offerors must be provided adequate time for the data collection. To preclude problems during the evaluation phase, the team should identify the minimum amount of data required for a thorough evaluation of the proposals.

Preparation of the RFPs. The team should address the following issues in all RFPs.

- Detailed instructions for the required proposal format.
- Clear communication of how offerors are expected to demonstrate fulfillment of the qualification and evaluation criteria.
- A one-to-one correlation between the criteria and instructions for response preparation.
- Directions to use existing information and resources to the maximum extent possible to minimize proposal preparation cost.

Review and Release of the RFPs. When the site-selection team is satisfied with the request, they should present it to the site-selection official for review and approval. After it is approved and issued, a solicitation briefing should be held with potential offerors to answer questions, emphasize critical information, and identify and revise any information that remains ambiguous or inaccurate. Participants should be instructed to submit questions in writing before the briefing, and team members should provide written answers. Everyone who has received an RFP should receive a copy of all questions and answers.

2.1.8 Evaluation of Reasonable Alternatives (Proposals)

The evaluation of reasonable alternatives (proposals) can make or break the selection process. The protocols and methods established in the evaluation plan must be executed in an open and professional manner. The evaluation process is not the time to determine how to evaluate the reasonable alternatives. Conditions, evaluation procedures, and systems to deal with new information should have already been determined through the development of the evaluation plan (section 2.1.5).

Evaluation Process Conditions. The site-selection team must be allowed to evaluate proposals without interference. Team members must remain objective and adhere to the conditions of the site evaluation plan (section 2.1.5) and the RFP (section 2.1.7). Isolation of the team from inappropriate influences or distractions may be needed to ensure a fair and accurate evaluation.

Evaluation Process. The team leader will coordinate and manage the evaluation process. Although individual team members should carefully analyze proposal data that fall within their areas of expertise, all members will review the entire proposal. Information should be reviewed for consistency.

Each proposal should be evaluated to determine how well it conforms to the requirements in the RFP—not how it compares to other proposals. Team members should avoid direct comparisons of proposals.

It is usually beneficial for external and impartial groups to review issues raised by the proposals. (The evaluation plan must address the scope of such participation long in advance.) Although these groups may not replace the work of the team, their independent assessment may increase team credibility with stakeholders. When deciding to use outside groups, the team should exercise caution to avoid real or perceived conflicts of interest. It should be made clear that external groups cannot render final decisions in the evaluation or selection process.

New Information. The site-selection team should consider new information that arises during the evaluation process according to protocols established in the evaluation plan (section 2.1.5). Although the selection criteria should not change, the team should consider information that may affect the outcome. For practical reasons, and to ensure fair treatment of all participants, a deadline for consideration of new information should be set. All offerors must be given similar opportunities to submit new information.

Altering Criteria. If, during the evaluation, the team discovers a justifiable reason for altering the criteria, they should advise the offerors and seek additional information from those affected by the change. If, in response to the new criteria, offerors do not provide the necessary additional information, they should be formally advised that their proposals can no longer be considered.

Site Visits. Site visits are critical to the evaluation process. The most important information for the team final report will come from these visits. Team members can discuss important issues with their colleagues and validate portions of the proposal. To ensure that data collected on a site visit is accurate and is not lost, the team should prepare a site visit report.

Fly-overs and walking the proposed site are useful for any siting. Aspects of the topography, relationships to surrounding structures, and other site characteristics not immediately evident from the proposal may be much clearer from the window of an aircraft. Walking the site provides a sense of scale.

At the end of the site visit, team members should exchange information and assess their findings. The team may also meet with the offerors to exchange information or hear concerns.

Site Visit Reports. All reports should be completed, at least in draft form, during the site visit. The report should address all selection criteria. The analysis of each criterion, and any ranking or ratings if applicable, should be reviewed and discussed by the entire team, to reach consensus if possible.

2.1.9 Briefing the Site-Selection Official and The Team Final Report

The team final report, prepared for briefing the site-selection official, should summarize the site-selection process, including all team recommendations, decision criteria, and related findings. Other documentation prepared during the process, such as the site parameters document and site visit reports, should be included. If possible, all team members should attend the briefing to ensure the site-selection official's questions are

answered adequately. In addition, by hearing the concerns and perspectives of the site-selection official, the team will be better prepared to undertake any additional work that the site-selection official may require.

During the briefing, the team should describe the processes used to prepare the RFP and to receive and evaluate the proposals. Each description should address the relationship of that process to the NEPA process. The team should not modify or alter information on the processes or criteria for the briefing. Information presented to the site-selection official will have the same rating system used in the site-selection process, whether adjectival, numeric, or a combination.

The site-selection official may ask that data be presented in formats other than those used during the evaluation of proposals. In responding, the team should ensure the integrity of their evaluation.

Requirements for Additional Information. After the briefing, the site-selection official may request additional information regarding some or all viable proposals to readdress items whose circumstances may have changed during the site-selection process. Such items or circumstances may arise during the briefing even if the team has remained in contact with the site-selection official throughout the process. The evaluation process should not be overridden at the eleventh hour. At some point, site-selection official requests for new information constitute new evaluation criteria and a potentially fatal change in the selection process.

The team should try to provide any additional information requested from existing proposals or NEPA documents, without involving the offerors. Required contact with offerors should be restricted to the site-selection official's specific concern. If that concern affects or involves all offerors equally, all offerors should be consulted.

2.1.10 Selection Decision

The site-selection official will select the site after considering the recommendations and findings of the site-selection team and the NEPA document. The site-selection official is to use prudent judgment in making the selection. The decision criteria that the decision maker has used for selection (e.g., cost, technical feasibility, environmental impacts, public acceptance) should be announced to the public.

If the NEPA process results in an EIS, the site-selection decision should be announced in the Record of Decision. The successful offeror should also be formally notified by the site-selection official.

2.1.11 Notification of Unsuccessful Offerors

Unsuccessful offerors should be notified by the site-selection official and given the option of a debriefing. The site-selection team is responsible for conducting the debriefing so that all factors involved in the decision can be explained. The team should never assume that debriefings will be simple or straightforward and should be prepared to respond to all concerns.

2.2 Other Site-Selection Processes

Other site-selection processes are used at DOE installations for the siting of minor facilities, utility systems modifications, adaptive reuse, and other actions Categorically Excluded under NEPA. Many sites use a standing land-use board, other decisional bodies, or site planners to: identify technical, economic, and environmental protection criteria for the use/facility being sited, identify reasonable alternatives, and select, based on decisional criteria, an appropriate site.

Examples of these processes are needed for section 8 and should be submitted to the Good Practice Guides Manager, Mr. Randy Wolff at fax number (202) 586-4500.

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3. MEASURING FOR RESULTS

The site-selection process is often a unique situation and its crosscutting nature may not lend itself to contract performance measurements.

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4. REGULATIONS, LAWS, EXECUTIVE ORDERS, AND DEPARTMENTAL DIRECTIVES

Site-selection processes often deal with issues of compliance with regulations, laws, Executive Orders, and Departmental Directives. Many the following references deal with specific issues and do not apply to every site-selection process. Implementing direction in other Departmental Guides should be consulted as appropriate.

4.1 Public Laws

- (ADA) Americans with Disabilities Act 42 U.S.C. 12101 et seq.
- (AIRFA) American Indian Religious Freedom Act, 42 U.S.C. 1996, et seq.
- (ARPA) Archaeological Resources Protection Act of 1979, 16 CFR 470 et seq.
- (BGEPA) Bald and Golden Eagle Protection Act, 16 U.S.C. 668, et seq.
- (CAA) Clean Air Act, 42 U.S.C. 7401 et seq.
- (CBRA) Coastal Barrier Resources Act, 16 U.S.C. 3501, et seq.
- (CERCLA) Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. 9601 et seq.
- (CWA) Clean Water Act 33 U.S.C. 1251 et seq.
- (CZMA) Coastal Zone Management Act, 16 U.S.C. 1451, et seq.; 15 CFR 921 et seq.
- (EHRA) Earthquake Hazards Reduction Act of 1977, 43 U.S.C. 7701 et seq.
- (EPA) Energy Policy Act, 3 U.S.C. 301
- (EPCA) Energy Policy and Conservation Act 42 U.S.C. 6201, et seq.
- (EPCRKA) Emergency Planning and Community Right-to-Know Act, as amended, 42 U.S.C. 11001, et seq.

- (ESA) Endangered Species Act. 16 U.S.C. 1536. 7 CFR 136.
- (FIFRA) Federal Insecticide. Fungicide. and Rodenticide Act. 7 U.S.C. 136 et seq.
- (FLPMA) Federal Land Policy and Management Act. 43 U.S.C. 1701. et seq
- (FPA) Farmland Protection Act. 7 U.S.C. 4201. et seq.
- (FPASA) Federal Property and Administrative Services Act. 40 U.S.C. 471. et seq.
- (FUA) Power Plant and Industrial Fuels Use Act. 42 U.S.C. 8301 et seq.
- (FULUA) Federal Urban Land-Use Act. 40 U.S.C. 531. et seq.
- (FWCA) Fish and Wildlife Coordination Act. as amended. 16 U.S.C. 661.
- (FWPCA) Federal Water Pollution Control Act. 33 U.S.C. 1157 et seq.
- (LLRWPAA) Low-Level Radioactive Waste Policy Amendments Act. 42 U.S.C. 2021 et seq.
- (HMTA) Hazardous Materials Transportation Act. 49 U.S.C. 1802 et seq.
- (HSBAA) Historic Sites. Buildings and Antiquities Act. 16 U.S.C. 462
- (MBTA) Migratory Bird Treaty Act. 16 U.S.C. 703. et seq.
- (MPRS) Marine Protection. Research and Sanctuaries Act. as amended. 33 U.S.C. 1401. et seq.
- (NAGPRA) Native American Grave Protection and Repatriation Act. 25 U.S.C. 3001-3013.
- (NCA) Noise Control Act. as amended. 42 U.S.C. 4901. et seq.
- (NEPA) National Environmental Policy Act. 42 U.S.C. 4321 et seq.
- (NHPA) National Historic Preservation Act. 16 U.S.C. 470 et seq.

- (OSHA) Occupational Safety and Health Act, 29 U.S.C. 671.
- (PPA) Pollution Prevention Act, 42 U.S.C. 13101
- (PURPA) Public Utility Regulatory Policy Act, 16 U.S.C. 823a et seq.
- (RCRA) Resource Conservation and Recovery Act, 42 U.S.C. 6901 et seq.
- (SDWA) Safe Drinking Water Act, 42 U.S.C. 300h-3, 300h-6.
- (TSCA) Toxic Substances Control Act, 15 U.S.C. 2601 et seq.
- (UMTRCA) Uranium Mill Tailings Radiation Control Act, 42 U.S.C. 7922.
- (WSRA) Wild and Scenic Rivers Act, 16 U.S.C. 1271-1287c.

4.2 Executive Orders

- Executive Order 12898, Environmental Justice
- Executive Order 12906, Coordinating Geographic Data Acquisition and Access: The National Spatial Data Infrastructure
- Executive Order 11593, Protection and Enhancement of the Cultural Environment
- Executive Order 11988, Floodplain Management
- Executive Order 11990, Protection of Wetlands
- Executive Order 12088, Federal Compliance with Pollution Control Standards
- Executive Order 12356, National Security Information
- Executive Order 12580, Superfund Implementation
- Executive Order 12699, Seismic Safety of Federal and Federally Assisted or Regulated New Building Construction
- Executive Order 12902, Energy Efficiency and Water Conservation at Federal Facilities

4.3 Office of Management and Budget

- OMB A-16, Coordination of Surveying and Mapping Activities
- OMB A-130, Management of Federal Information Resources
- OMB A-106, Reporting Requirements in Connection with Prevention, Control, and Abatement of Environmental Pollution of Existing Federal Facilities

4.4 Federal Regulations

- 10 CFR 435, Energy Conservation Voluntary Performance Standards for New Buildings; Mandatory for Federal Buildings
- 10 CFR 436, Federal Energy Management and Planning Programs
- 10 CFR 1021, National Environmental Protection Act Implementing Procedures
- 10 CFR 1022, Compliance with Flood plains/Wetlands Environmental Review Requirements
- 36 CFR 800, Protection of Historic Properties
- 40 CFR 52, Approval and Promulgation of Implementation Plans
- 40 CFR 61, National Emission Standards for Hazardous Air Pollutants
- 40 CFR 82, Protection of Stratospheric Ozone
- 41 CFR 101, Federal Property Management Regulations
- 41 CFR 101-17, Extension of Temporary Regulation D-76
- 40 CFR 110, Discharge of Oil
- 40 CFR 112, Oil Pollution Prevention
- 40 CFR 122, EPA Administered Permit Programs: The National Pollutant Discharge Elimination System

- 40 CFR 125, Criteria and Standards for the National Pollutant Discharge Elimination System
- 40 CFR 141, National Primary Drinking Water Regulations
- 40 CFR 142, National Primary Drinking Water Regulations Implementation
- 40 CFR 191, Environmental Radiation Protection Standards for Nuclear Power Operations
- 40 CFR 230.3, Definition of Wetlands
- 40 CFR 241, Guidelines for the Land Disposal of Solid Wastes
- 40 CFR 256, Guidelines for Development and Implementation of State Solid Waste Management Plans
- 40 CFR 260, Hazardous Waste Management System: General
- 40 CFR 264, Standards for Owners and Operators of Hazardous Waste Treatment, Storage and Disposal Facilities
- 40 CFR 265, Interim Status Standards for Owners and Operators of Hazardous Waste Treatment, Storage, and Disposal Facilities
- 40 CFR 267, Interim Standards for Owners and Operators of New Hazardous Waste Land Disposal Facilities
- 40 CFR 268, Land Disposal Restrictions
- 40 CFR 270, EPA Administered Permit Programs: The Hazardous Waste Permit Program
- 40 CFR 271, Requirements for Authorization of State Hazardous Waste Programs
- 40 CFR 280, Technical Standards and Corrective Action Requirements for Owners and Operators of Underground Storage Tanks (UST)
- 40 CFR 300, National Oil and Hazardous Substances Pollution Contingency Plan

- 40 CFR 423, Steam Electric Power Generating Point Source Category
- 40 CFR 1500-1508, Council on Environmental Quality Regulations

4.5 Departmental Policy

- *DOE Public Participation Policy and Guidelines on Implementation of the Department's Public Participation Policy*, of July 29, 1994.
- National Environmental Policy Act Policy Statement of June 13, 1994.
- DOE, American Indian Policy of May 18, 1994.
- DOE Strategic Plan of April 1994.

5. DEFINITIONS

Site Requirements. Those physical attributes made necessary by the operational needs of the proposed facility (e.g., acreage, proximity to population center, availability of water sources).

Decision Criteria. Those factors that a decision maker should take into account (e.g., public acceptance, cost, technical feasibility, environmental impacts).

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6. ASSISTANCE

Other LCAM Guides referred to in this Guide are available on the Office of Field Management's home page **<http://doe.ipsg.com/fm-50/lcam/index.htm>** and will be hot-linked in the future.

The Office of Project and Fixed Asset Management is responsible for developing and maintaining this Guide. For assistance please send a message by electronic mail to **<fmland.ideas@hq.doe.gov>** or call (202) 586-1191.

Answers to NEPA process questions are found on **<http://nattie.eh.doe.gov/>**

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7. RELATED TRAINING

(To be developed when needed.)

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8. EXAMPLES

At the Idaho National Engineering Laboratory, facility planners for each major facility at the site (i.e., the Test Reactor Area, the Radioactive Waste Management Complex, the Idaho Chemical Processing Plant, the Idaho Falls area, etc.) are responsible for identifying potential development zones within the specific area, for administrative, operations or industrial, and storage facilities. For major projects site selection, these zones can be used as the initial reasonable alternative. The effort is not yet complete for all areas. However, the completed zones are identified in the Comprehensive Facility and Land Use Plan (CFLUP) and will be updated annually with stakeholder participation.

Other examples of site-selection processes are needed and should be submitted to the Good Practice Guides Manager, Mr. Randy Wolff, at fax number (202) 586-4500.

APPENDIX 5-3

AMENDMENT
TO THE
MEMORANDUM OF UNDERSTANDING
BETWEEN THE
U.S. DEPARTMENT OF ENERGY
AND THE
U.S. DEPARTMENT OF THE ARMY

I. INTRODUCTION.

a. References.

(1) 42 U.S.C. sec. 7256 (1983).

(2) Flood Control Act of 1965, Pub. L. No. 89-298, Sec. 219, 79 Stat. 1073.

(3) Memorandum of Understanding between the U.S. Department of Energy and the U.S. Department of the Army, effective August 26, 1987, at section 3.b.

(4) ER 1140-1-211, Support For Others: Reimbursable Work.

b. Background.

There is currently in effect a Memorandum of Understanding (MOU) between the Department of Energy (DOE) and the Department of the Army which provides procedural guidance for the orderly and timely accomplishment of real estate actions by the U.S. Army Corps of Engineers (Corps) on behalf of the DOE.

c. Purpose.

The purpose of this Amendment is to streamline existing procedures governing the issuance and acceptance of requests for real estate services by allowing DOE Field Organizations to submit such requests directly to Corps Districts and eliminate, under certain circumstances, the requirement for Headquarters level review and acceptance.

2. CHANGES TO MANAGEMENT AND PROGRAM GUIDELINES.

Section 2.b.(1)(a) of the Memorandum of Understanding is hereby deleted and the following provisions are substituted therefor:

"(a) Submission, Review and Acceptance.

"1 Notwithstanding any other provision of the MOU, DOE Field Organization representatives may submit new requests for real estate services to the Chief of Real Estate in the Corps District with civil works responsibility for the geographic area in which the work is located.

"2 The District Chief of Real Estate may either accept the request for services, if it is within delegated authority, or forward it for higher level review and acceptance. If a Corps District or Division chooses to decline to accept a proposed work assignment, the request for services shall be forwarded to the Director of Real Estate, HQUSACE, for consideration.

"3 If the requested services are estimated to involve a commitment in excess of ten work-years of effort, the request shall be forwarded by the Corps District, through its Division, to the Director of Real Estate, HQUSACE, for review and acceptance. Representatives of the DOE Field Organization and the Corps District should determine during preliminary discussions whether this threshold is likely to be exceeded.

"4 Once the request has been accepted, individual task orders for the project may be handled between the DOE Field Organization and the Corps District. However, if a major change in the Statement of Work or the costs set forth in the Task Order is proposed, the change shall be forwarded by the Corps District, through its Division, to the Director of Real Estate, HQUSACE, for approval. Major changes are defined at section 2.b.(2)(a) of the MOU.

"5 Requests for services may be divided into planning and acquisition phases and the DOE may request the Corps to provide planning/ analysis reports or appraisals without any obligation to retain the Corps to acquire the real estate interests."

3. ADMINISTRATION.

This Amendment to the MOU is effective when signed by both parties.

U.S. DEPARTMENT OF ENERGY

John J. Nettles, Jr.
Director of Administration
and Human Resource Management

Date: 4/7/92

U.S. ARMY CORPS OF ENGINEERS

Barry J. Frankel
Director of Real Estate

Date: 3/27/92

MEMORANDUM OF UNDERSTANDING
BETWEEN THE
U.S. DEPARTMENT OF ENERGY
AND THE
U.S. DEPARTMENT OF THE ARMY

I. INTRODUCTION.

a. Background.

The Department of Energy (DOE) is responsible for the acquisition and management of real estate needed for the programmatic mission of that Department, pursuant to the provisions of section 647 of the Department of Energy Organization Act (42 U.S.C. 7257, P.L. 95-91, 91 STAT 565) and other statutes. The U.S. Department of the Army, acting through the U.S. Army Corps of Engineers (Corps), is willing to assist DOE in all facets of work involved in the acquisition of real estate that may be required by DOE, and such other services as may, from time to time, be required to accomplish DOE's programmatic mission.

b. Authority.

(1) Section 646 of the Department of Energy Organization Act (42 U.S.C. 7256).

(2) Section 219 of P.L. 89-298 (79 STAT 1073 (1965)).

(3) The Economy Act of 1932 (40 U.S.C. 278a).

c. Purpose.

The purpose of this Memorandum of Understanding (MOU) is to provide DOE and the Corps with procedural guidance for the orderly and timely accomplishing of real estate actions by the Corps on behalf of DOE.

d. Policy.

The Corps will provide real estate services when requested by the DOE, subject to availability of manpower and necessary funds. Nothing in this MOU shall be construed to require DOE to use the services of the Corps, nor to require the Corps to accept the work from DOE. However, both agencies shall cooperate to the extent possible in furtherance of DOE's programmatic mission.

2. MANAGEMENT AND PROGRAM GUIDELINES.

a. General.

(1) The Corps will acquire land and interests therein on behalf of DOE in accordance with normal Corps procedures and with all applicable generic Federal laws and regulations, including the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646, 84 STAT 1894, 42 U.S.C. 4601).

(2) Any instructions, constraints, or conditions unique to a specific project or program will be set forth in the Task Order Statement for that project or program.

(3) In any situation traditionally dictated by specific Agency policy rather than generic Federal legislation or policy, a mutually agreeable policy shall be determined between DOE and the Corps.

(4) The Corps will also be guided by the policies of the Department of Justice (DOJ) as specifically defined in the following publications:

(a) "A Procedural Guide for the Acquisition of Real Property by Government Agencies," Department of Justice, Land and Natural Resources Division, 1972;

(b) "Uniform Appraisal Standards for Federal Land Acquisition," Interagency Conference, 1973;

(c) "Standards for the Preparation of Title Evidence in Land Acquisition by the United States," Department of Justice, Land and Natural Resources Division, 1970; and

(d) Any other publication or Attorney General opinion as appropriate, or amendment or revision to the standards listed above.

b. Requesting Real Estate Acquisition Services.

(1) New Requests.

(a) New requests for real estate services, whether on a one time basis or for a multiphase project or program, shall be initiated by the DOE Chief, Real Property Branch, Office of Project and Facilities Management and forwarded to the Corps' Director of Real Estate, Office of the Chief of Engineers. Requests for services may be divided into planning and acquisition phases and DOE may request the Corps to provide planning/analysis reports or appraisals without any obligation to retain the Corps to acquire the real estate interests.

(b Planning services may include the location, analysis, estimate of costs, both administrative and acquisition related, and comparison of alternative sites as requested by and in conformance with criteria specified by the DOE Chief.

(c) Activities related to real estate acquisition including, but not limited to, appraisals, title examination, negotiation of the terms of easements, leases, acquisitions, settlements, closings, and preparation of condemnation papers. also, all matters relating to relocation assistance under P. L. 91-646, including determinations on appeals and decisions with respect to

last resort housing will, if requested by the DOE Chief, be the responsibility of the Corps. These services shall be performed in accordance with the terms of this MOU and any other guidance that the DOE Chief shall provide to the Corps.

(d) Site selection and condemnation decisions shall be the responsibility of DOE.

(e) The request for real estate services shall include sufficient information on the tasks and duration of the project to permit the Corps to determine if it can provide the requested services.

(f) Upon agreement between the DOE Chief and the Corps' Director of Real Estate on a Statement of Work and time of performance, the DOE Chief will provide this information to the appropriate DOE Field Organization.

(g) As the DOE Field Organization will provide the funding, the Head of the DOE Field Organization will review and, if in agreement, authorize the DOE Field Organization Contracting Officer (DOE Contracting Officer) to sign the Task Order. The Task Order will be the obligating document once it is signed by the DOE Contracting Officer.

(h) The DOE Chief will provide the Corps' Director of Real Estate with the name of the DOE Field Organization requesting the real estate services, and the Corps' Director of Real Estate will provide the name of the District or Division Office of the Corps that will perform the requested services.

(i) Thereafter, the DOE Field Organization will provide any necessary additional information.

(2) Amendment of Requests.

(a) The DOE Contracting Officer may, during the course of the project, make reasonable revisions in the Statement of Work or the costs set forth in the Task Order, except as limited below:

1 When there is a proposal to acquire interests different than those specified in the original Statement of Work.

2 When the original cost is exceeded by more than 25 percent for projects of $1,000,000 or less or 15 percent for projects of more than $1,000,000.

3 When the number of acres to be acquired is exceeded by more than 25 percent for projects of 1,000 acres or less and 15 percent for projects of more than 1,000 acres.

4 When the original administrative cost paid by DOE for services provided by the Corps is exceeded by more than 25 percent.

(b) It will be the responsibility of the DOE Field Organization to advise the DOE Chief of any change in the Statement of Work or costs.

(c) Any amendments which exceed the above-noted limitations to the authority of the DOE Contracting Officer, shall be approved by the DOE Director of Administration (the DOE Director).

(d) Amendments which require the approval of the DOE Director will be forwarded by the DOE Chief to the Corps' Director of Real Estate for continuance of action. Those amendments which are done under the authority of the DOE Field Organization may be forwarded by the DOE Field Organization directly to the appropriate Corps District Office.

(3) Other Real Estate Services.

From time to time, DOE may request the Corps to perform some real estate functions not related to acquisition, such as, assistance in the disposal of real property, outgranting and inleasing of real property, related general appraisal services, etc. In these circumstances, DOE may request the Corps to provide such services and the procedures outlined above will be followed.

c. Special Conditions.

While the Corps procedures will generally be followed to accomplish the required work, the following special conditions will apply to all projects undertaken by the Corps for DOE:

(1) Rights-of-Entry. When necessary, reasonable fees for rights-of-entry will be paid.

(2) Delegation of Authority to Acquire by Condemnation. In some instances, individuals at DOE Field Organizations have been delegated limited authority to acquire by condemnation. Where applicable, DOE shall advise the Corps accordingly. Wherever the word DOE appears in paragraphs 3 and 4 below, it shall mean the DOE employee with the authority to acquire by condemnation. However, whenever the Corps' Director of Real Estate corresponds directly with a DOE Field Organization, courtesy copies of such correspondence shall be furnished to the DOE Chief.

(3) Condemnation Because of Disagreement Over Value. No "final and best offer" letter will be sent without the prior approval of DOE . If, after review of the record of negotiation, DOE determines that it is in the best interest of the Government to accept an offer from a landowner, DOE will so notify the Corps in writing, and the Corps will conclude the

acquisition. If the landowner does not accept the "final and best offer," the Corps shall take such actions as necessary to initiate condemnation proceedings including preparation of necessary condemnation papers. Although general information on condemnation procedures may be provided during acquisition negotiations, landowners will not be informed of any intent to condemn without the prior approval of DOE.

(4) Settlement After Condemnations are Filed. The Corps will provide to the DOJ information related to any acquisition negotiations that preceded the DOE decision to initiate condemnation proceedings, and will assist DOE and DOJ in any subsequent negotiations conducted in an attempt to settle a condemnation case. Any recommendations for settlement by stipulation must be approved by DOE. The Corps will submit their recommendation to DOE. DOE's decision will be transmitted to DOJ and the Corps advised accordingly.

(5) Records Maintenance and Disposition. The Corps will maintain, at the appropriate office, all records of work undertaken for DOE which will be available for inspection by DOE personnel at any reasonable time. Upon completion of the actions requested by DOE, the Corps will forward all project files to the appropriate DOE Field Organization for final retention.

(6) Program Funding. Details of the scope of work will be incorporated in the Statement of Work for the specific request. The request or Task Order will also set forth the approved funding and any limitations on the use of such funds. Funding will generally be provided in advance. For the work under major Task Orders, funding transfer will be accomplished by Standard Form 1151, Nonexpenditure Transfer Authorization, pursuant to the Treasury Fiscal Requirement Manual, Volume 1, Section 2060, and OMB Circular A-34, Paragraph 81.2b. For work under small value Task Orders, funding will be provided in advance or on a reimbursable basis by use of Standard Form 1080 with funds furnished directly to the appropriate Corps District Office. The Corps District Office will provide the appropraite DOE Field Organization with a monthly accounting of funds expended and, when requested by DOE, will allow review of pertinent records documenting the basis for the charges to DOE. The general format for the Statement of Work is attached as Appendix I to this MOU.

(7) Appraisals. The Corps will review and approve all appraisals. A copy of all appraisals which require review by the Corps' Director of Real Estate will be sent to the DOE Chief who will have 10 working days after receipt to furnish any comments to the Corps. The Corps will consider any comments furnished prior to completing review of the appraisal. All other appraisals will be held in the Corps' District Offices and copies will be made available to DOE upon request. It is the policy of the Corps, DOE, and DOJ not to release appraisal reports to landowners or any other party prior to the completion of the acquisition.

(8) Status Reports. A quarterly report shall be submitted to the appropriate DOE Field Organization by the appropriate Corps District Office showing the status of each project. It will be the responsibility of the appropriate field offices to determine the contents and format of the report. This report may be included in the monthly accounting of funds.

3. ADMINISTRATION.

a. Public Information Coordinator.

(1) Consistent with the Freedom of Information Act (FOIA) (5 U.S.C. 552), procedures for timely release of information to the public regarding projects and programs implemented under this MOU will be by mutual agreement between DOE and the Corps.

(2) Consistent with the exemptions provisions of FOIA, appraisal reports will not be released during negotiations or condemnation proceedings.

b. Amendment and Termination.

This MOU may be modified or amended by written agreement between DOE and the Corps and terminated by either party upon 90 days prior written notice. DOE reserves the right to unilaterally change those portions of this MOU that concern its internal administrative procedures.

c. Effective Date.

This MOU is effective immediately upon signature by authorized personnel of both agencies. Any similar MOU currently in effect is cancelled concurrently.

U.S. Department of Energy

Director of Administration

Date: Aug 26, 1987

U.S. Department of the Army

Acting Assistant Secretary of the Army (Civil Works)

Date: June 26, 1987

APPENDIX 5-4

Department of Energy
Washington, DC 20585

The United States of America, acting through the Department of Energy, is acquiring lands in _____ County, in the vicinity of _____ _____. The acquisition is necessary for _____purposes.

You have been identified as the owner of a parcel of land, located _____ _____, as further delineated on the enclosed drawing. This parcel of land, containing _____ acres, more or less, is included in our acquisition project. It is our intention to acquire the _____ _____ interest in the property.

Public Law 91-646, The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, is the basis for all Government acquisition of real property. The Act requires an agency to establish an amount for just compensation which shall be no less than the approved appraisal of the fair market value of the real property. Your property was appraised by an independent contract appraiser who is well qualified to prepare the appraisal report. He is knowledgeable of local real estate market conditions and has made a thorough investigation of sales of comparable properties. In preparing the appraisal, the appraiser considered the highest and best use for which your property is adaptable. His conclusion is that the highest and best use of your property is for _____ purposes. The appraisal has been reviewed by qualified staff personnel. Based upon all factors, the amount established as just compensation for the acquisition of your property is $_____, and an offer to purchase is hereby made in this amount.

A representative of the Department will contact you within the next two weeks to discuss our offer with you and to advise you of any benefits to which you may be entitled under the provisions of Public Law 91-646. If you have any questions which you wish to discuss earlier, please contact _____ _____, telephone _____.

Sincerely yours,

The following sentences should be inserted as necessary:

As only a part of your property will be acquired, the amount of just compensation includes not only the value of the part purchased, but also any diminution in value of the remainder caused by its severence from, and the use to be made of, the part purchased.

Offsetting benefits have resulted due to the Department's project. Benefits to the remainder of your property because of public improvements are deductible from the entire compensation for the acquisition to the extent that they actually increase the market value of the remaining property immediately after the acquisition.

This offer of $_____, is based on the acquisition of all improvements to the land, as well as, the land. The improvements have been identified as:

_____

_____

_____

_____

_____

Our offer is arrived at by adding the acquisition value of $_____ to the severence damages of $_____.

OFFER TO SELL REAL PROPERTY

The undersigned, hereinafter referred to as the Vendor, in consideration of the mutual covenants and agreements herein set forth, offers to sell and convey to the United States of America and its assigns, the fee simple title to the following described land, with the buildings and improvements thereon, and all rights, hereditaments, easements, and appurtenances thereunto belonging, located in the County of _____, State of _____, bounded and described as follows:

_____

_____

_____

_____

subject to the following rights outstanding in third parties:

_____

_____

_____

Excepting and reserving only the following rights and interests in the above described property:

_____

_____

_____

The terms and conditions of this offer are as follows:

(1) The Vendor agrees that this offer may be accepted by the United States through any duly authorized representative, by delivering, mailing, or telegraphing a notice of acceptance to the Vendor at the address stated below, at any time within _____ ( ) month(s) from the date hereof, whereupon this offer and the acceptance thereof becomes a binding contract.

(2) The United States of America agrees to pay to the Vendor for said land the sum of _____ ($_____), payable on the acceptance of this offer and approval of the Vendor's title's; provided the Vendor can execute and deliver a good and sufficient general warranty deed conveying said land with the hereditaments and appurtenances hereunto belonging to the United States of America and its assigns, in fee simple, free and clear from all liens and encumbrances, except those specifically excepted or reserved above, together with all right, title, and interest of the Vendor in and to any streams, alleys, roads, streets, ways, strips, gores, or railroad rights-of-way abutting or adjoining said land.

(3) It is agreed that the United States will defray the expenses incident to the preparation and recordation of the deed to the United States and the procurement of the necessary title evidence.

(4) The Vendor agrees that all taxes, assessments, and encumbrances which are a lien against the land at the time of conveyance to the United States shall be satisfied of record by the Vendor at or before the transfer of title and, if the Vendor fails to do so, the United States may pay any taxes, assessments, and encumbrances which are a lien against the land; that the

amount of any such payments by the United States shall be deducted from the purchase price of the land; that the Vendor will, at the request of the United States and without prior payment or tender of the purchase price, execute and deliver the general warranty deed to the United States, pay the document revenue stamp tax, and obtain such other curative evidence of title as may be required by the United States.

(5) The Vendor agrees that loss or damage to the property by fire or acts of God shall be at the risk of the Vendor until the title to the land and deed to the United States have been accepted by the United States through its duly authorized representative or until the right of occupancy and use of the land, as hereinbelow provided for, has been exercised by the United States; and in the event that such loss or damage occurs, the United States may, without liability, refuse to accept conveyance of the title or it may elect to accept conveyance of title to such property, in which case there shall be an equitable adjustment of the purchase price.

(6) The Vendor agrees that the United States may acquire title to said land by condemnation or other judicial proceedings, in which event the Vendor agrees to cooperate with the United States in the prosecution of such proceedings; agrees that the consideration hereinabove stated shall be the full amount of the award of just compensation, inclusive of interest, for the taking of said land; agrees that any and all awards of just compensation that may be made in the proceedings to any defendant shall be payable and deductible from the said amount; and agrees that the said consideration shall be in full satisfaction of any and all claims of the Vendor for the payment of right of occupancy and use hereinafter provided for in paragraph 7.

(7) An additional consideration for the payment of the purchase price hereinabove set forth. the Vendor hereby grants to the United States the right of immediate occupancy and use of the land for any purpose whatsoever from and after the acceptance by the United States of this offer until such time as said land is conveyed to the United States and, upon demand, the Vendor will immediately vacate the property and deliver possession to the United States.

(8) The Vendor warrants that he has not employed any person to solicit or secure this agreement upon any agreement for a commission, percentage, brokerage, or contingent fee. Breach of this warranty shall give the United States of America the right to annul this agreement or in its discretion to recover from the Vendor the amount of such commission, percentage, brokerage, or contingent fee in addition to the consideration herein set forth. (This warranty shall not apply to commissions payable by the Vendor upon contracts or sales secured or made through bonafide established commercial or selling agencies maintained by the Vendor for the purpose of securing business.)

(9) It is agreed that the spouse, if any, of the Vendor, by signing below, agrees to join in any deed to the United States and to execute any instrument deemed necessary to convey to the United States any separate or community estate or interest in the subject property and to relinquish and release any dower, curtesy, homestead, or other rights or interests of such spouse therein.

(10) The Vendor represents and it is a condition of acceptance of this offer that no member of or delegate to Congress, or resident commissioner, shall be admitted to any share or part of this agreement, or to any benefits arising from it. However, this provision does not apply to this agreement to the extent that this agreement is made with a corporation for the corporation's general benefit.

(11) The terms and conditions aforesaid are to apply to and bind the heirs, executors, administrators, successors, and assigns of the Vendor.

(12) All terms and conditions with respect to this offer are expressly contained herein and the Vendor agrees that no representative or agent of the United States has made any representation or promise with respect to this offer not expressly contained herein.

Signed, sealed, and delivered this _____ day of _____, 19_____.

Witness_____ By_____
Title:

Witness_____ By_____
Title:

Notice of acceptance of this offer is to be sent to:

_____
_____
_____

Acceptance of Offer to Sell Real Property

Date:

This offer of the Vendor contained herein is hereby accepted for and on behalf of the United States of America.

Witness_____ By_____
Title:

I, _____, certify that I am the _____, of the corporation named as _____ in the above _____; that _____, who signed said _____ on behalf of the _____, was then _____ of said corporation; that said _____ was duly signed for and in the behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

By:_____

(CORPORATE SEAL)

APPENDIX 5-5

DISCLAIMER

State of _____)
) ss.
County of _____)

We (I) _____ (wife) (husband), being first duly sworn, depose and say (deposes and says) that we are (I am) occupying all (a part) of the land proposed to be acquired by the United States of America from _____ _____, described as _____ acres, lying in _____ County, State of _____, and do hereby aver that we are (I am) occupying said land as the tenants (tenant) of _____; that we (I) claim no right, title, lien, or interest in and to the above-described premises or any part thereof by reason of said tenancy or otherwise and will vacate said premises upon demand for the possession of said lands by the United States of America.

We (I) further agree that this disclaimer may be presented to any court having jurisdiction over condemnation proceedings relating to the above-described property, and such court is authorized to enter an order dismissing the undersigned from said cause without compensation and without adjudication of costs against the undersigned.

Dated this _____ day of _____, 19_____.

_____
(Tenant)

_____
(Spouse)

Witness:

_____

_____

AFFIDAVIT OF HEIRSHIP

I, _____, residing at _____, in _____, _____, being of full legal age, for the purpose of establishing the legal ownership of certain land in , _____, in which the United States of America proposes to purpose from all lawful heirs of _____, late of , _____, who died on the _____ day of _____, 19_____, at the age of _____years, a resident of _____, _____, on oath depose and say as follows:

(1) That I was personally acquainted with the above-named decedent for the period of _____ years from _____, 19_____, until his (her) death, and that my relationship to said decedent was _____.

(2) That said decedent was married to but once and then to _____ _____, at_____, in 19_____, who survived (predeceased).

(3) That the following is a list of the full names, relationships to the decedent, ages, marital status, and addresses of all surviving issue or other heirs of said decedent:

FULL NAME	RELATIONSHIP TO DECEDENT	MARRIED TO	ADDRESS

(4) That (I have made careful inquiry and that to the best of my information and belief) said decedent left no will, no issue, nor collateral heirs other than those named above and no unpaid debts or claims except as stated below.

_____

_____

_____

(5) That the value of the decedent's entire estate at death, including all property, real and personal, then owned by the decedent, did not exceed $_____, and that all funeral expenses and debts against the estate have been paid.

(6) That I am (not) interested financially or by reason of relationship to said decedent in the proposed conveyance to the United States of America in connection with which this affidavit is furnished, and understand that it is secured for the purpose of inducing the United States to purchase _____ in land owned by said decedent.

_____
Date

STATE OF _____)
) ss:
CITY OF _____)

Then personally appeared before me the above named _____ _____, who subscribed the foregoing affidavit and made oath that the statements contained therein are true.

Given under my hand this _____ day of _____, 19_____.

My commission expires: _____

_____
Notary Public

(SEAL)

CERTIFICATE OF NON INTERFERENCE

This is to certify that the following easements and/or encumbrances will not interfere with the purpose for which the property, comprising _____ acres, is being acquired from _____, in connection with _____.

The easements and/or encumbrances are as follows:

By_____
Title:
Date:

APPENDIX 5-6

NEGOTIATOR'S REPORT

1. NAME AND LOCATION OF FACILITY

2. PROPERTY ID	ACREAGE	ESTATE

3. NAME & ADDRESS OF OWNER(S)

4. APPRAISALS

	NAME	DATE	VALUE
( )CONTRACT( )GOV'T			
( )CONTRACT( )GOV'T			
( )CONTRACT( )GOV'T			

GOVERNMENT'S APPROVED OFFER: $_____

5. GOVERNMENT'S INITIAL OFFER

$_____

6. RESUME OF NEGOTIATIONS (Date, time, place, and with whom)

(continue on separate sheet)

7. RECOMMENDATIONS

	SIGNATURE	TITLE	DATE
7A. NEGOTIATOR			
7B. REVIEWING OFFICIAL			
7C. OFFICE OF GENERAL COUNSEL			
APPROVING OFFICIAL			

APPENDIX 5-7

Project _____
Tract ID _____
Contract No. _____

VENDOR _____

OPTION TO PURCHASE REAL PROPERTY

In consideration of the sum of One Dollar ($1.00) to the undersigned Vendor in hand paid by the United States of America, the receipt and sufficiency of which are hereby acknowledged, the Vendor, who represents that he is the owner of the property hereinafter described, hereby, for himself and his heirs, executors, administrators, successors, and assigns, gives and grants unto the United States of America or its assigns the exclusive right and option to elect on or before _____ to purchase at and for the price of _____ Dollars ($_____), in accordance with the terms and conditions set forth below, that parcel of land, with the buildings and improvements thereon and all rights, hereditaments, easements, and appurtenances thereunto belonging, located in _____
_____, County of _____, State of _____, bounded and described as follows:

the Vendor to convey to the United States of America, as hereinafter provided, a valid, indefeasible fee simple title to said land, subject only to the following rights outstanding in third parties, namely:

and the following rights and interests to be reserved by the Vendor, namely:

The terms and conditions of this option are as follows:

(1) The purchase price set forth above is payable as soon as the United States of America has exercised this option and has had a reasonable time within which to secure and examine the evidence of title to said land and to obtain the necessary approval of title; provided that the Vendor can execute and deliver to the United States of America a good and sufficient general warranty deed conveying said land, with the hereditaments, easement, and appurtenances thereunto belonging, to the United States of America in fee simple, free from all liens and encumbrances and shall quitclaim to the United States of America and its assigns all right, title, or interest which the Vendor may have in the banks, beds, and waters of any streams opposite to or fronting upon said land, and in any alleys, roads, streets, ways, strips, gores, or railroad rights-of-way abutting or adjoining said land, and in any means of ingress and egress appurtenant thereto, said conveyance to be subject only to such outstanding rights in third parties and reservations by the Vendor as may be set forth above; provided, however, that conveyance by states, municipal corporations, fiduciaries, and persons acting solely in a representative capacity need not contain general warranty covenants if otherwise acceptable and satisfactory to the United States of America.

(2) It is the intention of the Vendor and he hereby agrees that this option may be exercised by the United States through any duly authorized representative, by delivering, mailing, or telegraphing notice thereof to the Vendor at the address stated below, on or before the date set forth below.

(3) It is agreed that the United States of America will defray the expenses incident to the preparation and recordation of the Deed to the United States of America and the procurement of the necessary title evidence.

(4) The Vendor agrees that all taxes, assessments, and encumbrances which are a lien against the Site at the time of conveyance to the United States of America shall be satisfied of record by the Vendor at or before the Closing Date and, if the Vendor fails to do so, the United States of America may pay any taxes, assessments, and encumbrances which are a lien against the Site and the amount of any such payments by the United States of America shall be billed to and paid for by the Vendor. Vendor also agrees that it shall at the request of the United States of America and without prior payment or tender of the purchase price, execute and place the Deed in the possession of the United States of America, pay the documentary revenue stamp tax, if any, and obtain and record such other curative evidence of title as the Vendor and the United States of America mutually agree shall be required. If the Deed is provided by Vendor in response to a request of the United States of America pursuant to this paragraph, such Deed shall not be deemed delivered and effective until the Acceptance Notice has been delivered by the United States of America as provided in Paragraph (1) hereof.

(5) The Vendor agrees that loss or damage to the Site by fire or acts of God shall be at the risk of the Vendor until the title to the Site shall have been transferred to the United States of America but in the event that such loss or damage occurs, such occurrence shall not be cause for the United States of America to refuse to accept conveyance of the title to the Site.

(6) The Vendor agrees that the United States of America may acquire title to the Site by condemnation or other judicial proceedings, in which event the United States of America by the act of institution of such proceedings shall be deemed to have accepted the covenants and agreements on its part to be performed or observed as is herein set forth and Vendor agrees to cooperate with the United States of America in the prosecution of such proceedings; agrees that the consideration and other undertakings of the United States of America hereinabove stated shall be the full amount of the award of just compensation, inclusive of interest, for the taking of said Site; and agrees that the said consideration shall be in full satisfaction of any and all claims of the Vendor in respect of the conveyance of the Site to the United States of America.

(7) Notwithstanding anything to the contrary contained herein, the United States of America, within ninety (90) days of the Closing or the date of deposit in court of funds to satisfy the award of compensation in a condemnation proceeding to acquire the Site, whichever is the earlier, shall reimburse Vendor for expenses necessarily incurred by it for: (a) recording fees, transfer taxes, and similar expenses incidental to conveying such real property to the United States of America; and (b) the pro rata portion of real property taxes and assessments paid which are allocable to a period subsequent to the date of vesting title in the United States of America, or the effective date of possession of such real property by the United States of America whichever is the earlier.

(8) This offer shall not constitute a waiver or create an estoppel with respect to any existing contractual or other rights of the parties under other existing applicable laws, all of which are hereby expressly preserved.

(9) The Vendor represents and it is a condition of acceptance of this agreement that no member of or delegate to Congress, or resident commissioner shall be admitted to any share or part of this agreement or to any benefit arising from it. However, this provision does not apply to this agreement to the extent that this agreement is made with a corporation for the corporation's general benefit.

(10) (a) This agreement may be terminated by written notice if, after notice and hearing, the agency head or a designee determines that the Vendor, its agents, or another representative:

(1) Offered or gave a gratuity (e.g., an entertainment or gift) to an officer, official, or employee of the United States of America, and

(2) Intended, by the gratuity, to obtain an agreement or favorable treatment under an agreement,

(b) The facts supporting this determination may be reviewed by any court having lawful jurisdiction.

(c) If this agreement is terminated under paragraph (a) above, the United States of America is entitled to pursue the same remedies as in a breach of the agreement.

(d) The rights and remedies of the United States of America provided in this clause shall not be exclusive and are in addition to any rights and remedies provided by law or under this agreement.

(12) The Vendor warrants that he has not employed any person to solicit or secure this agreement upon any agreement for a commission, percentage, brokerage, or contingent fee. Breach of this warranty shall give the United States of America the right to annul this agreement or in its discretion to recover from the Vendor the amount of such commission, percentage, brokerage, or contingent fee in addition to the consideration herein set forth. (This warranty shall not apply to commissions payable by the Vendor upon contracts or sales secured or made through bonafide established commercial or selling agencies maintained by the Vendor for the purpose of securing business.)

(13) Whenever the context thereof requires, the singular number as used herein shall be read as plural, and the masculine gender as feminine or neuter.

(14) It is agreed that, if the United States or its assigns shall fail to exercise this option on or before the date set forth above, the amount paid to the Vendor for this option shall be forfeited to the Vendor.

(15) All terms and conditions with respect to this option are expressly contained herein and the Vendor agrees that no representative or agent of the United States of America has made any representation or promise with respect to this option not expressly contained herein.

NOTICE OF EXERCISE OF OPTION TO BE SENT, ON OR BEFORE THE DATE SET FORTH ABOVE TO:

_____ _____

(Name) (Address)

SIGNED, SEALED, AND DELIVERED as of this _____day of _____, 19_____.

WITNESS: VENDOR:

_____ _____

_____ _____

_____ _____

Project_____
Tract ID_____
Contract No._____

NOTICE OF EXERCISE OF OPTION TO PURCHASE REAL PROPERTY

_____
(Date)

TO: _____
_____
_____

In accordance with the terms of an Option to Purchase Real Property executed as of the _____day of _____, 19_____, which option bears the Project Name, Tract Identification, and Contract Number set forth above, notice is hereby given that the United States of America hereby exercises and accepts said option.

By_____
Title:

APPENDIX 5-8

CERTIFICATE OF INSPECTION AND POSSESSION

I, _____ , a _____ of the Department of Energy, hereby certify that on the _____ day of _____, 19_____, I made a personal examination and inspection of that certain tract or parcel of land situated in the County of _____, State of _____, containing _____ acres, proposed to be acquired by the United States of America in connection with the _____ project. Said land is ostensibly owned by _____.

1. That I am fully informed as to the boundaries, lines, and corners of said tract; that I found no evidence of any work or labor having been performed or any materials having been furnished in connection with the making of any repairs or improvements on said land; and that I made careful inquiry of the above-named vendor (and of the occupants of said land) and ascertained that nothing had been done on or about said premises within the past months that would entitle any person to a lien upon said premises for work or labor performed or materials furnished.

2. That I also made inquiry of the above-named vendor (and of all occupants of said land) as to his (their) rights of possession and the rights of possession of any person or persons known to him (them), and neither found any evidence nor obtained any information showing or tending to show that any person had any rights of possession or other interest in said premises adverse to the rights of the above-named vendor or the United States of America.

3. That I was informed by the above-named vendor (and by all other occupants) that to the best of his (their) knowledge and belief there is no outstanding unrecorded deed, mortgage, lease, contract, or other instrument adversely effecting the title to said premises.

4. That to the best of my knowledge and belief after actual and diligent inquiry and physical inspection of said premises there is no evidence whatever of any vested or accrued water rights for mining, agricultural, and manufacturing, or other purpose; nor any ditches or canals constructed by or being used thereon under authority of the United States, nor any exploration or operations whatever for development of coal, oil, gas, or other minerals on said lands; and that there are no possessory rights now in existence owned or being actively exercised by any third party under reservation contained in any patent or patents heretofore issued by the United States for said land.

5. That to the best of my knowledge and belief based upon actual and diligent inquiry made there is no outstanding right whatsoever in any person to the possession of said premises nor any outstanding right, title, interest, lien, or estate, existing or being asserted in or to said premises except such as are disclosed and evidenced by the public records.

6. That said premises are now wholly unoccupied and vacant except for the occupancy of the following, from whom disclaimer(s) of all right, title, and interest in and to said premises, executed on the _____ day of _____, 19_____, has (have) been obtained.

Name_____
Address_____
_____
Statement of Interest Claimed_____
_____
_____

Dated this _____ day of _____, 19_____.

By_____
Title:

APPENDIX 5-9

REQUEST FOR TRANSFER OF EXCESS REAL AND RELATED PERSONAL PROPERTY

1. GSA CONTROL NO.	PAGE OF PAGES	THIS BLOCK FOR USE BY AGENCY RECEIVING REQUEST
2. DATE OF REQUEST		DATE REQUEST RECEIVED
3. TO *(Name, address and ZIP Code of agency being requested to transfer the property)*	4. FROM *(Name, address and ZIP Code of agency requesting transfer of the property)*	HOLDING AGENCY NO. *(If any)* ACQUISITION COST $ APPRAISED FAIR MARKET VALUE $ REIMBURSEMENT $
5. REQUESTING AGENCY'S REPRESENTATIVE TO BE CONTACTED FOR FURTHER INFORMATION *(Name, address and ZIP Code)*	6. PROPERTY IDENTIFICATION AND ADDRESS *(Include ZIP Code)*	

7. REAL PROPERTY REQUESTED

A. STRUCTURES			B. LAND		C. UTILITIES
USE (a)	NUMBER OF BUILDINGS (b)	FLOOR AREA *(Sq. Ft.)* (c)	GOVERNMENT'S INTEREST (a)	AREA *(Acres or Sq. Ft.)* (b)	
(1) OFFICE			(1) FEE		
(2) STORAGE			(2) LEASED		
(3) OTHER *(Specify)*			(3) OTHER *(Specify)*		
(4) TOTAL			(4) TOTAL		

8. RELATED PERSONAL PROPERTY REQUESTED	9. ARE FUNDS AVAILABLE FOR REIMBURSEMENT FOR THE TRANSFER OF THIS PROPERTY? ☐ YES ☐ NO

10. CERTIFICATION

Certification is hereby made that this agency has a need for the property identified above to carry on an approved program; that the transfer thereof to this agency for the purposes indicated would be in accord with the intent of the Congress with respect to that program; that the requirement cannot be satisfied by better use of this agency's existing property; and that the proposed land use is consistent with FPMR 101-47.201-1 and 201-2. The statement of justification under block 11 below for the transfer of the property requested is complete and accurate.

SIGNATURE	TITLE	DATE

11. STATEMENT OF JUSTIFICATION *(This statement must include data with respect to all factors covered in FPMR 101-47.4904-11 (), Block 11, Instructions for Preparation of GSA Form 1334).*

(If required, use an additional 8x10½ sheet)

APPENDIX 5-10

IN THE UNITED STATES DISTRICT COURT
FOR IN _____ DISTRICT OF _____

UNITED STATES OF AMERICA Plaintiff, vs. _____ ACRES OF LAND, MORE OR LESS, SITUATE IN _____ COUNTY, STATE OF _____, _____, AND _____ _____, ET. AL., Defendants	)	CIVIL NO. _____

DECLARATION OF TAKING

To the Honorable, the United States District Court:

I, _____, Secretary of Energy, do hereby declare that:

1. (a) The (estates in) lands hereinafter described are taken under and in accordance with the Act of Congress approved February 26, 1931 (46 Stat. 1421, 40 U.S.C. 258a), and acts supplementary thereto and amendatory thereof; and under the further authority of the Act of Congress approved _____ (Public Law _____-_____), which Act authorizes the acquisition of land for _____; the Act of Congress approved _____ (Public Law _____-_____), which Act (appropriates funds) makes funds available for such purposes.

(b) The (estates in) lands hereinafter described are taken for public use and are necessary for _____ purposes for use

in connection with the _____, and for such other uses as may be authorized by Congress or by Executive Order.

2. A general description of the lands (subject to the estates in lands) being taken is set forth in Exhibit "A" attached hereto and made a part hereof, and is a description of (part of) the same land (and estates in land) described in the complaint in the above entitled cause, comprising _____ acres, more or less, in _____ County, State of _____, and being further identified in Exhibit "A" as parcels _____.

3. (A) plan(s) bearing the legend _____ showing the lands subject to the estates in lands being taken is (are) annexed hereto as Exhibit "B" and made a part hereof.

4. The estate taken in the lands described in Exhibit "A" for said public uses are as follows:

_____

_____.

5. The amount estimated by me as just compensation for the estates hereby taken for each respective parcel of land, together with the name and address of the respective ostensible owner(s) and parties having or claiming an interest therein is set forth in Exhibit "A" herein, which sum I cause to be deposited herewith in the Registry of the said Court for the use and benefit of the persons entitled thereto. I am of the opinion that the ultimate award for the taking of said estates in lands will be within the limits prescribed by Congress.

IN WITNESS WHEREOF, the United States of America, by and through the Secretary of Energy, has caused this Declaration of Taking to be signed in the City of Washington, District of Columbia, this _____th day of _____ AD, 19_____.

UNITED STATES OF AMERICA

By_____
Secretary of Energy

EXHIBIT "A"

The land which is the subject matter of this proceeding aggregates _____ acres of land, more or less, situate, lying, and being in _____ County, State of _____. A description of the said lands, together with the names and addresses of purported owners thereof, and a statement of the sum estimated to be just compensation for the interests hereby taken therein, are as follows:

Parcel No. 1

Commencing at a point ---------- to a point which is the Point of Beginning; thence ---------- ---------- ---------- to the Point of Beginning containing _____ acres, more or less, as shown and delineated on Schedule "B".

Name and address of purported owner:

Parcel No. 1

Name and address of additional parties having or claiming an interest in the land:

Parcel No. 1

Parcel No. 1

Estimated Just Compensation: $_____

EXHIBIT "B"

(MAP)

IN THE UNITED STATES DISTRICT COURT
FOR _____ DISTRICT OF _____

UNITED STATES OF AMERICA Plaintiff, vs. _____ ACRES OF LAND, MORE OR LESS, SITUATE IN _____ COUNTY, STATE OF _____, _____, AND _____ _____, ET. AL., Defendants	)	DECLARATION OF TAKING CIVIL NO. _____

DECLARATION OF TAKING

To the Honorable, the United States District Court:

I,_____, Secretary of Energy, do hereby make the following declaration:

1. The (estates in) lands hereinafter described are taken under and in accordance with the authority set forth in Exhibit "A" annexed hereto and made a part hereof.

2. The public uses for which said (estates in) lands are taken are also set forth in Exhibit "A".

3. A general description of the lands (subject to the estates in lands) being taken, the estimated just compensation therefor, and the estates taken for said public uses are set forth in Exhibit "B" annexed hereto and made a part hereof.

4. A plan showing the lands (subject to the estates in lands) taken is annexed hereto as Exhibit "C" and made a part hereof.

5. The gross amount estimated by me as just compensation for all of said (estates in) lands, which aggregates _____ acres, with all the buildings and improvements thereon and all appurtenances thereto, and including any and all interests hereby taken in said land is _____ _____ ($_____), which sum I cause to be deposited wherewith in the Registry of the Court for the use and benefit of the persons entitled thereto. I am of the opinion that the ultimate award for said (estates in) lands will be within the limits prescribed by the law on the price to be paid therefor.

IN WITNESS WHEREOF, the United States of America, by its Secretary of Energy, has caused this declaration to be signed, in the City of Washington, District of Columbia, this _____ day of _____ A.D. 19_____.

UNITED STATES OF AMERICA

By_____
Secretary of Energy

EXHIBIT "A"

Authority for the Taking:

The authority for the taking of the land under and in accordance with the Act of Congress approved February 26, 1931 (46 Stat. 1421, 40 U.S.C. 258a), and acts supplementary thereto and amendatory thereof and under the further authority of the Act of Congress approved _____ (Public Law _____-_____), _____ Stat. _____ which Act authorizes the project hereinafter referred to, and the Act of Congress approved _____ (Public Law _____-_____), _____ Stat. _____ which Act appropriates funds for such purposes.

Public Uses:

The public uses for which said (estates in) lands are taken are for the use and benefit of the United States of America for _____ _____ purposes for use in connection with the _____, and for such other uses as may be authorized by Congress or by Executive Order.

EXHIBIT "B"

Description:

Parcel No. 1

A tract of land ----------

Names and Addresses of Purported Owners:

Estimated compensation deposited in the registry of the court for the above property:_____ ($_____).

Estate Taken:

As to Parcel No. 1: The fee simple title, subject, however, to existing easements for public roads and highways, public utilities, railroads, and pipelines.

EXHIBIT "C"

(MAP)

APPENDIX 5-11

APPRAISAL CHECKLIST
(For use in Checking Appraisal Reports)

See Detailed Instruction on Reverse

I. IDENTIFICATION

1. Purpose of Appraisal	2.P/A=	3.Time Allowed	4.Contract Date	5.Date Received
__Acquisition __ Leasing __Transfer __Disposal __ Outleasing __Other				

6.Address of Property	7.Name and Address of Owner	8.Appraiser's Name, Address and Phor.

9.Date of Appraisal	10.Fee	11.Type of Property	12.Zoning	13.Act Age Yr 14.Eff Age Yr

15.Land Area	16.Gross Bldg. Area	17.Neighborhood Trend (+,=,-)	18.Contract Rent $	19.Econ. Rent $	20.Operating $

21.Cap.Rate	22.Leased Fee Interest $	23.Leasehold Interest $	24.Land Value $	25.Appraised Value (MV) $	26.Approved V (Adj.) $

II. CHECKLIST

A = Adequate, meets needs I = Inadequate, needs clarification: Y = Yes N = AD

A. Presentation & Delineation of Assignment	A	I
1. Objective of the Appraisal		
2. Definitions		
3. Limiting Conditions and Assumptions		
4. Description of Land		
5. Description of Land		
6. Area, City, & Neighborhood Data		
7. Historical Background Data		
8. Utilities		
9. Easements		
10. Taxes & Insurance		
11. Zoning		
12. Photos,Maps,Plans,Plats,Specifications,Etc.		
B. Assignment Analysis	Y	N
1. Is Legal Description Correct?		
2. Was There a Highest & Best Use?		
3. Was There a Land Value Section?		
4. Were Sales Included & Described?		
5. Was There a Cost New Less Depreciation Section		
6. Was a Cost Service Used?		

B. (Continued)	Y
7. Was Depreciation Described?	
8. Is There Equipment on the Property?	
9. Was There a Sales Comparision Approach?	
10. If So,Were Sales Included & Described?	
11. Was the Income Approach Used?	
12. Were Comparable Rentals Included & Described?	
13. Was a Stabilized Income/Expense Statement Included	
14. Was a Rental Value Estimated?	
15. If So, Were Proposed Lease Provisions Reflected?	
16. Were Sales & Rentals Located on a Location Map?	
17. Were Adjustment Grids Developed?	
18. Was There a Final Estimate of Value?	
19. Did the Appraised Include His Certification?	
20. Did He Include His Qualifications?	
21. Does the Appraisal Conform to DOE Specifications?	
22. Is the Appraisal Problem Clearly Defined?	
23. Did You See the Subject Property?	
24. Did You See the Sales & Rentals?	
25. Did You Talk to the Appraiser about the Appraisal?	
26. Was the Owner Notified to Accompany the Appraiser?	

27. Comments (Continue on another sheet of paper, if necessary)

III. APPROVALS

28. Specialist's Signature	Date	30.Branch Chief's Signature	Date

29. [illegible]es Received/Returned by Division	31.Dates Sent to/Return by HQ	Date

Appendix 6

APPENDIX 6-1

Real Property

GENERAL SERVICES ADMINISTRATION

Washington, DC 20405

GSA BULLETIN FPMR D-239

PUBLIC BUILDINGS AND SPACE

To: Heads of Federal Agencies

SUBJECT: Delegation of Lease Agreement Authority

1. Purpose. This bulletin announces the beginning of a new approach to doing business in the General Services Administration (GSA) leasing program called "Can't Beat GSA Leasing." This program represents a change in policy at GSA regarding the leasing of general purpose space and provides Federal agencies the option of using GSA or performing the space acquisition function themselves through a delegation of leasing authority. The Administrator of General Services issued a letter on September 25, 1996, to the heads of all Federal agencies providing the delegation of leasing authority.

2. Expiration. This bulletin contains information of a continuing nature and will remain in effect until canceled.

3. Background.

a. The "Can't Beat GSA Leasing" program is an outgrowth of GSA's commitment to streamline its leasing operations. Under this new program, GSA is providing each Federal agency a simple choice. Either engage GSA to provide the most cost-effective and fastest service in the real estate market today or use the delegated leasing authority to perform the space acquisition on their own.

b. GSA has taken this action to respond to the needs of a changing world in which Government must work faster, smarter, cheaper and better. GSA is committed to provide space so that Federal agencies can meet those needs.

c. GSA is committed to meet these challenges to work up to new standards of excellence. At the same time, GSA has listened carefully to recommendations from many client

agencies and the Vice Presiden'ts National Performance Review to open itself to competition.

d. Under "Can't Beat GSA Leasing," GSA has developed new strategies and retooled its entire leasing operation. GSA has refocused its energies on the needs of its customers. To cite just a few examples:

1. The Rent pricing structure is now clearer and more responsive to our customers.

2. The Rent GSA will charge Federal agencies for leased space will be based on GSA's rent plus a service fee comparable to that charged by private sector agents.

3. GSA can now provide customized tenant allowances and flexibility in payment alternatives for above standard items.

e. The most important change at GSA is the "can do" attitude of GSA's experienced, warranted real estate contracting officers. These highly motivated employees have been empowered to respond to the needs of Federal agencies with sound business practices that make sense.

f. GSA's leasing specialists will continue to follow all applicable statutory and regulatory requirements. These are the same requirements that Federal agencies will be expected to follow if they choose to lease space on their own or use other brokerage services.

4. Action.

a. Pursuant to the authority vested in the Administrator of General Services by subsections 205(d) and 210(h)(1) of the Federal Property and Administrative Services Act of 1949, 63 Stat. 377, as amended, authority was delegated by the Administrator in his letter of September 25, 1996, to the heads of all Federal agencies to perform all functions related to the leasing of general purpose space for a term of up to 20 years regardless of geographic location. This delegation of authority does not alter the space delegations in sections 101-18, 104-2 and -3, of the Federal Property Management Regulations, which pertain to "categorical" and "special purpose" space.

b. The "Can't Beat GSA Leasing," program will be effective October 14, 1996 and agencies will be able to use the delegated leasing authority subject to the following conditions:

1. Prior to instituting any action under this delegation, the head of a Federal agency or its designee shall notify the appropriate GSA, Assistant Regional Administrator for Public Buildings Service (ARA/PBS) of the agency's need for general purpose space and the agency's intent to exercise the authority granted in this delegation. The agency may exercise the authority contained in this delegation when the ARA/PBS determines that

appropriate ARA/PBS that suitable Government-controlled space cannot be provided for them.

3. A prospectus has been approved by the Congressional Committee pursuant to the Public Buildings Act of 1959 when the annual rental for the lease contract, excluding service and utilities, exceeds $1.74 million, as adjusted annually in accordance with 40 U.S.C. 606 (f). In this circumstance GSA will prepare the prospectus in consultation with the agency.

4. Redelegation of the authority to lease may be made to those officers, and employees who have been adequately trained as lease contracting officers.

5. 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, Federal Property Management Regulations, Executive Order 12072, Executive Order 13006, Davis Bacon Act, and the General Services Administration Acquisition Regulation.

6. Agencies periodically provide GSA with leasing performance information.

c. Further information regarding this program maybe obtained by contacting Ms. Marjorie L. Lomax, Director, Evaluation and Outreach, Office of Real Property on (202) 501-0379

G. MARTIN WAGNER
Associate Administrator for
Governmentwide Policy

Real Property

September 25, 1996

The Honorable Joseph D. Duffey
Director
United States Information Agency
Washington, DC 20547

Dear Mr Duffey:

The General Services Administration (GSA) has established a new leasing program that offers Federal agencies the option of continuing to use GSA as their leasing agent for general purpose space or taking on that responsibility within their own agency.

This new program called "Can't Beat GSA Leasing," is an outgrowth of our commitment to streamline our leasing operations. Under this new program, GSA provides you a simple choice. Either engage us to provide you with the most cost-effective and fastest service in the real estate market today or use the enclosed delegated leasing authority to do it yourself.

We have taken this bold step to respond to the needs of a changing world in which Government must work faster, smarter, cheaper and better. We are committed to provide space for your agency so you can meet those needs.

GSA must also meet these challenges to work up to new standards of excellence. At the same time, we have listened carefully to the recommendations from many of our client agencies and the Vice President's National Performance Review to open ourselves to competition.

Under "Can't Beat GSA Leasing," we have developed new strategies and retooled our entire leasing operation. We refocused our energies on the needs of you, our customer. To cite just a few examples:

o Our pricing structure is now clearer and more responsive to our customers.

o Your rent for space that we lease will be based on our rent plus a service fee comparable to that charged by private section agents.

o We can now provide customized tenant allowances and flexibility in payment alternatives for above standard items.

The most important change, however, is the "can do" attitude of our experienced, warranted real estate contracting officers. We have empowered them to respond to your needs with sound business practices that make sense.

As you would expect, GSA's leasing specialists will continue to follow all the statutory requirements--the same ones you will be expected to follow if you choose to use other brokerage services.

All of us at GSA hope you will choose to stay in the GSA family. Your leasing requirements are our most important business. We look forward to providing you with the most efficient, experienced, cost-effective service offered anywhere today, a service we think you will agree lives up to its name: "Can't Beat GSA Leasing."

Sincerely,

David J. Barram
Acting Administrator

Enclosure

Delegation of Leasing Authority

Pursuant to the authority vested in the Administrator of General Services by subsections 205(d) and 210(h)(1) of the Federal Property and Administrative Services Act of 1949, 63 Stat. 377, as amended, I hereby delegate authority to the heads of all Federal agencies to perform all functions related to the leasing of general purpose space for a term of up to 20 years regardless of geographic location. This delegation of authority does not alter the space delegations in sections 101-18, 104-2 and -3 of the Federal Property Management Regulations, which pertain to "categorical' and "special purpose" space.

This delegation is effective October 14, 1996, and subject to the following conditions:

1. Prior to instituting any action under this delegation, the head of a Federal agency or its designee shall notify the appropriate GSA, Assistant Regional Administrator for Public Buildings Service (ARA/PBS) of the agency's need for general purpose space and the agency's intent to exercise the authority granted in this delegation. The agency may exercise the authority contained in this delegation when the ARA/PBS determines that suitable Government-controlled space is not available to meet the space need of the Federal agency.

2. Relocation of Government employees from GSA-controlled federally owned or leased space may take place when prior written confirmation has been received from the

suitable Government-controlled space is not available to meet the space need of the Federal agency.

2. Relocation of Government employees from GSA-controlled federally owned or leased space may take place when prior written confirmation has been received from the appropriate ARA/PBS that suitable Government-controlled space cannot be provided for them.

3. A prospectus has been approved by the Congressional Committee pursuant to the Public Buildings Act of 1959 when the annual rental for the the lease contract, excluding service and utlities, exceeds $1.74 million, as adjusted annually in accordance with 40 U.S.C. 606(f). In this circumstance GSA will prepare the prospectus in consultation with the agency.

4. Redelegation of the authority to lease may be made to those officers, officials, and employees who have been adequately trained as lease contracting officers.

5. 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, Federal Property Management Regulations, Executive Order 12072, Executive Order 13006, Davis Bacon Act, and the General Services Administration Acquisition Regulations.

6. Agencies periodically provide GSA with leasing performance information.

The Associate Administrator for the Office of Governmentwide Policy and the Commissioner of the Public Buildings Service will issue further information regarding this program.

David J. Barram
Acting Administrator
General Services Administration

Real Property

GENERAL SERVICES ADMINISTRATION

Washington, DC 20405

GSA BULLETIN FPMR D-239. (Supplement 1)
PUBLIC BUILDINGS AND SPACE

To: Heads of Federal Agencies

SUBJECT: Implementation of the Delegation of Lease Acquisition Authority

1. Purpose: This bulletin announces the details for the implementation of the Delegation of Lease Acquisition Authority from the General Services Administration (GSA).

2. Expiration: This bulletin contains information of a continuing nature and will remain in effect until canceled.

3. Background:

a. The Administrator of General Services signed a letter on September 25, 1996, to the heads of all Federal agencies announcing the new "Can't Beat GSA Leasing" program and delegating authority to them to lease space on their own. This bulletin provides details about the delegation.

b. Federal agencies now have an option to either use GSA when a new lease is necessary or conduct the lease procurement themselves. The delegation program includes some conditions which agencies need to meet when the procurement is not performed by GSA. These conditions, discussed below, include training in lease contracting, and reporting data to GSA. Beyond this, GSA's Office of Governmentwide Policy (OGP) will evaluate the effectiveness of the Government's leasing program.

c. One condition of the delegation is the use of adequately trained lease contracting officers for procurements. To assist agencies in any training necessary for their personnel, we are sharing information on what GSA does. Our specialists complete, at a minimum, five basic formal training courses. Beyond these courses, GSA requires a combination of hands-on experience and additional training in development of space requirements, Federal real property leasing policies and procedures, space planning, budgeting and property administration. The basic formal training courses are:

1. Federal Real Property Leasing or Basic Lease Contracting.
2. Government Contract Negotiating or Federal Real Property Leases.
3. Cost and Price Analysis of Leasing Proposals.
4. Real Estate Law or Federal Real Property Lease Law.

5. Real Estate Appraisal Principles.

d. The OGP develops, coordinates and issues Governmentwide policy as well as evaluates and assesses the effectiveness of policy implementation. In evaluating the effectiveness of the leasing program, Federal agencies will be asked to work together with OGP on reviews of this program. Those agencies using the delegation are asked to provide OGP with leasing performance data every six months. This data, along with data from GSA's Public Buildings Service, will permit OGP to analyze and evaluate the overall Governmentwide leasing program and recommend fine-tuning to improve it. Initial reports should be provided by April 30, 1997, and include all actions through the end of March 1997. Specific information regarding data collection is noted below.

4. Action:

a. Federal agencies operating under this program are subject to the conditions and reporting requirements of the delegation of authority.

(1) The semi-annual performance reports are due April 30, and October 31.

(2) Report should be sent to the GSA, OGP, Office of Real Property Policy (MP), 18th & F Streets, NW., Room 6223, Washington, DC 20405.

(3) Reports should be presented in a spreadsheet format with a disk containing the data.

(4) The following definitions are provided for reporting data:

(a) Contract Number.

(b) Building Address--Street address, city and state of the leased building.

(c) CBA--Is this building within the Central Business Area (CBA)? (Yes or No)

(d) Number of Offers Received--The number of offers received in response to the requirement.

(e) Rentable Sq. Ft.--The area for which rent is charged. It is based on the local commercial method of measurement.

(f) ANSI (BOMA) Usable Sq. Ft.--The assignable space used by the agency's personnel and furnishings. It is measured to the inside finish of the dominant portion (e.g. window glass line) of permanent exterior walls. It also includes circulation within the space assignment. This term replaces GSA's "Occupiable" space measurement.

(g) Rental Range--Provide the high and low dollar per sq. ft. rates for acceptable properties found during the market survey and from best and final offers received. (Specify method of measurement used for square foot rates.)

(h) Effective Rent Rate--The rate is obtained by dividing the total rent to be paid over the lease term (after deducting from the total rent any credits due such as cash payments to adjust for rent-free periods or stepped rents from the lessor) by the length of the lease term. This is then divided by the rentable square feet in the lease. Estimated CPI escalations and tax escalations are not to be included in this calculation.

(i) Annual Contract rent--Total annual rent.

(j) Effective date of Lease--Date the lease takes effect.

(k) Expiration Date--Date the current lease term expires.

(l) Lease Term--The specific terms of the lease including any cancellations or renewal rights.

(m) Completion Time--The total number of days required from GSA notice of no suitable available space to lease award.

(n) Build-Out Time--The total number of days required from contract award to space occupancy.

(o) Comments--This should include information pertinent to the leasing action including whether fully serviced or what services are not provided as part of the lease and the cost of such services (e.g. electricity, cleaning, etc.).

b. Further information regarding this program may be obtained by contacting Ms. Marjorie L. Lomax, Director, Evaluation and Outreach, Office of Real Property on (202) 501-0379 or the OGP homepage at: http://policyworks.gov/org/main/mp/linkit.htm.

December 9, 1996.

G. Martin Wagner
Associate Administrator for
Governmentwide Policy.

[Federal Register: December 18, 1996 (Vol. 61, No: 244, pages. 66668-66669)]

APPENDIX 6-2

GENERAL SERVICES ADMINISTRATION
Washington, DC 20405

February 23, 1993

FEDERAL PROPERTY MANAGEMENT REGULATIONS
AMENDMENT D-92

TO: Heads of Federal agencies

SUBJECT: Acquisition of Real Property

1. Purpose. This Final Rule amends FPMR Subchapter D--Public Buildings and Space, Part 101-18, Acquisition of Real Property.

2. Effective Date. (Upon publication in the Federal Register)

3. Background. On December 9, 1991, the General Services Administration (GSA) published in the Federal Register (56 FR 64221), a Proposed Rule which set forth certain revisions to the basic policy under which GSA leases, or delegates to other agencies the authority to lease, space in privately owned buildings. Subsequent to the publication of this Proposed Rule, comments were received from the Departments of Agriculture, Air Force, Commerce, Interior, Justice, and Veterans Affairs. The United States Postal Service and the Advisory Council on Historic Preservation also submitted comments. The majority of the suggested changes have been incorporated into this Final Rule. In those cases where suggestions could not be accommodated, agencies have been provided with explanations for not incorporating their comments into this Final Rule. All agency comments have been resolved either through incorporation or explanation.

4. Outline of Revisions. Changes to Part 101-18 from the current regulation include:

a. Reinserts Sections 101-18.000 and 101-18.001 which were omitted from the CFR effective with the issue dated July 1, 1986.

b. Corrects and/or updates authority citations listed in Section 101-18.001.

c. Rearranges the order of paragraphs or the placement of information within paragraphs to promote clarity and more logical sequence of material presented.

(Published in the Federal Register July 29, 1993; 58 FR 40592)

d. Establishes categorical space delegations which may be exercised by any agency (Section 101-18.104-2).

e. Establishes new and/or corrects existing agency special purpose space delegations (Section 101-18.104-3).

f. Authorizes up to 20-year lease terms for certain categorical and agency specific space delegations.

5. **Questions**. Questions regarding this regulation may be referred to the General Services Administration, Office of Real Property Development (PQ), Washington, DC 20405.

DENNIS J. FISCHER
Acting Administrator of General Services

FILING INSTRUCTIONS

Remove pages	Insert pages
Table of Contents, i-ii	Same
	ii.i
1801-1803	1801, 1803-1804
1805-1806	Same
1806.1	
1807-1814	Same
1815	1815-1816
	1816.1-1816.2

CONTENTS OF SUBCHAPTER D—PUBLIC BUILDINGS AND SPACE

PART 101–17—ASSIGNMENT AND UTILIZATION OF SPACE

Sec.
101–17.000 ..... Scope of part.
101–17.001 ..... Authority.

Subpart 101–17.1—Basic Policy

101–17.100 ..... Scope of subpart.
101–17.101 ..... Policies.
101–17.102 ..... Definition of terms.

Subpart 101–17.2—Assignment of Space

101–17.200 ..... Scope of subpart.
101–17.201 ..... The space assignment process – agency development of need and GSA determination or requirements.
101–17.202 ..... Exception to submitting requests for space.
101–17.202–1 ..... General exceptions.
101–17.202–2 ..... Delegation of authority.
101–17.202–3 ..... Action when existing space is not available.
101–17.203 ..... Space for short–term use.
101–17.204 ..... Requirements for ADP, office automation and telecommunications equipment.
101–17.205 ..... Location of space.
101–17.206 ..... Move policy.
101–17.207 ..... Applications of socioeconomic considerations.
101–17.208 ..... Standard alterations.
101–17.209 ..... Wellness/physical fitness facilities.
101–17.210 ..... Child care centers.
101–17.211 ..... Centralized services in Federal buildings.
101–17.212–1 ..... Formal review.
101–17.212–2 ..... Initial appeal.
101–17.212–3 ..... Final appeal.

Subpart 101–17.3—Utilization of Space

101–17.300 ..... Responsibility of GSA.
101–17.301 ..... Responsibility of agencies.
101–17.302 ..... Procedures for agency–initiated relinquishment of space.

Subpart 101–17.4—Space Programming, Layout, and Design Services

101–17.400 ..... Initial layout services.
101–17.401 ..... Other services.
101–17.402 ..... Provision of services.

Subpart 101–17.5—Annual Census

101–17.500 ..... Scope of subpart.

Subpart 101–17.6—Illustrations

101–17.600 ..... Illustration of office support space.
101–17.601 ..... Space classifications and standard alterations.
101–17.602 ..... Space for data processing, office automation, and telecommunications equipment.

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Subpart 101–17.47—Exhibits

101–17.4700.....Scope of subpart.
101–17.4701.....Memorandum of understanding between the U.S. Department of Agriculture and the General Services Administration concerning the location of Federal facilities.
101–17.4702.....Memorandum of understanding between the General Services Services Administration and the U.S. Postal Services for implementing the President's urban policy.

Subpart 101–17.48—GSA Regional Offices

101–17.4800.....Scope of part.
101–17.4801.....GSA regional offices.

Subpart 101–17.49—Forms

101–17.4900.....Scope of subpart.
101–17.4901.....Standard forms.
101–17.4901–81..... Standard Form 81, Request for Space.
101–17.4901–81A.....Standard Form 81A, Space Requirements Worksheet.
101–17.4902.....GSA forms.
101–17.4902–144.....GSA Form 144, Net Space Requirements for Future Federal Building Construction.

Appendix A Space classification and standard alterations

Appendix B Wellness/physical fitness facilities

Appendix C Child care centers

PART 101–18—ACQUISITION OF REAL PROPERTY

101–18.000.....Scope of part.
101–18.001.....Authority.

Subpart 101–18.1—Acquisition by Lease

101–18.100.....Basic policy.
101–18.101.....Acquisition by GSA.
101–18.102.....Acquisition by other agencies.
101–18.103.....Agency cooperation.
101–18.104.....Delegation of leasing authority.
101–18.104–1..... Limitations on the use of delegated authority.
101–18.104–2.....Categorical space delegations.
101–18.104–3.....Agency special purpose space delegations.
101–18.105..... Contingent fees and related procedures.
101–18.106.....Application of socioeconomic considerations.

CONTENTS OF SUBCHAPTER D--PUBLIC BUILDINGS AND SPACE

Subpart 101-18.2--Acquisition by Purchase or Condemnation

Sec.

101-18.200.....Purpose.
101-18.201.....Basic Acquisition policy.
101-18.802.....Expenses incidental tc transfer.
101-18.203.....Litigation expenses.

Subparts 101-8.3--101-18.49 [Reserved]

Next page is iii

PART 101—18—ACQUISITION OF REAL PROPERTY

§ 101—18.000 Scope of part.

This part prescribes policies and procedures governing acquisition of interests in real property.

§ 101—18.001 Authority.

This part implements applicable provisions of the Federal Property and Administrative Services Act of 1949, as amended, 63 Stat. 377 (40 U.S.C. 471 et seq.); the Act of August 27, 1935, as amended, 49 Stat. 886 (40 U.S.C. 304c); the Public Buildings Act of 1959, as amended, Pub. L. 86—249, 73 Stat. 479 (40 U.S.C. 601—615); the Public Buildings Cooperative Use Act of 1976, Pub. L. 94—541, 90 Stat. 2505; the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, Pub. L. 91—646, 84 Stat. 1894; the Federal Urban Land—Use Act, Pub. L. 90—577, 82 Stat. 1104 (40 U.S.C. 531—535); the Rural Development Act of 1972, as amended, Pub. L. 92—419, 86 Stat. 657 (42 U.S.C. 3122); the Fair Housing Act, as amended, Pub. L. 90—284, 82 Stat. 81 (42 U.S.C. 3601 et seq.; Reorganization Plan No. 18 of 1950, 15 FR 3177, 64 Stat. 1270 (40 U.S.C. 490 note); Executive Order 12072, 43 FR 36869 (40 U.S.C. 490 note); and OMB Circular A—95 (41 FR 2052).

§ 101–18.100 Basic policy.

(a) GSA will lease privately owned land and building space only when needs cannot be satisfactorily met in Government–controlled space and:

(1) Leasing proves to be more advantageous than the construction of a new or alteration of an existing Federal building;

(2) New construction or alteration is not warranted because requirements in the community are insufficient or indefinite in scope or duration; or

(3) Completion of a new building within a reasonable time cannot be ensured.

(b) Available space in buildings under the custody and control of the United States Postal Service (USPS) will be given priority consideration in fulfilling Federal agency space needs.

(c) Acquisition of space by lease will be on the basis most favorable to the Government, with due consideration to maintenance and operational efficiency, and only at charges consistent with prevailing scales for comparable facilities in the community.

(d) Acquisition of space by lease will be by negotiation except where the sealed bid procedure is required by 41 U.S.C. 253(a). Except as otherwise provided in 41 U.S.C. 253, full and open competition will be obtained among suitable available locations meeting minimum Government requirements.

(e) When acquiring space by lease, the provisions of § 101–17.205 regarding determination of the location of Federal facilities shall be strictly adhered to.

(f) When acquiring space by lease, the provisions of Section 110(a) of the National Historic Preservation Act of 1966 (16 U.S.C. 470), as amended, regarding the use of historic properties shall be strictly adhered to.

§ 101–18.101 Acquisition by GSA.

(a) GSA will perform all functions of leasing building space, and land incidental thereto, for Federal agencies except as provided in this subpart.

(b) Officials or employees of agencies for which GSA will acquire leased space shall at no time, before or after a space request is submitted to GSA or after a lease agreement is made, directly or indirectly contact lessors, offerors, or potential offerors for the purpose of making oral or written representation or commitments or agreements with respect to the terms of occupancy of particular space, tenant improvements, alterations and repairs, or payment for overtime services, unless authorized by the Director of the Real Estate Division in the responsible GSA regional office or facility support center.

101-18.102(a)

§101-18.102 Acquisition by other agencies.

(a) Acquisitions of leased space by agencies possessing independent statutory authority to acquire such space are not subject to GSA approval or authority.

(b) Upon request, GSA will perform, on a reimbursable basis, all functions of leasing building space, and land incidental thereto, for Federal agencies possessing independent leasing authority.

(c) GSA reserves the right to accept or reject reimbursable leasing service requests on a case-by-case basis.

§ 101-18.103 Agency cooperation.

The heads of executive agencies shall:

(a) Cooperate with and assist the Administrator of General Services in carrying out his responsibilities respecting office buildings and space;

(b) Take measures to give GSA early notice of new or changing space requirements;

(c) Seek to economize their requirements for space; and

(d) Continuously review their needs for space in and near the District of Columbia, taking into account the feasibility of decentralizing services or activities which can be carried on elsewhere without excessive costs or significant loss of efficiency.

§ 101-18.104 Delegation of leasing authority.

(a) Agencies are authorized to perform for themselves all functions with respect to the acquisition of leased space in buildings and land incidental thereto when the following conditions are met:

(1) The space may be leased for no rental, or for a nominal consideration of $1.00 per annum, and shall be limited to terms not to exceed one (1) year;

(2) Authority has been requested by an executive agency and a specific delegation has been granted by the Administrator of General Services;

(3) A categorical delegation has been granted by the Administrator of General Services for space to accommodate particular types of agency activities, such as military recruiting offices or space for certain county level agricultural activities. A listing of categorical delegations is found at § 101-18.104-2; or

(4) The required space is found by the Administrator of General Services to be wholly or predominantly utilized for the special purposes of the agency to

occupy such space and is not generally suitable for use by other agencies. Prior approval of GSA shall be obtained before an agency initiates a leasing action involving 2,500 or more square feet of such special purpose space. The request for approval and a Standard Form 81 shall be filed with the GSA regional office having jurisdiction in the area of the proposed leasing action as shown in § 101–17.4801. GSA's approval shall be based upon a finding that there is no vacant Government–owned or –leased space available that will meet the agency's requirements.

A listing of special purpose space delegations is found at § 101–18.104–3.

(b) The Departments of Agriculture, Commerce, and Defense may lease their own building space, and land incidental to its use, and provide for its operation, maintenance, and custody when the space is situated outside an urban center. Such leases shall be for terms not to exceed five (5) years. A list of urban centers follows.

LIST OF URBAN CENTERS:

Aberdeen, SD:
Brown County.

Abilene, TX:
Jones County.
Taylor County.

Akron, OH:
Portage County.
Summit County.

Alaska:
The entire State.

Albany, GA:
Dougherty County.

Albany, IL:
Whiteside County.

Albany, OR:
Linn County.

Albany–Schenectady–Troy, NY:
Albany County.
Rensselaer County.
Saratoga County.
Schenectady County.

Albuquerque, NM:
Bernalillo County.

Alexandria, LA:
Rapides Parish.

Allentown–Bethlehem–Easton, PA–NJ:
Lehigh County, PA.
Northampton County, PA.
Warren, NJ.

Altoona, PA:
Blair County.

Amarillo, TX:
Potter County.
Randall County.

Anaheim–Santa Ana–Garden Grove, CA:
Orange, County.

Ann Arbor, MI:
Washtenaw County.

Asheville, NC:
Buncombe County.

Athens, GA:
Clarke County.

Atlanta, GA:
Clayton County.
Cobb County.
De Kalb County.
Fulton County.
Gwinnett County.

Atlantic City, NJ:
Atlantic County

Augusta, GA–SC:
Richmond County, GA.
Aiken County, SC.

Augusta, ME:
Kennebec County.

Austin, TX:
Travis County.

Bakersfield, CA:
Kern County.

Baltimore, MD:
Baltimore City.
Anne Arundel County.
Baltimore County.
Carroll County.
Howard County.

Baton Rouge, LA:
East Baton Rouge Parish.

Battle Creek, MI:
Calhoun County.

Bay City, MI:
Bay County.

Beaumont–Port Arthur, TX:
Jefferson County.
Orange County.

Billings, MT:
Yellowstone County.

Binghamton, NY–PA:
Broome County, NY.
Tioga County, NY.
Susquehanna County, PA.

Birmingham, AL:
Jefferson County.

Bismarck, ND:
Burleigh County.

Boise, ID:
Ada County.

Boston, MA:
Essex County.
Middlesex County.
Norfolk County.
Plymouth County.
Suffolk County.

Bridgeport, CT:
Fairfield County.
New Haven County.

Brockton, MA:
Bristol County.
Norfolk County.
Plymouth County.

Brownsville–Harlingen–San Benito, TX:
Cameron County.

Buffalo, NY:
Erie County.
Niagara County.

Burlington, VT:
Chittenden County.

Butte, MT:
Silver Bow County.

Calexico–El Centro, CA:
Imperial County.

Canton, OH:
Stark County.

Casper, WY:
Narrona County.

Cedar Rapids, IA:
Linn County.

Champaign–Urbana, IL:
Champaign County.

Charleston, SC:
Berkeley County.
Charleston, County.

Charleston, WV:
Kanawha County.

Charlotte, NC:
Mecklenburg County.
Union County.

Charlottesville, VA:
Charlottesville City.
Albemarle County.

101–18.104(b)

Chattanooga, TN–GA:
Hamilton County, TN.
Walker County, GA.

Cheyenne, WY:
Laramie County.

Chicago, IL:
Cook County.
Du Page County.
Kane County.
Lake County.
McHenry County.
Will County.

Cincinnati, OH–KY–IN:
Clermont County, OH.
Hamilton County, OH.
Warren County, OH.
Boone County, KY.
Campbell County, KY.
Kenton County, KY.
Dearborn County, IN.

Cleveland, OH:
Cuyahoga County.
Geauga County.
Lake County.
Medina County.

Clinton, OK:
Custer County.

Cody, WY:
Park County.

Colorado Springs, CO:
El Paso County.

Columbia, MO:
Boone County.

Columbia, SC:
Lexington County.
Richland County.

Columbus, GA–AL:
Chattahoochee County, GA.
Muscogee County, GA.
Russell County, AL.

Columbus, OH:
Delaware County.
Franklin County.
Pickaway County.

Concord, NH:
Merrimack County.

Corpus Christi, TX:
Nueces County.

Dallas, TX:
Collin County.
Dallas County.
Denton County.
Ellis County.

Davenport–Rock Island–Moline, IA–IL:
Scott County, IA.
Henry County, IL.
Rock Island County, IL.

Dayton, OH:
Greene County.
Miami County.
Montgomery County.
Preble County.

Decatur, IL:
Macon County.

Denver, CO:
Adams County.
Arapahoe County.
Boulder County.
Denver County.
Jefferson County.

Des Moines, IA:
Polk County.

Detroit, MI:
Macomb County.
Oakland County.
Wayne County.

Dubuque, IA:
Dubuque County.

Duluth–Superior, MN–WI:
St. Louis County, MN.
Douglas County, WI.

Durango, CO:
LaPlata County.

Durham, NC:
Durham County.

Elkins, WV:
Randolph County.

El Paso, TX:
El Paso County.

Erie, PA:
Erie County.

Eugene, OR:.
Lane County.

Evansville, IN–KY:
Vanderburgh County, IN.
Warrick County, IN.
Henderson County, KY.

Fall River, MA–RI:
Bristol County, MA.
Newport County, RI.

Fargo–Moorhead, ND–MN:
Cass County, ND.
Clay County, MN.

Fayetteville, NC:
Cumberland County.

Fitchburg–Leominster, MA:
Middlesex County.
Worcester County.

Flint, MI:
Genesee County.
Lapeer County.

Fort Collins, CO:
Larimer County.

Fort Lauderdale–Hollywood, FL:
Broward County.

Fort Smith, AR–OK:
Crawford County, AR.
Sebastian County, AR.
Le Flore County, OK.
Sequoyah County, OK.

Fort Wayne, IN:
Allen County.

Fort Worth, TX:
Johnson County
Tarrant County.

Frankfort, KY:
Franklin County.

Fresno, CA:
Fresno County.

Gadsden, AL:
Etowah County.

Gainesville, FL:
Alachua County.

Galveston–Texas City, TX:
Galveston County.

Gary–Hammond–East Chicago, IN:
Lake County.
Porter County.

Grand Forks, ND:
Grand Forks County.

Grand Island, NE:
Hall County.

Grand Junction, CO:
Mesa County.

Grand Rapids, MI:
Kent County.
Ottawa County.

Great Falls, MT:
Cascade County.

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Greeley, CO:
Weld County.

Green Bay, WI:
Brown County.

Greensboro–High Point, NC:
Guilford County.

Greenville, SC:
Greenville County.
Pickens County.

Greenwood, MS:
Le Flore County.

Hamilton–Middletown, OH:
Butler County.

Harrisburg, PA:
Cumberland County.
Dauphin County.
Perry County.

Hartford, CT:
Hartford County.
Middlesex County.
Tolland County.

Hawaii:
The entire State.

Helena, MT:
Lewis and Clark County.

Hot Springs, AR:
Garland County.

Houston, TX:
Harris County.

Huntington–Ashland, WV–KY–OH:
Cabell County, WV.
Wayne County, WV.
Boyd County, KY.
Lawrence County, OH

Huntsville, AL:
Limestone County.
Madison County.

Huron, SD:
Beadle County.

Idaho Falls, ID:
Bonneville County.

Indianapolis, IN:
Hamilton County.
Hancock County.
Hendricks County.
Johnson County.
Marion County.
Morgan County.
Shelby County.

Jackson, MI:
Jackson County.

Jackson, MS:
Hinds County.
Rankin County.

Jackson, TN:
Madison County.

Jacksonville, FL:
Duval County.

Jefferson City, MO:
Cole County.

Jersey City, NJ:
Hudson County.

Johnstown, PA:
Cambria County.
Somerset County.

Kalamazoo, MI:
Kalamazoo County.

Kansas City, MO–KS:
Cass County, MO.
Clay County, MO.
Jackson County, MO.
Platte County, MO.
Johnson County, KS.
Wyandotte County, KS.

Kenosha, WI:
Kenosha County.

Klamath Falls, OR:
Klamath County.

Knoxville, TN:
Anderson County.
Blount County.
Knox County.

Lafayette, LA:
Lafayette Parish.

Lake Charles, LA:
Calcasieu Parish.

Lancaster, PA:
Lancaster County.

Lansing, MI:
Clinton County.
Eaton County.
Ingham County.

Laredo, TX:
Webb County.

Las Vegas, NV
Clark County.

Lawrence–Haverhill, MA–NH:
Essex County, MA.
Rockingham County, NH.

Lawton, OK:
Comanche County.

Lewiston–Auburn, ME:
Androscoggin County.

Lexington, KY:
Fayette County.

Lima, OH:
Allen County.

Lincoln, NE:
Lancaster County.

Little Rock–North Little Rock, AR:
Pulaski County.

Logan, UT:
Cache County.

Lorain–Elyria, OH:
Lorain County.

Los Angeles–Long Beach, CA:
Los Angeles County.

Louisville, KY–IN:
Jefferson County, KY.
Clark County, IN.
Floyd County, IN.

Lowell, MA:
Middlesex County.

Lubbock, TX:
Lubbock County.

Lynchburg, VA:
Lynchburg City.
Amherst County.

Campbell County.

Macon, GA:
Bibb County.
Houston County.

Madison, WI:
Dane County.

Manchester, NH:
Hillsborough County.
Merrimack County.

Manhattan, KS:
Riley County.

McCook, NE:
Red Willow County.

Medford, OR:
Jackson County.

Memphis, TN–AR:
Shelby County, TN.
Crittenden County, AR.

Meriden, CT:
New Haven County.

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Meridian, MS:
Lauderdale County.

Miami, FL:
Dade County

Midland, TX:
Midland County.

Milwaukee, WI:
Milwaukee County.
Ozaukee County.
Waukesha County.

Minneapolis–St. Paul, MN:
Anoka County.
Dakota County.
Hennepin County.
Ramsey County.
Washington County.

Missoula, MT:
Missoula County.

Mobile, AL:
Baldwin County.
Mobile County.

Monroe, LA:
Ouachita Parish.

Montgomery, AL:
Elmore County.
Montgomery County.

Morgantown, WV:
Monongahela County.

Muncie, IN:
Delaware County.

Muskegon–Muskegon Heights, MI:
Muskegon County.

Muskogee, OK:
Muskogee County.

Nashville, TN:
Davidson County.
Sumner County.
Wilson County.

Newark, NY:
Essex County.
Morris County.
Union County.

New Bedford, MA:
Bristol County.
Plymouth County.

New Britain, CT:
Hartford County.

New Haven, CT:
New Haven County.

New London–Groton–Norwich, CT:
New London County.

New Orleans, LA:
Jefferson Parish.
Orleans Parish.
St. Bernard Parish.
St. Tammany Parish.

Newport News–Hampton, VA:
Hampton City.
Newport News City.
York County.

New York, NY:
Bronx County.
Kings County.
Nassau County.
New York County.
Queens County.
Richmond County.
Rockland County.
Suffolk County.
Westchester County.

Norfolk–Portsmouth, VA:
Chesapeake City.
Norfolk City.
Portsmouth City.
Virginia Beach City

Norwalk, CT:
Fairfield County.

Odessa, TX:
Ector County.

Ogden, UT:
Weber County.

Oklahoma City, OK:
Canadian County.
Cleveland County.
Oklahoma County.

Olympia, WA:
Thurston County.

Omaha, NE—IA:
Douglas County, NE.
Sarpy County, NE.
Pottawattamie County, IA.

Orlando, FL:
Orange County.
Seminole County.

Parkersburg, WV:
Wood County.

Paterson—Clifton—Passaic, NJ:
Bergen County.
Passaic County.

Pensacola, FL:
Escambia County.
Santa Rosa County.

Peoria, IL:
Peoria County.
Tazewell County.
Woodford County.

Philadelphia, PA—NJ:
Bucks County, PA.
Chester County, PA.
Delaware County, PA.
Montgomery County, PA.
Philadelphia County, PA.
Burlington County, NJ.
Camden County, NJ.
Gloucester County, NJ.

Phoenix, AZ:
Maricopa County.

Pierre, SD:
Hughes County.

Pittsburgh, PA:
Allegheny County.
Beaver County.
Washington County.
Westmoreland County.

Pittsfield, MA:
Berkshire County.

Portland, ME:
Cumberland County.

Portland, OR—WA:
Clackamas County, OR.
Multnomah County, OR:
Washington County, OR.
Clark County, WA.

Portsmouth, NH:
Rockingham County.

Providence—Pawtucket—Warwick, RI—MA:
Bristol County, RI.
Kent County, RI.
Newport County, RI.
Providence County, RI.
Washington County, RI.
Bristol County, MA.
Norfolk County, MA.
Worcester County, MA.

Provo—Orem, UT:
Utah County.

Pueblo, CO:
Pueblo County.

Puerto Rico:
The entire Commonwealth.

Racine, WI:
Racine County.

Raleigh, NC:
Wake County.

Rapid City, SD:
Pennington County.

Reading, PA:
Berks County.

Reno, NV:
Washoe County.

Richmond, VA:
Richmond City.
Chesterfield County.
Hanover County.
Henrico County.

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Roanoke, VA:
Roanoke City.
Roanoke County.

Rochester, NY:
Livingston County.
Monroe County.
Orleans County.
Wayne County.

Rockford, IL:
Boone County.
Winnebago County.

Rolla, MO:
Phelps County.

Rome, GA:
Floyd County.

Sacramento, CA:
Placer County.
Sacramento County.
Yolo County.

Saginaw, MI:
Saginaw County.

St. Albans, VT:
Franklin County.

St. Joseph, MO:
Buchanan County.

St. Louis, MO–IL:
St. Louis City, MO.
Jefferson County, MO.
St. Charles County, MO.
St. Louis County, MO.
Madison County, IL.
St. Clair County, IL.

Salem, OR:
Marion County.
Polk County.

Salina, KS:
Saline County.

Salisbury, MD:
Wicomico County.

Salt Lake City, UT:
Davis County.
Salt Lake County.

San Angelo, TX:
Tom Green County.

San Antonio, TX:
Bexar County.
Guadalupe County.

San Bernardino–Riverside–Ontario, CA:
Riverside County.
San Bernardino County.

San Diego, CA:
San Diego County.

San Francisco–Oakland, CA:
Alameda County.
Contra Costa County.
Marin County.
San Francisco County.
San Mateo, County.

San Jose, CA:
Santa Clara County.

Santa Barbara, CA:
Santa Barbara County.

Santa Fe, NM:
Santa Fe County.

Savannah, GA:
Chatham County.

Scottsbluff, NE:
Scotts Bluff County.

Scranton, PA:
Lackawanna County.

Seattle–Everett, WA:
King County.
Snohomish County.

Sheridan, WY:
Sheridan County

Shreveport, LA:
Bossier Parish.
Caddo Parish.

Sioux City, IA–NE:
Woodbury County, IA.
Dakota County, NE.

Sioux Falls, SD:
Minnehaha County.

South Bend, IN:
St. Joseph County.
Marshall County.

Spartanburg, SC:
Spartanburg County.

Spokane, WA:
Spokane County.

Springfield–Chicopee–Holyoke, MA:
Hampden County.
Hampshire County.
Worcester County.

Springfield, IL:
Sangamon County.

Springfield, MO:
Greene County.

Springfield, OH:
Clark County.

Stamford, CT:
Fairfield County.

Steubenville–Weirton, OH–WV:
Jefferson County, OH.
Brooke County, WV.
Hancock County, WV.

Stillwater, OK:
Payne County.

Stockton, CA:
San Joaquin County.

Syracuse, NY:
Madison County.
Onondaga County.
Oswego County.

Tacoma, WA:
Pierce County.

Tallahasse, FL:
Leon County.

Tampa–St. Petersburg, FL:
Hillsborough County.
Pinellas County.

Temple, TX:
Bell County.

Terre Haute, IN:
Clay County.
Sullivan County.
Vermillion County.
Vigo County.

Texarkana, TX–AR:
Bowie County, TX.
Miller County, AR.

Toledo, OH–MI:
Lucas County, OH.
Wood County, OH.
Monroe County, MI.

Topeka, KS:
Shawnee County.

Trenton, NJ:
Mercer County.

Tucson, AZ:
Pima County.

Tulsa, OK:
Creek County.
Osage County.
Tulsa County.

Tuscaloosa, AL:
Tuscaloosa County.

Tyler, TX:
Smith County.

Utica–Rome, NY:
Herkimer County.
Oneida County.

Vallejo–Napa, CA:
Napa County.
Solano County.

Vicksburg, MS:
Warren County.

Virgin Islands:
The entire Territory.

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Waco, TX:
McLennan County.

Walla Walla, WA:
Walla Walla County.
Benton County.

Washington, DC–MD–VA:
District of Columbia.
Montgomery County, MD.
Prince Georges County, MD.
Alexandria City, VA.
Fairfax City, VA.
Falls Church, VA.
Arlington County, VA.
Fairfax County, VA.

Waterbury, CT:
Litchfield County.
New Haven County.

Waterloo, IA:
Black Hawk County.

Wenatchee, WA:
Chelan County.

West Palm Beach, FL:
Palm Beach County.

Wheeling, WV–OH:
Marshall County, WV.
Ohio County, WV.
Belmont County, OH.

Wichita, KS:
Butler County.
Sedgwick County.

Wichita Falls, TX:
Archer County.
Wichita County.

Wilkes Barre–Hazleton, PA:
Luzerne County.

Wilmington, DE–NJ–MD:
New Castle County, DE.
Salem County, NJ.
Cecil County, MD.

Wilmington, NC:
New Hanover County.
Winston–Salem, NC:
Forsyth County.

Worcester, MA:
Worcester County.

Yakima, WA:
Yakima County.

York, PA:
Adams County.
York County.

Youngstown–Warren, OH:
Mahoning County.
Trumbull County.

Yuma, AZ:
Yuma County.

(c) The Administrator of General Services has granted specific delegations of lease acquisition authority which designate urban or major urban centers different from those listed in paragraph (b) of this section. The above list does not supersede or alter in any way leasing areas which are attached to such specific delegations. Agencies may continue to exercise the leasing authority granted in specific delegations in the manner and to the extent provided in those delegations.

§ 101–18.104–1 Limitations on the use of delegated authority.

(a) The authority granted in and pursuant to this subpart shall be exercised in accordance with the requirements and limitations of the Federal Property and Administrative Services Act of 1949, as amended; the Budget Enforcement Act of 1990 and OMB Bulletin 91–02, Part B; Federal Property Management Regulations, subchapter D, those authorities listed in § 101–18.001; and other applicable laws and regulations, including the General Services Administration Acquisition Regulation (GSAR), the Competition in Contracting Act (CICA), and other OMB requirements.

(b) Pursuant to GSA's long–term leasing authority contained in section 210(h)(1) of the Federal Property and Administrative Services Act of 1949, as amended, (40 U.S.C.490(h)(1)), agencies delegated the authorities outlined herein may enter into leases for the terms specified. In those cases where agency special purpose space delegations include the authority to acquire unimproved land, the land may be leased only on a fiscal year basis.

(c) In accordance with section 7(a) of the Public Buildings Act of 1959, as amended (40 U.S.C. 606), agencies must submit a prospectus to the Administrator of General Services for leases involving a net annual rental in excess of $1.6 million excluding services and utilities. (NOTE: The thresholds for prospectuses are indexed, and change each year.)

(d) Agencies having a need for other than temporary parking accommodations in the urban centers listed in § 101–18.102, for Government–owned motor vehicles not regularly housed by GSA, shall ascertain the availability of Government–owned or -controlled parking from GSA in accordance with the procedures outlined in § 101–17.202–2 prior to instituting procurement action to acquire parking facilities or services.

§ 101–18.104–2 Categorical space delegations.

Subject to the limitations cited in § 101–18.104–1, agencies are authorized to acquire the types of space listed in (a) through (p), below. Except where otherwise noted, leases may be for terms, including all options, of up to 20 years. The types of space subject to categorical space delegations may be located inside or outside urban centers and are as follows:

(a) Space to house antennas, repeaters, or transmission equipment;

(b) Depots, including, but not limited to, stockpiling depots and torpedo net depots;

(c) Docks, piers, and mooring facilities (including closed storage space required in combination with such facilities);

(d) Fumigation areas;

(e) Garage space (may be leased only on a fiscal year basis);

(f) Greenhouses;

(g) Hangars and other airport operating facilities including, but not limited to, flight preparation space, aircraft storage areas, and repair shops;

101–18.104–2(h)

(h) Hospitals, including medical clinics;

(i) Housing (temporary), including hotels (does not include quarters obtained pursuant to temporary duty travel or employee relocation);

(j) Laundries;

(k) Quarantine facilities for plants, birds and other animals;

(l) Ranger stations; i.e., facilities which typically include small offices staffed by one or more uniformed employees, and may include sleeping/family quarters, parking areas, garages, and storage space. Office space within ranger stations is minimal and does not comprise a majority of the space. (May also be referred to as guard stations, information centers, or kiosks.)

(m) Recruiting facilities for the armed forces (lease terms, including all options, limited to 5 years);

(n) Schools directly related to the special purpose function(s) of an agency;

(o) Specialized storage/depot facilities, such as cold storage; self–storage units; and lumber, oil, gasoline, shipbuilding materials, and pesticide materials/equipment storage (general purpose warehouse type storage facilities not included);

(p) Space for short–term use as provided in § 101–17.203 (lease terms limited to 180 days with extensions granted on a case–by–case basis).

§ 101–18.104–3 Agency special purpose space delegations.

Subject to the limitations cited in § 101–18.104–1, the agencies listed below are authorized to acquire the types of space associated with that agency. Except where otherwise noted, agency special purpose space may be leased for terms, including all options, of up to 20 years. The agencies and types of space subject to special purpose space delegations are as follows:

(a) Department of Agriculture:

(1) Cotton classing laboratories (lease terms, including all options, limited to 5 years);

(2) Land (if unimproved, may be leased only on a fiscal year basis);

(3) Miscellaneous storage by cubic foot or weight basis;

(4) Office space when required to be located in or adjacent to stockyards, produce markets, produce terminals, airports, and other ports (lease terms, including all options, limited to 5 years);

(5) Space for agricultural commodities stored in licensed warehouses and utilized under warehouse contracts;

(6) Space utilized in cooperation with State and local governments or their instrumentalities (extension services) where the cooperating State or local government occupies a portion of the space and pays a portion of the rent.

(b) Department of Commerce:

(1) Census Bureau — Space required in connection with conducting the decennial census (lease terms, including all options limited to 5 years);

(2) Laboratories for testing materials, classified or ordnance devices, calibration of instruments, and atmospheric and oceanic research (lease terms, including all options, limited to 5 years);

(3) Maritime training stations;

(4) Radio stations;

(5) Land (if unimproved, may be leased only on a fiscal year basis);

(6) National Weather Service meteorological facilities.

(c) Department of Defense:

(1) Air Force — Civil Air Patrol Liaison Offices and land incidental thereto when required for use incidental to, in conjunction with, and in close proximity to airports, including aircraft and warning stations (if unimproved, land may be leased only on a fiscal year basis; for space, lease terms, including all options, limited to 5 years);

(2) Armories;

(3) Film library in the vicinity of Washington, DC;

(4) Leased building at Air Force Base, Jackson, MS;

(5) Mess halls;

(6) Ports of embarkation and debarkation;

(7) Post exchanges;

(8) Postal Concentration Center, Long Island City, NY;

(9) Recreation centers;

(10) Reserve training space;

(11) Service clubs;

(12) Testing laboratories (lease terms, including all options, limited to 5 years).

(d) Department of Energy: Facilities housing the special purpose or special location activities of the old Atomic Energy Commission.

(e) Federal Communications Commission: Monitoring station sites.

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(f) Department of Health and Human Services: Laboratories (lease terms, including all options, limited to 5 years).

(g) Department of the Interior:

(1) Space in buildings and land incidental thereto used by field crews of the Bureau of Reclamation, Bureau of Land Management, and the Geological Survey in areas where no other Government agencies are quartered (if unimproved, land may be leased only on a fiscal year basis);

(2) National Parks/Monuments Visitors Centers consisting primarily of special purpose space (e.g., visitor reception, information, and rest room facilities) and not general office or administrative space.

(h) Department of Justice:

(1) U.S. Marshals Office in any Alaska location (lease terms, including all options, limites to 5 years);

(2) Border Patrol Offices similar in character and utilization to police stations, involving the handling of prisoners, firearms, and motor vehicles, regardless of location (lease terms, including all options, limited to 5 years);

(3) Space used for storage and maintenance of surveillance vehicles and seized property (lease terms, including all options, limited to 5 years);

(4) Space used for review and custody of records and other evidentiary materials (lease terms, including all options, limited to 5 years);

(5) Space used for trial preparation for periods of less than 1 year where space is not available in Federal Buildings, Federal Courthouses, USPS facilities, or GSA–leased buildings (lease terms limited to not more than 1 year).

(i) Office of Thrift Supervision: Space for field offices of Examining Divisions required to be located within Office of Thrift Supervision buildings or immediately adjoining or adjacent to such buildings (lease terms, including all options, limited to 5 years).

(j) Department of Transportation:

(1) Federal Aviation Administration

(i) Land at airports (if unimproved, land may be leased only on a fiscal year basis);

(ii) Not to exceed 10,000 square feet of space at airports that is used predominantly as general purpose office space in buildings under the jurisdiction of public or private airport authorities (lease terms, including all options, limited to 5 years);

(2) U.S. Coast Guard:

(i) Space for the oceanic unit at Woods Hole, MA;

(ii) Space for port security activities.

(k) Department of the Treasury:

(1) Comptroller of the Currency – Space and land incidental thereto for the use of the Comptroller of the Currency, as well as the operation, maintenance and custody thereof (if unimproved, land may be leased only on a fiscal year basis; for space, lease term, including all options, limited to 5 years);

(2) U.S. Customs Service – Aerostat radar facilities necessary for agency mission activities;

(l) Department of Veterans Affairs:

(1) Guidance and training centers located at schools and colleges;

(2) Space used for veterans hospitals, including outpatient and medical-related clinics, such as drug, mental health, and alcohol.

§ 101–18.105 Contingent fees and related procedure.

The provisions of Subpart 3.4 of Title 48 with respect to contingent fees and related procedure are hereby made applicable to all negotiated and sealed bid contracts for the acquisition of real property by lease. The representations and covenants required by that subpart shall be appropriately adapted for use in leases of real property for Government use.

§ 101–18.106 Application of socioeconomic considerations.

(a) In acquiring space by lease, agencies will avoid locations which will work a hardship on employees because (1) there is a lack of adequate low- and moderate-income nondiscriminatory housing for employees within reasonable proximity to the location, and (2) the location is not readily accessible from other areas of the community.

(b) Consideration of low- and moderate-income nondiscriminatory housing for employees and the need for development and redevelopment of areas for socio-economic improvement will apply to the acquisition of space by lease where:

(1) 100 or more low- or moderate-income employees are expected to be employed in the space to be leased; and

(2) The proposed leasing action involves residential relocation of a majority of the existing low- and moderate-income work force, a significant increase in their transportation or parking costs, travel time that exceeds 45 minutes to the new location, or a 20 percent increase in travel time if travel time to present facility already exceeds an average of 45 minutes; or

(3) GSA requests Department of Housing and Urban Development (HUD) review in lease actions of special importance not covered by paragraphs (b)(1) and (2) of this section.

101–18.106(c)

(c) HUD, as the agency responsible for providing information concerning the availability of nondiscriminatory low– and moderate– income housing in areas where Federal facilities are to be located, shall be consulted when such information is required.

(d) Other socioeconomic considerations described in § 101–19.101 are also applicable to lease acquisitions.

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APPENDIX 6-3

GENERAL SERVICES ADMINISTRATION
Washington, DC 20405

August 2, 1991

FEDERAL PROPERTY MANAGEMENT REGULATIONS
TEMPORARY REGULATION D-76

To: Heads of Federal agencies

Subject: Assignment and Utilization of Space

1. Philosophy. These regulations on the assignment and utilization of space, emphasize a customer service approach to space delivery. A central goal is to improve the process for delivering the space to the client and thereby improve the relationship between GSA and the client. The regulations target requirements development as the area where there is greatest potential for significant improvement in the timeliness of the delivery process and the quality of the space delivered. The key to this improvement is a cooperative relationship between GSA and the client agency in the development of requirements. Since the agency knows its program and mission needs, it is responsible for providing information about functional program requirements. On the other hand, GSA has the professional expertise to translate these needs into technical contract language and GSA will provide this assistance to agencies early in the requirements development process. The customer service orientation assumes that both GSA and client agency have the same goal--the timely delivery of space--and that the best way to achieve this goal is through a cooperative process. This means that both GSA and the client need to fulfill their responsibilities in order for the process to work effectively.

2. Purpose. This regulation supercedes FPMR Temporary Regulation D-73. Its purpose is to refine GSA's space assignment criteria and to modify and/or clarify certain space-related policies and requirements. It provides a revised space assignment process for determining agency requirements; revised and updated definitions of GSA space classifications and standard alterations; a new move policy; a revised locational policy, and a general updating of the FPMR to reflect current ways of doing business, such as the inclusion of procedures for assigning space for child care centers and wellness/physical fitness facilities.

3. Effective date. August 26, 1991.

4. Expiration date. August 26, 1992.

5. Background. On November 1, 1989 (54 FR 46206), GSA published in the Federal Register a proposed rule which contained revised procedures governing the assignment and utilization of space in Federal facilities under the custody and control of GSA. On December 5, 1989 (54 FR 50251), GSA published a revision to the proposed rule that addressed agency concerns about paying for telecommunications costs associated with moves in GSA space. Comments were received on each rule and incorporated into the final document where appropriate. The significant changes are outlined below.

6. Outline of revisions. Changes from the previous regulation (D-73) include:

-- Modification of the strict numeric criteria for assignment of space; emphasis on professional space analysis, programming and planning.

-- Redefinition of office space to recognize its essential components: Primary (personnel-occupied) area and support area.

-- Focus on primary area utilization rate (square footage primary area divided by personnel).

-- Clarification of the policy on the location of Federal facilities and space.

-- Revision of the GSA policy on agency moves.

-- Revision of the space classifications for GSA-controlled space.

-- Changes to the standard alterations in GSA-controlled space.

-- Revision of the Standard Form 81 and 81A, and inclusion of a Space Requirements Questionnaire to assist in the space planning process.

-- Inclusion of criteria on physical fitness facilities and child care centers.

-- Modification of telecommunications policy.

7. Comments. Comments concerning the effect or impact of this regulation may be submitted to the General Services Administration, Office of Real Property Development (PQ), Washington, DC 20405.

8. Effect on other directives. The provisions of Federal Property Management Regulation Temporary Regulation D-73 relating to the assignment and utilization of space are superseded by this regulation.

RICHARD G. AUSTIN
Administrator of General Services

PART 101-17 ASSIGNMENT AND UTILIZATION OF SPACE

Section 101-17.000 Scope of part.

This part prescribes policies and procedures for the assignment and utilization of space in GSA controlled facilities. The term "United States" as used in this subchapter, means the 50 States of the United States, the District of Columbia and the Commonwealths, territories, and possessions of the United States.

Space acquired and/or managed under a delegation of authority from GSA is subject to the provisions of this part.

See Part 101-16 for policies and procedures governing the management of all Federal space.

Section 101-17.001 Authority.

This part implements the applicable provisions of the Federal Property and Administrative Services Act of 1949, as amended (63 Stat. 377); the Act of July 1, 1898 (40 U.S.C. 285); the Act of April 28, 1902 (40 U.S.C. 19); the Act of August 27, 1935 (40 U.S.C. 304c); the Public Buildings Act of 1959, as amended (40 U.S.C. 601-619); Public Buildings Amendments of 1972 (86 Stat. 219), as amended; the Rural Development Act of 1972 (86 Stat. 674); Reorganization Plan No. 18 of 1950 (40 U.S.C. 490, note); the Federal Urban Land Use Act (40 U.S.C. 531-535); Title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601); the National Environmental Policy Act of 1969, as amended (42 U.S.C. 4321); Intergovernmental Cooperation Act of 1968 (42 U.S.C. 4201-4244, 40 U.S.C. 531-535); Public Buildings Cooperative Use Act of 1976, as amended (90 Stat. 2505); Executive Order 12072 of August 16, 1978 (43 FR 36869); Executive Order 12411 of March 29, 1983 (48 FR 13391); and Executive Order 12512 of April 29, 1985 (50 FR 18453); and the Public Buildings Amendments of 1988 (102 Stat. 4049).

SUBPART 101-17.1 BASIC POLICY.

Section 101-17.100 Scope of subpart.

This subpart describes the basic policies that govern the assignment and utilization of GSA space, and defines terms used in Part 101-17.

Section 101-17.101 Policies.

(a) Federal real property is an asset that has a value to the Government. This asset shall be managed and maintained in a manner that enhances its value.

(b) Federal workspace is a costly resource and should be acquired and used in the essential minimum amounts needed to support agency mission requirements.

(c) Federal workspace should support and improve the productivity of the workers and programs that are housed. Professional standards and practices for space planning and programming, requirements development, furniture use, design and layout shall be used to achieve this goal.

(d) It is GSA policy to provide agencies a quality workplace environment that supports program operations; preserves the value of real property assets; and reduces Federal workspace to essential minimum requirements. This includes the provision of child care and physical fitness facilities in the workplace when adequately justified.

(e) Federal space needs will be satisfied in existing Government-controlled space to the maximum extent practical. Available space in buildings under the custody and control of the U.S. Postal Service will also be given priority consideration.

(f) In establishing new offices and other facilities agencies should comply with the requirements of the Rural Development Act of 1972, 86 Stat. 674.

(g) Agencies requiring space in an urban area must comply with Executive Order 12072, August 16, 1978, 3 CFR 213.

(h) Each agency shall determine the appropriate delineated area for its space and facilities and certify that its location decision is in compliance with the requirements of all laws and Executive Orders governing the location of space including the Rural Development Act of 1972, 86 stat. 674, and Executive Order 12072, August 16, 1978, 3 CFR 213. In making these location decisions agencies shall give consideration to the requirements of the Competition in Contracting Act of 1984 (CICA), 41 U.S.C. 252-260. See also Section 101-17.4701 (the GSA-USDA Memorandum of Understanding), and Section 101-17.4702 (the GSA-USPS Memorandum of Agreement.)

(i) The GSA move policy is implemented to identify the situations that cause a move in GSA space; the costs associated with these moves; and the responsibility for paying for the various costs of a move. See Section 101-17.206.

(1) GSA will fund standard alterations and agencies will reimburse GSA for the cost of above-standard requirements. See Section 101-17.206.

(2) For telecommunications relocations caused by physical relocation of organizations occupying space controlled by GSA, the organization causing the relocation will reimburse the organization being relocated for an amount up to, but not exceeding the value of like telecommunications service. "Like telecommunications service" is defined as the value or amount, as determined by a GSA telecommunications technical service contractor (TTSC), equal to the cost of providing an equivalent level of service at the new location. In cases where the cost of installing a new system is less than the cost of relocating the existing system, the reimbursement will be for the lesser amount. Use of the TTSC contractor is not mandatory if an estimated value can otherwise be agreed upon in writing by the agencies involved.

Funding responsibilities for telecommunications relocations will include the cost of the TTSC contractor. See matrix at the end of Section 101-17.206 which outlines all funding responsibilities.

This telecommunications policy will be effective October 1, 1991. However, for those agencies being relocated as a result of a GSA directed move occurring between the date of the issuance of this regulation and October 1, 1991, GSA will pay for the telecommunications relocation costs in those instances where the agency can demonstrate that its budget requests for telecommunications relocations, pursuant to the telecommunications policy issued on February 25, 1988, were denied.

(j) Agencies will be assigned space by GSA based on a detailed analysis of workspace and support space requirements. The purpose will be to achieve the optimum use of space for each assignment at the minimum cost to the Government. The best opportunity for space efficiency occurs with new assignments. Therefore, GSA will employ professional methods and techniques of space analysis, planning, and programming in developing space requirements. Utilization rates will be held to the minimum square footage per person for the particular activity. Any utilization rate goal(s) established for new space assignments will apply to all actions involving more than eight personnel. New assignments for eight or fewer personnel will be housed as efficiently as possible. GSA will implement policies and procedures to ensure that assignment of workstation and support space is consistent throughout its regional offices. (See Section 101-17.20, The space assignment process - agency development of need and GSA determination of requirements.)

(k) Officials of GSA client agencies shall be familiar with the policies governing the acquisition, use, assignment, and management of GSA space. These officials shall cooperate with and support GSA in implementing and furthering these policies.

(l) Federal workspace shall be acquired and occupied in a timely and expeditious manner. GSA shall use professional planning techniques to assist agencies in preparing the Standard Form 81 (SF-81), Request for Space, and supporting documentation and shall provide technical assistance at an early stage in the requirements development process. This will ensure the acquisition and use of space that supports mission needs at a minimum cost.

(m) GSA will make full and efficient use of Government-controlled space for housing Federal agencies. Space for which there is no current foreseeable Federal need will be disposed of when practicable and prudent to do so. GSA will make every effort to maximize the productive use of an otherwise unused resource through out-granting (i.e., outlease, permit, license).

(n) Space requests for the U.S. Postal Service will be processed in accordance with the "Agreement between GSA and the U.S. Postal Service Covering Real Property Relationships."

(o) Section 3 of the Public Buildings Amendments of 1988, Public Law 100-678 (102 Stat. 4049) places certain restrictions on leasing special purpose facilities for computer and telecommunications operations; secured areas for national security or defense purposes; or permanent court space for the judiciary. These restrictions apply to any lease of such space that will exceed an average annual rental of $1,500,000. In these cases, the GSA Administrator must make a determination in writing that leasing such space is necessary to meet requirements which cannot be met in public buildings and must submit such reasons to the appropriate congressional committees.

Section 101-17.102 Definition of terms.

(a) "Acceptance of space" means a certification from 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.

(b) "Acquisition of workspace" means the process of obtaining workspace by purchase, lease, donation, exchange, eminent domain, construction, or by any other means permissible by law.

(c) "Agency-controlled space" means 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 authorities for acquisition, use, or disposal have been delegated to other agencies by GSA.

(d) "Cost-effective" means justified by an analysis which evaluates alternatives in terms of expenses incurred by the Government.

(e) "Delineated area" means the specific boundaries within which space will be obtained to satisfy an agency space requirement.

(f) "Excess holdings" means any workspace or related furnishings which are not essential to a Federal agency's existing or planned programs.

(g) "Federal agency" means any department, agency, or independent establishment in the Government, including any wholly owned corporation.

(h) "Federally owned, leased, or controlled space";

(1) "Federally owned" means space, the title to which is vested, or will become vested pursuant to existing agreement, in the United States Government.

(2) "Federally leased" means space for which the United States Government has a right of occupancy by virtue of having acquired a leasehold interest.

(3) "Federally controlled" or "Government-controlled" means work space for which the United States Government has a right of occupancy by ownership, by lease, or by any other means, such as by contract, barter, license, easement, permit, requisition, or condemnation, whether or not paid for. This does not include space owned or leased by private sector entities performing work on Government contracts.

(i) "General purpose space" means space which is determined by GSA to be suitable for the general use of agencies. General purpose space is categorized as office, storage or special. The physical characteristics are the basis for determining the proper space category.

(j) "GSA-controlled space" means space assigned to an agency by GSA by authority of the Federal Property and Administrative Services Act of 1949, as amended, or by authority of any other statute. It includes any space for which an agency pays GSA directly.

(k) "GSA-directed move" means any relocation action which occurs as result of an emergency, a GSA initiated repair/alteration project, or GSA initiated consolidation. GSA will be responsible for paying standard alterations, replication of the current above-standard alterations, moving and like telecommunication service for the relocated agency.

(l) "Initial space layout" means the specific placement of workstations, furniture and equipment for new space assignments. These initial services are provided by GSA at no cost to agencies, upon agency request.

(m) "Inventory" means a summary, survey, or itemized list of the space, assets, or materials under the control of a Federal agency.

(n) "Joint-use space" means occupiable space, such as cafeterias, conference rooms, credit unions, snack bars, and certain wellness/physical fitness facilities and child care centers, which is available for common use by personnel of any Federal agency.

(o) "Measurement of space";

(1) "Gross square footage" means all floor area (including all openings in floor slabs) measured to the outer surfaces of exterior or enclosing walls, and includes all floors, mezzanines, halls, vestibules, stairwells, service and equipment rooms, penthouses, enclosed passages and walks, inside parking, finished usable space with sloping ceilings (such as attic space) having 5 feet or more headroom, and appended covered shipping or receiving platforms at truck or railroad car height. Also included in gross floor area, but calculated on one-half of actual floor area, are covered open porches, passages and walks, with appended uncovered receiving and shipping platforms at truck or railroad car height.

(2) "Net usable space" means the area to be leased for occupancy by personnel and/or equipment. It is determined as follows:

(i) If space is on a single tenancy floor, compute the inside gross area by measuring between the inside finish of the permanent exterior building walls from the face of the convectors (pipes or other wall-hung fixtures) if the convector occupies at least 50 percent of the length of exterior walls.

(ii) If the space is on a multiple tenancy floor, measure from the exterior building walls, as in (i) above, to the room side finish of fixed corridor and shaft walls and/or the center of tenant-separating partitions.

(iii) In all measurements, make no deductions for columns and projections enclosing the structural elements of the building and deduct the following from the gross area including their enclosing walls.

(A) Toilets and lounges

(B) Stairwells

(C) Elevators and escalator shafts

(D) Building equipment and service areas

(E) Entrance and elevator lobbies

(F) Stacks and shafts

(G) Corridors in place or required by local codes and ordinances.

(3) "Occupiable area" means that portion of the gross area which is available for use by an occupant's personnel or furnishings, as well as space which is available jointly to the various occupants of the buildings, such as auditoriums, health units, and snack bars. Occupiable area includes that space available for an occupant's personnel and furnishings which is used to provide circulation, whether or not defined by ceiling high partitions. Occupiable area does not include that space in the building which is devoted to its operations and maintenance, including craft shops, gear rooms, and building supply storage and issue rooms. Occupiable area is computed by measuring from the occupant's side of ceiling-high corridor partitions or partitions enclosing mechanical, toilet, and/or custodial space to the inside finish of permanent exterior building walls or to the face of the convector if the convector occupies at least 50 percent of the length of the exterior wall. When computing occupiable area separated by partitions, measurements are taken from the center line of the partitions.

(p) "Non-Federal organizations" means organizations such as credit unions, concessions operated by the blind and handicapped, and organizations under the direct sponsorship of a Federal agency such as grantees and contractors.

(q) "Office support area" means all secondary/shared workstations, extraordinary circulation space, and those specific and discrete areas constructed as office space and used to meet mission needs outside the agency's requirements for housing personnel. This includes space for mission needs such as reception/waiting areas; hearing, meeting, and interview areas; file areas; central storage areas; processing areas; and library and reference areas. Such space is most cost-effectively collocated with normal office space. Illustrations are contained in section 101-17.6.

(r) "Office support area allowance" is the percentage of office space, over and above the primary office area requirement, allocated for office support functions.

(s) "Personnel" means the peak number of persons to be housed during a single 8-hour shift, regardless of how many workstations are provided for them. In addition to permanent employees of the agency, personnel includes temporaries, part-time, seasonal, and contractual employees and budgeted vacancies. Employees of other agencies and organizations who are housed in the space assignment are also included in the personnel total.

(t) "Primary office area" is the personnel-occupied area in which an activity's normal operational functions are performed. See Section 101-17.102(q) above for "office support area" definition.

(u) "Primary office area utilization rate" is an indicator of the efficiency with which the primary office area is used. It is calculated by dividing the total occupied primary office area square footage by the total number of people in that area.

(v) "Request for space" or "space request" means 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. (See Section 101-17.4901-81 and Section 101-17.4901-81A, Standard forms.) 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.

(w) "Rural area" means any area that (a) is within a city or town if the city or town has a population of less than 10,000 or (b) is not within the outer boundaries of a city or town if the city or town has a population of 50,000 or more and if the adjacent urbanized and urbanizing areas have a population density of more than 100 per square mile.

(x) "Secondary/shared workstations" are nondedicated workstations used more than 50 percent of the time by two or more persons occupying a space assignment during an 8-hour shift. They function in support of the occupant agency's mission and are distinct from the primary personnel-occupied workstations.

(y) "Space" means space in buildings, and land incidental to the use thereof, which is under the custody and control of a Federal agency.

(z) "Space Allocation Standard" means an agreement between GSA and an agency, written in terms which permit nationwide application, used as a basis for establishing that agency's space requirements. These standards identify the specific amount of space an agency will be allocated, and establish exceptions to general guidelines for GSA and agency responsibility in initial tenant funding.

(aa) "Space assigned by GSA" means space in buildings, and land incidental to its use, which is under the custody and control of GSA; space made available by the U.S. Postal Service; or space for which a permit for use has been issued to GSA by another agency.

(bb) "Space assignment" means an administrative action by GSA which authorizes the occupancy and use of space by a Federal agency or other eligible entity.

(cc) "Space inspection" means a reconnaissance-type evaluation of the manner in which assignments are being utilized to determine whether a utilization survey is warranted.

(dd) "Space planning" means the process of using recognized professional techniques of space programming, planning, layout and interior design to determine the best location and the most efficient configuration for agency facilities.

(ee) "Space requirements program" means the statement of an agency's space needs as expressed on Standard Form 81-A, Space Requirements Worksheet, Space Requirements Questionnaire and additional supporting documentation such as adjacency diagrams, and summarized on Standard Form 81, Request for Space. (See Section 101-17.4901-81 and 101-71.4901-81A, Standard Forms.)

(ff) "Space typicals" means examples of workspace and support space allocations based on functional analysis.

(gg) "Space utilization survey" means the process of employing recognized professional techniques to determine how efficiently an agency is utilizing its workspace, and to verify that space is being used in accordance with this regulation.

(hh) "Special purpose space" means workspace which is or has been constructed and predominantly utilized for the special purpose of an agency and is not generally suitable for the use of other agencies. This includes, but is not limited to, schools, hospitals, mints, embassies, and consulates.

(ii) "Standard alterations (SA's)" are those alterations necessary to prepare an agency's space to meet a particular classification, i.e., office, storage, or special, and permit occupancy of the space. (See Section 101-17.208).

(jj) "Telecommunications" means electronic processing of information, either voice or data or both, over a wide variety of media, e.g., copper wire, microwave, fiber optics, radio frequencies, between individuals, offices within a building (e.g., local area networks), between buildings, between cities, etc.

(kk) "Unique agency space" means any general purpose space which either consists of more than 50 percent special-type space not likely to be needed by another agency, or space of any type located in an area where it would be impractical to house another agency. (See Section 101-17.302(d).)

(ll) "Urban area" means any Metropolitan Area (MA) as defined by the Office of Management Budget (OMB) and any non-MA that meets one of the following criteria:

(1) A geographical area within the jurisdiction of any incorporated city, town, borough, village, or other unit of general local government, except county or parish, having a population of 10,000 or more inhabitants.

(2) That portion of the geographical area within the jurisdiction of any county, town, township, or similar governmental entity which contains no incorporated unit of general local government, but has a population density equal to or exceeding 1,500 inhabitants per square mile; or

(3) That portion of any geographical area having a population density equal to or exceeding 1,500 inhabitants per square mile and situated adjacent to the boundary of any incorporated unit of general local government which has a population of 10,000 or more inhabitants. (Reference: The Intergovernmental Cooperation Act of 1968, 40 U.S.C. 535.)

(mm) "Workspace" means federally controlled space in buildings and structures (permanent, semipermanent, or temporary) which provides an acceptable environment for the performance of agency mission requirements by employees or by other persons

occupying it. It is further classified as "office space", "storage space", or "special space". (Also, see Section 101-17.601, Space classifications and standard alterations).

(1) "Office space" means space which provides an environment suitable in its present state for an office operation.

(2) "Storage space" means space generally consisting of concrete, woodblock, or unfinished floors; bare block or brick interior walls; unfinished ceilings; and similar construction containing minimal lighting and heating. It includes attics, basements, sheds, parking structures and other unfinished building areas.

(3) "Special space" means space which has unique architectural/construction features, requires the installation of special equipment or requires varying sums to construct, maintain and/or operate as compared to office and storage space.

(nn) "Workstation" means a location within an office space assignment that provides a working area for one or more persons during a single 8-hour shift. Secondary or shared workstations are part of office support area.

SUBPART 101-17.2 ASSIGNMENT OF SPACE

Section 101-17.200 Scope of subpart.

(a) This subpart describes the process for the determination of requirements and the assignment of space to GSA client agencies. The space assignment process described in this section is designed to expedite space delivery and ensure that quality workspace is delivered to client agencies in a timely manner. Section 101-17.201(g) below states that GSA will assist agencies early in the space delivery process by providing technical assistance in the development of space requirements. This will ensure that technical information is accurate and complete and that unnecessary delays are minimized.

(b) A method for calculating utilization rates is established in Section 101-17.201(h) below. The method focuses on the portion of the office assignment occupied by the personnel working in the space. This is called the Primary office area and is the part of the office space that has the best potential for utilization improvement. The Primary area in most GSA space is similar in use and configuration and its size is dictated by very similar factors. This is because most activities occupying GSA space perform similar administrative and managerial tasks. Therefore, greater consistency and uniformity can be attained in assigning this space.

The 125 square feet represents the amount of space occupied by employees housed in GSA office space--clerical, administrative, paraprofessional, professional, managerial, and executive--using either conventional furniture or furniture systems. The revised UR method develops a review threshold for assignments exceeding 125 square feet per person in the primary area. Assignments exceeding this threshold may be subject to further evaluation. When a request comes in at or below the threshold, GSA will expedite the request.

New assignments with fewer than eight employees are to be made at the most efficient utilization rate consistent with this regulation and sound principles of space planning and layout.

(c) Section 101-17.201(h) and (i) require that space needs in Primary office area be based on the number of personnel to be housed and that personnel also be used for calculating UR. The use of personnel provides a visible and readily verifiable indicator of space needs. This method is more accurate and reliable than methods using workstations. Space for secondary or shared workstations is provided in the Support area. In addition to secondary/shared workstations, the Support area consists of reception areas, conference rooms, storage areas, processing areas, libraries, file areas, and extraordinary circulation (see Section 101-17.600 for descriptions of Support areas). Support area needs are based on GSA client agency use of such space and the 22 percent reflects the inventory-wide average for GSA space. Support space does not include space classified as storage or special in Appendix A of this regulation.

Support area requirements have the greatest variation among agencies since these requirements are primarily mission driven. Support space needs will be developed using professional methods and techniques. Twenty-two percent is the threshold beyond which further evaluation may be required.

(d) The division of office space into Primary and Support areas is a useful way for agencies and GSA to analyze office space requirements. It provides agencies with a way to check their own estimates and also provides the flexibility to recognize agency mission differences in the requirements development process.

(e) Section 101-17.201(m) describes the use of Space Allocation Standards (SAS) to formally recognize agency space needs. Requests for space where there is an approved SAS that establishes standards different from those contained in this regulation shall refer to the approved SAS as supporting documentation. All SAS' in effect on or after January 1, 1987, will remain in effect.

Section 101-17.201 The space assignment process - agency development of need and GSA determination of requirements.

(a) This section describes the process for determining and documenting an agency's space needs and identifying the technical requirements and specifications that describe this need. These requirements are included in the Solicitation for Offers (SFO) and/or Request for Proposals for the lease and/or construction/ alteration contract to ensure that all offerors are responding to the same need and to place the Government in the best possible competitive position.

(b) Requirements development is a joint GSA-agency responsibility. The agency is knowledgeable of its mission and program needs. GSA has the professional and technical knowledge and abilities to translate these needs into technical real estate requirements and deliver space that supports the agency's ability to execute its mission. It is the agency's responsibility to ensure that GSA has the information necessary to develop requirements in a timely manner. It is GSA's responsibility to provide the technical expertise necessary for timely requirements development.

(c) The space assignment process is designed to shorten and simplify space delivery; to promote a positive working relationship between GSA and client agencies, based on early joint planning; and deliver the optimum amount of space at the minimum cost to the Government. In this process, GSA assumes an early active role in the development of client agency requirements, and provides assistance in the preparation of the Request for Space (SF-81). The goal is to minimize and reduce the need for changes to requirements once the acquisition or alteration process has begun. This is accomplished by ensuring that requirements: are developed accurately, using professional space planning standards and techniques; reflect the true needs of the client agency; and are agreed to by GSA and the client agency early in the process.

(d) GSA has the responsibility to assign and reassign space in an efficient manner using professional space management techniques. In making its space assignments, each GSA regional office will consider the prudent and judicious use of Government funds and resources and will base its decision on local market conditions, available vacant space, restrictions imposed by furniture and equipment, professional space management principles, and agency mission needs. Whenever possible, GSA will satisfy new space requests through the reassignment of vacant available space in the inventory. GSA will advise agencies when the space requested has been determined to be unique agency space.

(e) Agencies requiring space shall contact the appropriate GSA regional office. Within 2 weeks of the initial contact, GSA will formally acknowledge the initial contact via letter, and will identify a GSA point of contact.

(f) Agencies will be asked to assemble preliminary information and to notify the GSA contact when the information is available.

(g) GSA and the agency will jointly develop space requirements through the completion of the Space Requirements Worksheet (SF-81A), a Space Requirements Questionnaire and a Request for Space (SF-81). (See Section 101-17.4901 and Section 101-17.4901-81A, Standard Forms). In the requirement development process, GSA will place major emphasis on planning and programming to assure that the final space request accurately reflects the needs of the agency.

(h) In developing space requirements, the analysis will center on the two components of general purpose office space: the primary (or personnel-occupied) area, and the office support area. The requirements development process will define the functions of the space to be designed; identify special agency requirements; review existing conditions; analyze spatial relationships and adjacency requirements; and, through application of the accumulated data, formulate the optimum solution for meeting the total space need. Emphasis will be placed on agency documentation of support area requirements including secondary/shared workstations. The resultant office space will reflect the optimum square footage required for the activity involved at the least possible cost to the Government.

(i) Since the primary personnel-occupied areas in most GSA-controlled offices are similar in use and configuration, uniformity and consistency of space assignments within these areas should be readily attainable. Therefore, in assessing utilization rates for its space assignments, GSA will focus on the square footage per person within the primary office area.

(j) The space allowance for the support area will be developed on the basis of professional standards and practices, and normally should not exceed 22 percent of the primary office requirement. (The specific amount of support space will be established during the analysis and planning process.) Support space requirements exceeding the 22 percent allowance will be subject to further analysis, and, possibly, higher level review within the GSA regional office. The support area will be

comprised of the areas described in Section 101-17.600, and will include secondary (or shared) workstation areas. Space requests within 125 square feet per person for primary office space plus 22 percent for support space will be subject to minimal review.

(k) Utilization targets for new space assignments will not apply to actions involving eight and fewer personnel. New assignments for eight and fewer personnel will be housed as efficiently as possible. The purpose of the exemption is to recognize that smaller assignments are sometimes more difficult to lay out efficiently. Therefore, they are not required to meet the same standard as large assignments. However, every effort shall be made to achieve the most efficient utilization rate possible in these assignments.

(l) Use of Standard Forms 81 and 81A, the forms identified in Section 101-17.201(g) above, is mandatory for all space requests to GSA. The Space Requirements Questionnaire must also be used, except in those cases where GSA determines that the size and complexity of the requirement does not demand the level of detail the form provides. Agencies may prepare the forms themselves (i.e., without GSA assistance) if they desire. Those so submitted will still be analyzed by GSA to verify requirements. Agencies are encouraged to obtain GSA assistance in preparation of the GSA Space Requirements Questionnaire.

(m) To assure uniform action on the part of GSA regional offices, GSA will use the data developed in the requirements development process to establish workstation typicals, support space typicals, test-case precedents, and Space Allocation Standards. These will all be used in developing subsequent space requirements in conjunction with the agencies or in reviewing requirements prepared by the agencies. Agencies interested in developing a space allocation standard should contact GSA's Office of Real Property Development (PQ), Washington, DC 20405. All standards negotiated since January 1, 1987, will remain in effect.

NOTE: Normal horizontal circulation is included in the space typicals developed by GSA. If, in GSA's judgment, there is an extraordinary circulation requirement (e.g., for safety, code, or security purposes) which exceeds the normal allowance, the excess amount will be regarded as support space.

(n) Upon completing assembly of all preliminary documentation including the SF-81A, the Space Requirements Questionnaire and all support data, the client agency and GSA shall complete the SF-81. This is a summary document that incorporates and

summarizes all information gathered. In signing the SF-81 the client agency certifies: the need for the space requested; that funds are available to pay for the space and alterations; that the delineated area was designated in accordance with appropriate laws and executive orders and meets agency mission needs; and that an agency representative (by name) is available to accompany GSA on the market survey.

(o) Even though the SF-81 formally identifies an agency's space requirement, the space process starts when an agency informs GSA it has a need for space. The purpose of the new requirements development process is to facilitate the delivery of space. It is GSA's aim that both formal and informal processes be completed as quickly as possible and both the requirements development and acquisition phases will be monitored for timeliness throughout the effort. GSA and the agency will jointly develop a space delivery schedule for each project.

(p) When appropriate, GSA will request agencies to submit GSA Form 144, Net Space Requirements for Future Federal Building Construction (see Section 101-17.4902-144).

(q) Agencies will be financially responsible for losses incurred by the Government as a result of any failure on their part to fulfill a commitment to accept space. Agencies are also financially responsible for any additional costs resulting from changes to space requirements made by the agency after a lease or alteration contract has been awarded.

Section 101-17.202 Exception to submitting requests for space.

Section 101-17.202-1 General exceptions.

Standard Form 81 need not be filed by Federal agencies when the space desired or to be acquired is:

(a) General purpose office space of 2,500 square feet or less falling within the geographical area where leasing authority has been delegated to the agency (see Section 101-18.1 et. seq.).

(b) Special purpose space (see Section 101-17.102(hh) and Section 101-18.104) of 2,500 square feet or less irrespective of geographical location.

(c) Space acquired by the U.S. Postal Service.

(d) Space for short-term conference and meetings (see Section 101-17.203).

NOTE: Agencies are reminded of the need to maximize the use of vacant available Government-controlled space to meet their space requirements.

Section 101-17.202-2 Delegation of authority.

(a) Upon written request from an agency head, the Administrator may delegate authority to acquire space by lease when, in GSA's opinion, the delegation is in the best interests of the Government. GSA will specify the terms and conditions of any delegation in writing at the time the delegation is made. See Section 101-18.104.

NOTE: Agencies having a need for parking shall utilize available Government-owned or leased facilities. Agencies shall make inquiries regarding availability of Governnment-controlled space to GSA regional offices and document such inquiries. If no suitable Government-controlled facilities are available, an agency may use its own procurement authority to acquire parking by service contract. This determination can be made at the regional level and does not require the authorization of the Administrator of General Services.

(b) Agencies acting under delegations shall make every reasonable effort to utilize existing Government-controlled facilities before acquiring new space. Agencies shall make inquiries to GSA regional offices regarding the availability of Government-controlled space, and the agencies shall document their lease files if such space is not available. This documentation may be submitted on an SF-81 and shall include the date of contact and the name and position of the GSA individual contacted.

(c) Agencies acting under delegation from GSA are required to comply with all relevant sections of this part 101-17, other pertinent portions of Subchapter D - Public Buildings and Space, and the General Services Administration Acquisition Regulations.

Section 101-17.202-3 Action when existing space is not available.

(a) If no suitable federally controlled space is available, GSA will advise the requesting agency by returning a signed copy of the Standard Form 81, showing the action to be taken.

(b) When the agency has acquisition authority or has been delegated such authority by GSA, it may proceed to acquire the requested space consistent with existing laws and regulations. The signed copy of the Standard Form 81, if required, shall be attached to the leasing or related instrument made available to the General Accounting Office (GAO).

(c) At the agency's option, GSA may take necessary action to acquire space for agencies having acquisition authority when the latter so requests.

Section 101-17.203 Space for short-term use.

Agencies having a need for facilities for short-term use (such as conferences and meetings, judicial proceedings, and emergency situations) shall utilize available Government-owned or -leased facilities. Agencies shall make inquiries regarding availability of Government-controlled space to GSA regional offices and document such inquiries as outlined in Section 101-17.202-2(b). If no suitable Government-controlled facilities are available, an agency may arrange for the use of privately owned facilities for a period not to exceed 180 days. Extensions beyond 180 days must be approved by GSA.

Section 101-17.204 Space requirements for ADP, office automation and telecommunications equipment.

Agencies requiring space for the installation of specialized equipment shall provide information as described in Section 101-17.602. This information should be forwarded to GSA in sufficient time in advance of equipment delivery so that space can be provided in a timely and efficient manner. This information shall be incorporated into the delivery schedule developed in connection with the preparation of the Standard Form 81. (See Section 101-17.200(n).)

Section 101-17.205 Location of space.

(a) Each Federal agency is responsible for identifying the geographic service area; and for determining the delineated area within which it wishes to locate specific activities, consistent with its mission and program requirements, and in accordance with all applicable statutes, regulations and policies, including those identified in Section 101-17.101(e)-(h). Specifically, under the Rural Development Act of 1972, as amended, agencies are required to give first priority to the location of new offices and other facilities in rural areas. The agency shall submit to GSA a supportive statement explaining the basis for the delineated area.

(b) For purposes of determining the requested delineated area for prospectus level space projects, client agencies must consider the impact of the following economic factors in those instances where their mission does not dictate a specific geographic area.

(1) The availability of local labor pools. Potential sources for this data are labor unions, city planning or economic development agencies, local chambers of commerce, and the Bureau of Labor Statistics.

(2) Pay differential for Federal employees in high cost versus low cost areas. This information may be obtained from the Office of Personnel Management (OPM), or the agency personnel office.

(3) Real estate costs, including analysis of the cost of space in metropolitan (urban) as well as non-metropolitan (rural) areas. Client agencies will contact the GSA Central Office to request rental rates for areas under consideration. The regional Real Estate Divisions of GSA will develop the appropriate information when requested by the GSA Central Office. The use of GSA real estate rental rates for agency economic evaluations will ensure consistency with the rates used in GSA prospectuses.

(4) The value of local incentives offered by communities to attract Federal activities. This information should be obtained on a jurisdictional, rather than a site-specific basis. Only local incentives offered by Governmental bodies are to be considered.

(5) Agency relocation costs for personnel and equipment. GSA will provide typical moving costs for work stations and common office equipment to assist client agencies in developing this information. OPM may be consulted by client agencies to obtain information related to relocation of personnel.

NOTE: The client agency will be required to provide GSA a summary of its analysis under paragraph (b). The summary should be of sufficient depth to enable GSA to clearly understand the agency's mission needs and the data developed for each economic factor, including the source for the data. It should identify locations considered, state the level of importance of each factor and the impact of each factor upon the conclusions drawn by the agency in reaching its location decision. If required by GSA, the client agency shall provide more detailed documentation of its evaluation for OMB and Members of Congress.

(c) GSA shall survey agencies' mission, housing, and location requirements in a community and include these considerations in community-based policies and plans. These plans shall provide for the location of federally-owned and

leased facilities, and other interests in real property including purchases, at locations which represent the best overall value to the Government consistent with agency requirements.

(d) Whenever practicable and cost-effective, GSA will consolidate elements of the same agency or multiple agencies in order to achieve the economic and programmatic benefits of consolidation.

(e) GSA will consult with local officials and other appropriate Government officials and consider their recommendations for, and review of, general areas of possible space or site acquisition. GSA will advise local officials of the availability of data on GSA plans and programs, and will agree upon the exchange of planning information with local officials.

(f) In satisfying agency requirements in an urban area, GSA will review agency requested delineated areas to ensure that the areas are within the centralized community business areas (CBAs) and adjacent areas of similar character, including other specific areas which may be recommended by local officials in accordance with Executive Order 12072. When developing the requested delineated area, the client agency shall comply with the requirements of Executive Order 12072 which requires that first consideration be given to CBAs and other designated areas. If the delineated area requested is outside the CBA, in whole or part, the client agencies must provide GSA with adequate justification to support the delineated area. GSA will consult with local officials to identify CBAs. Each GSA regional office will provide, upon agency request, a description of the identified CBA for the community in which the agency requires space.

(g) GSA is responsible for reviewing an agency's delineated area to confirm that, where appropriate, there is maximum use of existing Government-controlled space and that established boundaries provide competition when acquiring leased space.

(h) The presence of the Federal Government in the National Capital Region (NCR) is such that the distribution of Federal installations will continue to be a major influence in the extent and character of development. These policies shall be applied in the GSA National Capital Region on the most cost-effective basis, in conjunction with regional policies established by the National Capital Planning Commission and consistent with the general purposes of the National Capital Planning Act of 1959 (66 Stat. 781), as amended. These policies shall guide the development of strategic plans for the housing of Federal agencies within the National Capital Region.

(i) Consistent with the policies cited in paragraphs (a), (c), (d) and (e) above, the use of buildings of historic architectural, or cultural significance within the meaning of Section 105 of the Public Buildings Cooperative Use Act of 1976 (90 Stat. 2505) will be considered as alternative sources for meeting Federal space needs.

Section 101-17.206 Move policy.

The situations which cause an agency to move and the responsibility for the relocation costs are indicated below. GSA is responsible for determining the most beneficial alternative course of action in each situation. (See Section 101-17.101(i)(2) for a discussion of the telecommunications policy for GSA moves.)

(a) Lease expiration. GSA will determine if it is cost-effective to the Government to seek alternative leased space. Generally, this process will begin 18-24 months prior to lease expiration (or earlier for prospectus level projects) so that agencies have time to budget for expenses associated with above-standard alterations and telecommunications. When suitable federally owned or leased space is available to replace an expiring leased location, such space will be utilized in lieu of seeking alternate replacement leased space and the "lease expiration" funding responsibilities outlined in the matrix under Roman numeral "I" below will apply.

(b) Agency expansion. New requirements may generate the need for additional space. This can be provided at the existing location as contiguous expansion space, at a new location by separating the existing assignment from the new requirement, or by relocating the existing assignment and collocating with the expansion requirement at a new location. Acquisition of expansion space shall be scheduled to coincide with lease expiration to the maximum extent practicable. Responsibility for the costs of providing expansion space is as follows:

(1) GSA will pay for standard alterations in the expansion space (see Section 101-17.208).

(2) The expanding agency will pay for all of its telecommunications and above-standard requirements.

(3) When an expanding agency has a justifiable need for contiguous expansion space and has to displace a neighboring agency, the expanding agency shall pay for its own moving costs, the displaced agency's moving cost and replication of the current above-standard alterations and "like telecommunications service".

(c) Consolidation. It is Federal Government and GSA policy to continually review the opportunities for consolidating several locations into one location. GSA shall prepare an economic analysis that demonstrates the cost effectiveness of consolidation. To the maximum extent practicable, agency consolidation shall be planned to coincide with lease expiration in order to keep costs to a minimum and reduce adverse impacts on agencies. When an agency consolidation is GSA-directed, GSA will pay for standard alterations, above-standard alterations, moving costs and like telecommunications service.

Consolidations include both single and multiple agency relocations to a single facility. They may involve the backfill of vacant federally owned or leased space, or the construction or acquisition of new federally owned or leased space to house one or more agencies. Where agencies moving to such consolidated facilities are relocating from an expiring leased location, the "Lease Expiration" funding responsibilities outlined in the matrix under Roman numeral "I" below apply. Where a relocation is not related to a lease expiration, GSA will apply the appropriate funding responsibilities as outlined in the matrix, under Roman numeral III.

(d) Emergency relocation. An emergency relocation results from an extraordinary event such as a fire, natural disaster, or immediate threat to the health and safety of occupants of the space which renders the current space unusable and requires that it be vacated. In these cases, it is necessary to act swiftly and expeditiously to react to the emergency. This may require obtaining approvals and funding authorizations from OMB and Congress. It is best to have a central coordinator for such a task and GSA is suited for this role. GSA will be responsible for paying standard alterations, existing above-standard alterations, moving costs and like telecommunications service for emergency relocations. In cases where a significant Rent increase results from an emergency relocation, the agency will be relieved of the new Rent until the beginning of the fiscal year immediately following the first full fiscal year after the relocation occurred.

(e) Repair and alteration relocations. When an agency is displaced by construction activities in its assigned space resulting from a GSA repair and alteration project, GSA will be responsible for funding standard alterations, replication of existing above-standard alterations, moving costs and like telecommunications service.

A summary of relocation situations and identification of the responsible party (GSA or agency) is as follows:

MOVE SITUATIONS	STANDARD ALTERATIONS	EXISTING ABOVE STD. STANDARD	MOVING COSTS	TELECOM-MUNICATIONS*
I. Lease Expiration -	GSA	Agency	GSA	Agency
II. Agency Expansion -				
1. Avail Contiguous	GSA	Agency	GSA	Agency
2. Unavail Contiguous	GSA	Agency	GSA	Agency
3. Split Assignment	GSA	Agency	GSA	Agency
4. Displaced an agency				
A. Expanding Agency	GSA	ExpAgc	ExpAgc	ExpAgc
B. Displaced Agency	GSA	ExpAgc	ExpAgc	ExpAgc
III. Consolidations				
Agency Initiated	GSA	Agency	GSA	Agency
GSA Initiated	GSA	GSA	GSA	GSA
IV. Emergency -	GSA	GSA	GSA	GSA
V. Repair/Alterations -	GSA	GSA	GSA	GSA

*Effective October 1, 1991.

NOTE: Agencies shall be responsible for funding all above-standard alterations and telecommunications not currently provided in their existing location.

(f) Preparation of agency budget estimates. GSA will give agencies sufficient advance notice of lease expiration (18-24 months) to allow them time to budget for the costs of potential moves. GSA will provide technical support to assist agencies in the techniques of preparing budget estimates.

Section 101-17.207 Applications of socioeconomic considerations.

When actions are proposed to accomplish the reassignment or utilization of space through the relocation of an existing major work force, the impact on employees with low and moderate incomes and minority employees shall be considered. Under these circumstances, the requesting agency shall consult the Department of Housing and Urban Development in accordance with the Memorandum of Understanding between the Department of Housing and Urban Development and the General Services Administration. (See Section 101-19.4800 for text).

Section 101-17.208 Standard alterations.

(a) Standard Alterations (SA's) are those alterations necessary to prepare an agency's space to meet a particular classification, i.e., office, storage, or special space, and

permit occupancy of the space. Consistent with its responsibility to provide commercially comparable space, GSA will fund the cost of SA's. The alterations necessary to provide space at the classification requested by an agency are indicated in Appendix A of this part. Also shown are examples of items that are above-standard for the classification.

(b) There are situations when an agency's requirements exceed the standard level for a particular classification of space. In such cases, the requesting agency shall submit a GSA Form 2957, Reimbursable Work Authorization (RWA), to GSA to pay for the cost of the above-standard items including the cost of necessary design work. GSA will provide technical assistance to agencies in developing these costs. GSA cannot obligate funds for the acquisition or alteration of space without the RWA.

(c) In situations where GSA alteration funds are unavailable within the timeframe requested by the agency, and the work is funded reimbursably and results in a higher cost space classification, the Rent rate per square foot will not be increased until the beginning of the fiscal year immediately following the first full fiscal year after the start of the alterations project. This will permit the requesting agency to budget for the increased Rent rate. The project start date is defined as the date the alteration request is received by GSA from the agency. If the alterations result in a lower cost space classification, the reduced Rent rate per square foot will be effective upon completion of the alterations.

Section 101-17.209 Wellness/physical fitness facilities.

Appendix B of this part sets forth the standard alterations provided by GSA for wellness/physical fitness facilities, and establishes criteria for the establishment of such facilities in GSA-controlled space.

Section 101-17.210 Child care centers.

Pursuant to 40 U.S.C. 490b, Federal agencies are authorized to allot space in Federal buildings to individuals or entities who will provide child care services to Federal employees. Federal agencies in GSA-controlled space are responsible for determining their respective child care needs and then requesting the appropriate space from GSA. Upon receipt of such a request, along with the results of a needs assessment survey indicating sufficient employee interest, GSA will provide the standard alterations for the child care center. (See Appendix C of this part).

Section 101-17.211 Centralized services in Federal buildings.

See 41 CFR 101-5, regarding the establishment of centralized services in multi-occupant Federal buildings.

Section 101-17.212 Reviews and appeals of space assignments.

101-17.212-1 Formal review.

A request for a formal review of a space assignment or space acquisition action shall initially be submitted to the appropriate GSA regional office by the agency official authorized to sign the Standard Form 81, Request for Space. A request for a formal review shall be in writing and shall include all pertinent information and supporting documentation. The GSA Real Estate Division will verify the data, perform additional investigations, as necessary, and issue a decision.

101-17.212-2 Initial appeal.

(a) Within 15 calendar days after receiving the decision, the regional agency head or his/her designee may submit an appeal of the decision to the appropriate GSA Regional Administrator. In the appeal, the agency official shall state, in writing, the basis for the request for formal review.

(b) Within 15 calendar days, the GSA Regional Administrator will notify the agency of his/her decision. In cases requiring more detailed analysis than can be accomplished in 15 days, the Regional Administrator will notify the agency and establish a date on which his/her decision will be rendered.

101-17.212-3 Final appeal.

Within 15 calendar days after the agency has been notified of the Regional Administrator's decision, a final appeal may be filed by the agency head with the Administrator of General Services. The Administrator will render GSA's final decision within 30 calendar days of receipt of the appeal whenever possible; if additional time is required, the Administrator shall notify the agency of the date a decision will be made.

SUBPART 101-17.3 UTILIZATION OF SPACE

Section 101-17.300 Responsibility of GSA.

(a) GSA shall conduct space inspections and space utilization surveys to promote and ensure efficient utilization, recapturing for release or reassignment any space the agencies do

not justify as being required. The agency will be provided with a written summary of significant findings and recommendations, together with data concerning improvements which are planned by the agency, and those which are planned by GSA.

(b) GSA will maximize the use of vacant space in its inventory. All new requests for space will be carefully screened against vacant available space. GSA, in consultation with the requesting agency, will determine whether the request will be satisfied through the reassignment of suitable vacant space before action is taken to acquire new space.

(c) GSA will be responsible for promptly correcting an agency's assignment records, and for providing the agency a timely record reflecting that the change has been made.

Section 101-17.301 Responsibility of agencies.

Agencies shall cooperate with GSA in the assignment and utilization of space. Agencies shall:

(a) Furnish information regarding the use of assigned space;

(b) Furnish data on personnel consistent with budget submissions to the Office of Management and Budget (OMB) with the existing appropriations;

(c) Continually study and survey space occupied to ensure efficient and economical utilization of space consistent with the minimum amount required to perform the agency mission; and

(d) Promptly report to GSA any space which is excess to their needs for assignment to other agencies.

Section 101-17.302 Procedures for agency-initiated relinquishment of space.

(a) An agency occupying GSA-controlled space shall notify the appropriate GSA regional office as soon as possible, but at least 120 calendar days before vacating, whenever space is no longer needed. Notification shall be in writing, giving a description of the space, a floor plan, and the estimated date of release.

(b) When a portion of space is relinquished, that space shall be consolidated and made accessible and readily assignable or marketable. Expenses required to alter the space to these

conditions shall be borne by the agency. Agencies should contact the GSA regional office to determine alteration requirements prior to initiating such alterations under their own authority.

(c) The agency shall be responsible for space charges until the date of release specified in the notification, or until the date space is actually vacated, whichever occurs later. When an agency has not made timely notification to GSA, that agency shall be responsible for space charges for a period of 120 calendar days following the date of notification or until the space has been reassigned, or terminated, whichever occurs first.

(d) When the space relinquished is "unique agency space," the agency shall also be responsible for space charges for a period of 120 days following notification. Further, beyond 120 days the agency shall be responsible for actual expenses incurred by GSA until:

(1) The space is assigned or otherwise disposed of by GSA, or

(2) The expiration of the term specified on the most recent Standard Form 81 applicable to the area in question.

(e) Agencies who commit to occupy space but never occupy that space are responsible for space charges for 120 days from the day they notify GSA that the space is not required. If the space is unique agency space, the provisions of Section 101-17.302(d) shall apply.

(f) When an agency is responsible for the operation, maintenance, and protection of Government-owned space assigned by GSA, and the agency determines that this space is no longer needed, the agency shall notify GSA at least 6 months before relinquishing the space. The operation, maintenance, and protection of the space shall continue to be the responsibility of the agency until the beginning of the next fiscal quarter following the end of the 6-month period.

SUBPART 101-17.4 SPACE PROGRAMMING, LAYOUT, AND DESIGN SERVICES.

Section 101-17.400 Initial layout services.

(a) GSA recognizes that professional space programming and layout are necessary preconditions to achieving optimum space usage at a minimum cost to the Government and for the successful accomplishment of standard alterations and modifications to existing space.

(b) GSA will provide space programming and/or layout services for an initial space assignment; for expansion of an existing assignment; or for a GSA directed move at no cost to the agency. All requests shall be made to the appropriate GSA regional office.

(c) Agencies may also request other services in conjunction with initial layouts, such as master planning, macro-level programming, and interior design. GSA will consult with the agency to determine the scope of assistance required. Such services will be provided on a reimbursable basis. Agencies must certify the availability of funding before performance of services.

Section 101-17.401 Other services.

Agencies may request space programming, layout and interior design services for space actions other than initial layouts, such as reconfigurations of existing assignment, alterations, reductions, consolidations, requested relocations, and as-built drawings. Such services will be provided on a reimbursable basis. Agencies must certify the availability of funding before performance of services.

Section 101-17.402 Provision of services.

(a) No Federal agency occupying GSA-controlled space shall contract for these services without first consulting GSA. GSA may provide requested services through use of in-house professional staff or contracted professional space planning firms. In order to meet contractual commitments, avoid duplicated services and/or ensure cost-effectiveness, GSA may require agencies to use GSA space planning contracts.

(b) In the event that GSA is unable to provide requested services, either in-house or by contract, agencies may request a project waiver from the provisions of Section 101-17.402(a) above to procure such services on their own authority. The request should be made to the GSA regional Public Buildings Service and should document the unavailability of GSA-provided services, the basic scope of service required, and the name, location, and size of the project. If the request is approved by the regional office, the agency shall consult with GSA on contract scope, tasks, and deliverables.

(c) Regardless of the method used to provide these services, work performed on an agency's behalf in GSA-controlled space will be reviewed and approved by GSA to ensure that no

adverse impacts on mechanical or utility systems, structural integrity, fire and safety requirements, or assignment management considerations would result.

(d) Requests for services which apply across GSA regional boundaries, such as development of nationwide bureau-level Space Allocation Standards, shall be made to the GSA Central Office, Office of Real Property Development (PQ), Washington, DC 20405.

(e) GSA will provide services on a reimbursable basis and on request for agency-controlled space as resources permit; however, priority must be given to requests from agencies occupying GSA-controlled space.

SUBPART 101-17.5 ANNUAL CENSUS.

GSA will conduct an annual census to determine space efficiency. A computer printout will be distributed for each agency assignment by the GSA regional office. Verification of the data requires an agency representative to provide the peak number of personnel to be housed during the fiscal year. This printout is to be returned to the appropriate GSA regional office within 30 days of receipt.

SUBPART 101-17.6 ILLUSTRATIONS.

Section 101-17.600 Illustrations of office support space.

The following list describes the types of space included in the support area component of general purpose office space:

Support Area	Description
Reception/waiting area	Identifiable (i.e., individually distinct) area of the office used for walk-in patron/clientele traffic and/or specific waiting area associated with conference room.
Hearing/meeting/interview areas	Identifiable area(s)/room(s) established specifically for one or more of the listed purposes.

Support Area	Description
File areas	Centralized files of material primarily from outside the operational unit (e.g., job applications, mortgage applications, etc.); official personnel files maintained by a central personnel office; active files of cases under adjudication that must be maintained in compliance with legal requirements or mission demands. All such files must be housed in a distinct area separated from other files.
Central storage areas	Separate areas used for central storage of supplies (may be physically secured with restricted access). Limited to one such space per operational unit site.
Processing area	Space dedicated to a machine or process, including copier rooms, mail rooms, microfiche areas, computer terminal areas, dry labs.
Library/reference area	Areas dedicated to functions normally associated with libraries; library/reference areas required by statutes, regulation, or mission. Libraries with no special features.
Secondary/shared workspace	Nondedicated workstations used more than 50 percent of the time by two or more persons occupying a space assignment during an 8-hour shift. It functions in support of the occupant agency's mission and is housed outside primary personnel-occupied office area.
Extraordinary circulation space	Horizontal circulation space which GSA determines must be provided to meet such needs as safety, security, and code requirements, and which exceeds the normal circulation included in GSA's space typicals.

Section 101-17.601 Space classifications and standard alterations.

Appendix A outlines the various classifications of general purpose office and related space and their associated standard alterations. Also shown are examples of items that are above-standard for the classification.

Section 101-17.602 Space for data processing, office automation, and telecommunications equipment.

This section contains the information required on space requests for these specialized functions.

(a) Agencies requiring space for the installation of such equipment must provide the following information in addition to the requirements of Section 101-17.203:

(1) Type of equipment (including make, model number, manufacturer, and number of units of each);

(2) Space and environmental requirements, including:

(i) Floor weight (lbs.);

(ii) Machine dimensions (width, depth, and height in inches);

(iii) Service clearance (front, rear, right and left sides);

(iv) Power in voltage and kv.-a, (starting loads and operating loads);

(v) Heat dissipation in B.T.U./hr. and air flow (c.f.m.); and

(vi) Need for raised floor, acoustic ceiling, and air-conditioning.

(3) Related requirements, such as storage space for supplies, tapes, and disks; workspace, including desk and aisle space; and future expansion needs;

(4) Agency responsibility for funding; and

(5) Required occupancy date.

(b) The above information should be provided as separate supplemental data to Standard Form 81, Request for Space, and forwarded to the GSA regional office. The space requirements indicated on Standard Form 81 must include the space requirements for all components of Automated Data Processing, Office Automation and Telecommunications Equipment. The supplier should be consulted prior to establishing space needs in order to ascertain any specific or peculiar space requirements of the equipment involved.

(c) It is essential that this information regarding the requirement for such space be transmitted to GSA as far as possible in advance of delivery of equipment (preferably 18 months or more) so that space can be provided in a timely and economical manner.

SUBPARTS 101-17.7 thru 101-17.46 [Reserved]

SUBPART 101-17.47 EXHIBITS

Section 101-17.4700 Scope of subpart.

This Subpart 101-17.47 illustrates information referred to in the text of Part 101-17 but not suitable for inclusion elsewhere in that part.

Section 101-17.4701 Memorandum of Understanding between the U.S. Department of Agriculture and the General Services Administration concerning the location of Federal facilities.

Memorandum of Understanding between the U.S. Department of Agriculture and the General Services Administration concerning the location of Federal facilities.

Purpose. The purpose of this Memorandum of Understanding is to provide an effective arrangement whereby the Department of Agriculture and the General Services Administration will cooperate to implement the National Urban Policy. This memorandum requires that in urban communities, offices and facilities of the Department will be located in central business areas wherever such location is consistent with program requirements.

1. The President's March 27, 1978, message on urban policy included a directive to the General Services Administration to retain Federal facilities in urban areas and to put new ones there.

2. On August 16, 1978, the President signed Executive Order 12072, "Federal Space Management," which requires the location of Federal facilities in such a manner as to strengthen the Nation's cities, and mandates that in urban areas first consideration be given to locating Federal facilities in the central business area or adjacent areas of similar character.

3. The Secretary of Agriculture recognizes the significant role the Department can play and the need to assist the Administrator of General Services in carrying out the requirements of Executive Order 12072.

4. The Rural Development Act of 1972, as amended, requires that consideration be given to locating Federal facilities in rural areas, and Executive Order 12072 on Federal Space Management is consistent with the requirements of the Rural Development Act in that it concerns the location of agencies subsequent to considering the requirements of the Act.

5. It is the policy of the Department of Agriculture to house within the same building (collocate) the county level offices of the Agricultural Stabilization and Conservation Service, Cooperative Extension Service, Federal Crop Insurance Corporation, Farmers Home Administration, and Soil Conservation Service, as well as local offices of other Agriculture agencies delivering services at that level. The General Services Administration supports this policy.

6. The Department of Agriculture and the General Services Administration agree that:

a. The program and mission requirements of the agencies of the Department permit most of their offices and facilities above the county level to function suitably in the central business area of the urban areas where they are located. This includes all regional and State offices, certain research facilities, and all agencies whose operations are not affected in the delivery of services by location.

b. First consideration will be given to housing county level field offices in federally controlled space in the central business area of urban areas and incorporated rural communities. However, in cases where federally controlled space is available it must be economically adaptable to meet Agriculture needs in a timely manner (including the total needs for collocated facilities). Otherwise, the primary locational consideration shall be the program requirements of the agencies and accessibility for their clientele. In such instances, the outskirts of the cities and towns are more appropriate for these activities. Additionally, central business district locations are often not

suitable for Forest Service District Ranger offices and other offices with special program needs for specific locations, such as plant, grain, animal, meat inspectors, and certain research facilities, or cooperative functions with State and local governments.

7. Therefore, this agreement will govern the acquisition of space by the General Services Administration for the Department of Agriculture, and the Department using its own or delegated leasing authority.

When a variance from this agreement is requested by either agency it shall be the responsibility of the requesting agency to present a compelling and fully substantiated case.

8. The terms "urban area" and "central business area" are used in accordance with the definitions in the Federal Property Management Regulations.

9. This agreement and guidelines shall remain in effect until canceled by one or both parties on 90 days notice.

10. The parties to this Memorandum of Understanding agree to meet and review this agreement for effectiveness after the conclusion of 1 year.

Jim Williams.
Acting Secretary of Agriculture

Dated: October 25, 1979.
R. G. Freeman III.
Administrator of General Services.
Dated: December 29, 1979.

Guidelines in Support of Memorandum of Understanding Between the U.S. Department of Agriculture and the General Services Administration Concerning the Location of Federal Facilities

The Memorandum of Understanding will permit the Department to support GSA in implementing Executive Order 12072, particularly the requirement to locate Federal facilities in the central business area of communities, while at the same time recognizing the location requirements of certain special facilities and the county level field service offices. This will assist the Department in its collocation policy for country level offices and other local offices of Agriculture agencies delivering service at that level. The objectives of this policy are to:

Provide better service to clients through one stop access and improved office coverage;

Increase public participation in conservation and stabilization through increased, exposure to the full range of available programs;

Disseminate information to more prospective users by directing the clients of one agency to the services of another;

Improve the cooperation of Federal, State, and county program administration;

Achieve administrative economies;

Enable closer coordination of Agriculture county level programs at the delivery point;

To achieve these goals, the support of GSA is required by treating these offices as a single unit leasing actions when requested by the Department.

Because of the differences in the ways in which the involved agencies are required by statute to procure and manage space, accommodations in leasing arrangements and charges are necessary to permit maximum colocation. For example, space of Cooperative Extension Service (CES) is provided or funded by the county government. In cases where CES cannot locate in Federal space, and the Department does not have delegated leasing authority, GSA should, consistent with the Federal Procurement Regulations and the Federal Property Management Regulations, lease space from or through the county in order to permit collocation.

For similar cases in which Agriculture county offices are working through cooperative efforts with State and county counterparts (e.g. Conservation Districts, State Forestry Offices, County Planning Boards, Representative Committees), and the Department does not have delegated leasing authority, GSA should, consistent with the Federal Procurement Regulations and the Federal Property Management Regulations, acquire space to permit the Agriculture offices to be located with these State and local groups.

Agriculture county level office programs are largely service oriented and depend on voluntary public participation for their effectiveness in achieving key national objectives of resource conservation, economic stabilization, and rural development. It is necessary that GSA recognize that location, provision, maintenance, and accessibility of county office facilities have a direct and significant impact on achieving this mission and must be administered accordingly.

Consistent with the Rural Development Act of 1972, as amended, the new Executive Order on Federal Space Management will not be used as a basis for moving Agriculture offices from rural to urban communities.

All Agriculture regional offices, State offices, and certain research facilities, and all agencies whose operations are not affected by location will be located in the central business area of the community in which they are located whenever such location is consistent with program requirements. Exceptions will be considered only on a case-by-case basis where application of this policy represents clearly demonstratable and quantifiable inhibitions to the delivery of program services.

First consideration will be given to housing county level field offices in federally controlled space in the central business district of the community. Exceptions, in addition to lack of sufficient economically adaptable space, must be based on clearly demonstrable inadequacies, such as inadequate parking for clientele, prohibition of trucks and other commercial vehicles on the streets leading to the building, location of the building in a community outside the area being served, failure to meet the handicapped requirements, unsafe or unhealthful working conditions.

Section 101-17.4702 Memorandum of agreement between the General Services Administration and the U. S. Postal Service for implementing the President's urban policy.

Agreement between the General Services Administration and the U. S. Postal Service for Implementing the President's Urban Policy.

GSA--USPS Urban Policy Memorandum of Agreement

Whereas the United States Postal Service, hereafter called USPS, and the General Services Administration, hereafter called GSA, share common goals and common needs in carrying out their missions and in implementing the President's urban policy by locating facilities in Central Business Areas (CBA) of Urban Areas (UA), and,

Whereas for the purpose of this agreement a UA means any Standard Metropolitan Statistical Area (SMSA) as defined by the Department of Commerce. An area which is not an SMSA is classified as an urban area if it is one of the following:

(1) a geographical area within the jurisdiction of any incorporated city, town, borough, village or other unit of general local government, except county or parish, having a population of 10,000 or more inhabitants; (2) that portion of the geographical area within the jurisdiction of any county, town, township, or similar governmental entity which contains no incorporated unit of general local government but has a population density equal to or exceeding 1,500 inhabitants per square mile; and (3) that portion of any geographical area having a population density equal to or exceeding 1,500 inhabitants per square mile, situated adjacent to the boundary of any incorporated unit of general local government which has a population of 10,000 or more inhabitants; and CBA means those areas within a central city in an SMSA or those areas within any non-SMSA urban area which encompass the community's principal business and commercial activities, and the immediate fringes thereof, as geographically defined in consultation with local officials. A central city means any city whose name appears in the title of an SMSA, and,

Whereas GSA and USPS believe that the public welfare can be better served by increased cooperation between the two agencies, and,

Whereas the existing agreement does not cover all areas of agreement and cooperation necessary to promote those goals and needs which are desirable between the two agencies.

Now therefore, USPS and GSA agree to the following principles:

I. In order to better attain the goals of Executive Order 12072, Federal Space Management, and the President's Urban Policy, USPS and GSA agree to take steps to improve coordination of planning activities for new facilities in urban areas, including the following:

A. In planning to construct a facility in a community, USPS and GSA will give preference to locating such facilities in the CBA unless the program requirements of the activities to be housed dictate that the facility be located elsewhere in the urban area.

B. As early as possible in the planning of a project to be satisfied by new construction in a CBA, the planning agency shall notify the other agency of the proposed project. If both USPS and GSA agree that a joint project is economically beneficial, then a determination will immediately be made as to which agency will be responsible for the planning; the basis for this

determination will be occupancy in excess of 55 percent of the proposed space, i.e., unless USPS will occupy over 55 percent of the net Rental area, GSA will be the owner agency. Regardless of which agency is the owner agency, the tenant agency will guarantee occupancy of the space planned for that agency for a minimum period of 10 years, unless another period of time is mutually agreed upon by both agencies.

(1) **General Services Administration.**

(a) Projects requiring congressional approval. (**NOTE:** Prospectus levels discussed in this section have been changed by the Public Buildings Amendments of 1988. See Public Law 100-678, 40 U.S.C. 606.) Lease construction projects having an annual net Rent of $1,500,000 or more or Federal construction and repair and alteration projects having a total project cost of $1,500,000 or more require approval of a prospectus or a Report of Building Project Survey by the Public Works Committees of the Congress.

When such a project is in the preparation stage, GSA's regional office will notify the appropriate USPS regional office that it is contemplating a project in the CBA. If USPS has a long-range space requirement that could be satisfied in the CBA, it will advise GSA's regional office so that space may be included in planning the proposed project. When GSA's Central Office submits the prospectus for the proposed project to the Office of Management and Budget for approval and subsequently to the Public Works committees of the Congress for authorization, copies of the prospectus will be furnished to the USPS Headquarters office and the appropriate USPS regional office. At any time during the planning and approval process that USPS determines it does not have a requirement for space, the USPS Headquarters office will advise the GSA Central Office of this requirement change. Prior to commencing with the design of the building, the GSA regional office will obtain the final space requirements from the USPS regional office along with a firm commitment to occupy the space for a minimum period of 10 years, or any other time that is mutually agreed upon between the two agencies.

(b) Projects not requiring congressional approval. When GSA plans a project not requiring congressional approval and to be located in the CBA, GSA's regional office will notify the appropriate USPS regional office. If USPS has a long-range space need that could be satisfied in the CBA, it will advise GSA's regional office so that space may be included in the proposed project. Prior to GSA soliciting offers requesting firm proposals to lease the required space, the GSA regional office

will obtain the final space requirements from the USPS regional office along with a firm commitment to occupy the space for a minimum period of 10 years or as may be mutually agreed upon between the appropriate regional offices of the USPS and GSA.

(2) **United States Postal Service.**

(a) Within 7 days after approval of the USPS 5 year budget plan, the Postal Service will provide GSA with a list of approved projects. If GSA wishes to participate in any of the planned projects. GSA will advise USPS of its interest in participation within 90 days after notification by USPS, give an estimate of the amount and type of space required, and will commence necessary studies to develop firm space needs.

When GSA indicates an interest in participation, the USPS responsibility for planning activities shall then coordinate space planning activities with the appropriate GSA region so that an adequately sized site is acquired for the facility. Prior to commencement of design of the building, GSA shall furnish final space requirements to the USPS and a firm commitment to occupy the space for a minimum period of 10 years or any other term that may be mutually agreed upon by both agencies.

(b) During the USPS planning phase of the project, the contact point for GSA within the Postal Service will be the Director, Real Estate and Buildings Department, for the USPS region responsible for the planning.

After approval and authorization of funding by the USPS for the project, the USPS point of contact shall remain the same, unless the project has been determined to be a major USPS facility. In such cases, the GSA Commissioner, Public Buildings Service, will be notified that the new point of contact will be the Assistant Postmaster General, Real Estate and Buildings.

C. Both agencies recognize that decisions to occupy space are based on an expected period of occupancy. Delays in the planning, approval, funding and start of design phases of a project could alter these decisions. It is therefore agreed that both parties will provide an expected date that space will be available at the time of initial project notifications. Project delays occurring at any time from initial notification through start of design will be reported to the tenant agency and may be cause for cancellation of any commitment to occupy space.

D. When USPS or GSA has control over a site in the UA which is needed by the other agency for a project, the agencies agree to make such sites available to each other to the maximum extent practicable and possible under laws and regulations governing

each agency, i.e., one agency acquiring a site by transfer from the other through the land bank or GSA obtaining an assignable option from USPS for a lease construction project.

II. When GSA or USPS seeks leased space, available space in both agencies' inventories shall be considered before any advertisement for privately owned space. If the available space is not acceptable to the acquiring agency then the acquiring agency shall advise the holding agency and allow the holding agency sufficient time to accommodate the acquiring agency's objection, provided the mission need of the tenant agency will not be adversely affected by the delay. If the space would be suitable with alterations which would normally be the responsibility of the owner agency, but the owner agency does not have funds to make those alterations, then the tenant agency may fund the alterations. In such cases, the Rent charged the tenant shall be based upon the condition of the space prior to the alterations and the space will not be subject to preemption by the owner agency for a period of 10 years or such other time to which the two agencies shall agree. In any case, the period shall not be less than 3 years.

In the case of Renting, the acquiring agency shall guarantee to the holding agency continued occupancy of a period sufficient to amortize construction costs whenever extensive repairs and remodeling are required. Repairs and alterations shall be made in accordance with existing agreements.

III. It is recognized that both agencies have a vested interest in conserving energy; therefore, to ensure that both agency benefit from the experience and technology of the other, it is agreed that each agency will furnish to the other reports, studies, research, and development data in the field of energy conservation once this information is accepted by the contracting agency. Additionally, internal policies and procedures relating to energy conservation shall be exchanged as they are issued.

IV. Both agencies recognize the national interest in preserving historic buildings, each having several hundred designated historic properties in its inventory. In order to conserve our Nation's cultural heritage, it is agreed that, as early as possible, in the planning process each agency will notify the other as to its need to vacate an historic building so that the other may give proper consideration to acquiring and utilizing such property.

V. It is recognized by both agencies that improved communications between USPS and GSA will benefit not only both agencies, but also all Federal agencies, local jurisdictions, and the general welfare. Many of the misunderstandings result from problems and situations which are not covered in the present agreement between the two agencies (dated August 1974).

Therefore, it is agreed that the existing agreement shall be amended and approved by both agencies no later than June 30, 1979. It is also agreed that the Commissioner of the Public Buildings Service of GSA and the Assistant Postmaster General, Real Estate and Buildings Department of the United States Postal Service, shall meet annually in September to review the continuing working relationship of the agencies. Such meetings will commence in September 1979.

It is also agreed that the terms of the agreement between GSA and USPS shall be equally binding on both agencies, internal regulations of either agency notwithstanding. In order to maintain continuity and coordination with respect to this agreement, there will be a single point of contact within each agency for all matters pertaining to the relationship between GSA and USPS. That contact shall, in turn, be responsible for coordinating within his respective agency. At GSA, the point of contact will be the Assistant Commissioner for Real Property Development, Public Buildings Service. At USPS, the point of contact shall be the Director, Office of Real Estate. The point of contact for exchange of project requirements, as specified by sections I and II of this agreement, at the regional level are as follows: The GSA contact shall be the Director, Real Estate Division, Public Buildings Service and USPS contact shall be the General Manager, Real Estate Division.

VI. Upon signing this memorandum of cooperation agreement, GSA and USPS shall issue appropriate instructions to the field implementing this agreement. The agreement will become effective 90 days after it is signed to allow each agency time to issue the proper implementing instruction.

Jay Solomon
Administrator

Dated: March 21, 1979.

William F. Bolger,
Postmaster General.

Dated: March 23, 1979.

SUBPART 101-17.48 GSA REGIONAL OFFICES

Section 101-17.4800 Scope of subpart.

This subpart identifies the regional offices of GSA, describes the geographical areas of jurisdiction, and lists the office address.

GSA Region	Area Served	Mailing Address
2	Connecticut, Maine, Massachusetts, New Hampshire, New Jersey Bergen, Passaic, Morris, Essex, Hudson, Union, Middlesex and Monmouth) New York, Rhode Island, Vermont, Puerto Rico, U.S. Virgin Islands	General Services Administration 26 Federal Plaza New York, NY 10278
3	Delaware, Maryland (except NCR area), Pennsylvania, Virginia (except NCR area), West Virginia, all other counties of New Jersey	General Services Administration Ninth and Market Streets Philadelphia, PA 19107
4	Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee	General Services Administration 401 West Peachtree Street Atlanta, GA 30365-2550
5	Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin	General Services Administration 230 South Dearborn Street Chicago, IL 60604
6	Iowa, Kansas, Missouri, Nebraska	General Services Administration 1500 East Bannister Road Kansas City, MO 64131
7	Arkansas, Colorado, Louisiana, Montana, New Mexico, North Dakota, South Dakota, Oklahoma, Texas, Utah, Wyoming	General Services Administration 819 Taylor Street Fort Worth, TX 76102
9	Alaska, Arizona, California, Hawaii, Idaho, Nevada, Oregon, Washington; Guam, Trust Territory of the Pacific Islands, American Samoa	General Services Administration 525 Market Street San Francisco, CA 94105

GSA Region	Area Served	Mailing Address
NCR	Washington, DC and nearby metropolitan area of Maryland and Virginia	General Services Administration 7th and D Streets, SW Washington, DC 20407

SUBPART 101-17.49 FORMS

Section 101-17.4900 Scope of subpart.

This subpart contains information on forms that pertain to the assignment and utilization of space and instructions in their use.

Section 101-17.4901 Standard forms.

(a) Forms referenced to this Section 101-17.4901 are Government standard forms. The subsection numbers in this section correspond with the standard form numbers.

(b) Supplies of standard forms can be obtained from the nearest GSA supply distribution facility.

Section 101-17.4902 GSA forms.

(a) Forms referenced to this Section 101-17.4902 are GSA forms. The subsection numbers in this section correspond to the GSA form number.

(b) Agencies may obtain their initial supply of GSA forms from GSA National Forms and Publications Center, Box 17550, 819 Taylor Street, Fort Worth, TX 76102-0550. Agency field offices should submit all future requirements to their Washington headquarters office which will forward consolidated annual requirements to the General Services Administration (CAR), Washington, DC 20405.

REQUEST FOR SPACE
(See instructions on reverse)

1. DATE	2. AGENCY REQUEST NUMBER	3. LOCAL AGENCY CONTACT (Name)	PHONE NO.	4. AGENCY MARKET SURVEY REPRESENTATIVE (Name)	PHONE NO.

5. TO: GENERAL SERVICES ADMINISTRATION PUBLIC BUILDINGS SERVICE NO., STREET ▶ CITY & STATE ▶ ZIP CODE	6. FROM: AGENCY ▶ NO., STREET ▶ CITY & STATE ▶ ZIP CODE	7. FOR: AGENCY ADDRESS ZIP CODE BUREAU CODE

8. TYPE OF REQUEST ☐ INITIAL ☐ CONTINUING REQUIREMENTS ☐ EXPANSION ☐ REDUCTION	9a. GEOGRAPHIC SERVICE AREA	9b. DELINEATED AREA
10. TERM OF OCCUPANCY FROM (mo. & yr.) / TO (mo. & yr.)	NO. OF YEARS FIRM TERM	11. TOTAL NO. OF PERSONNEL TO BE HOUSED

12. SPACE REQUIREMENTS

		TYPE OF SPACE	NO. OF PERSONNEL	SQ. FT. PER PERSON	SQ. FT.	TOTALS
OFFICE	a.	PRIMARY OFFICE AREA				
		OFFICE SUPPORT AREA		▶		
		OFFICE SPACE SUBTOTAL			▶	
STORAGE	b.	ST 1 GENERAL STORAGE				
	c.	ST 3 WAREHOUSE STORAGE				
	d.	STORAGE SUBTOTAL (Lines b, c)			▶	
SPECIAL	e.	SP 1 LABORATORY & CLINIC				
	f.	SP 2 FOOD SERVICE AREA				
	g.	SP 3 STRUCTURALLY CHANGED				
	h.	SP 4 AUTOMATED DATA PROCESSING				
	i.	SP 5 CONFERENCE & TRAINING				
	j.	SP 6 LIGHT INDUSTRIAL				
	k.	SP 7 QUARTERS/RESIDENTIAL HOUSING				
	l.	SPECIAL SUBTOTAL (Lines e-k)			▶	
	m.	TOTAL SPACE REQUIRED (Lines a, d, & l)			▶	
	n.	OPEN LAND (Total acres)			▶	
	o.	ST 2 INSIDE PARKING (No. of spaces)				
	p.	OUTSIDE PARKING (No. of spaces)				
	q.	TOTAL PARKING SPACES (Lines o, p)			▶	

13. SPECIAL REQUIREMENTS AND SERVICES (see attached)
☐ ATTACHMENT(S)

14. AGENCY CERTIFICATION

I certify that this request is accurate and complete; is for the minimum amount of space required; is in compliance with FPMR 101-17, including all laws and executive orders governing the location of space; and that funds are available for payment of rent, moving expenses, telecommunication expenses, and any related reimbursable costs.

SIGNATURE	PHONE NO.	DATE

PRINT NAME AND TITLE

15. FOR GSA USE ONLY
(Action by Authorized GSA Official)

- ☐ GOV'T CONTROLLED SPACE TO BE ASSIGNED
- ☐ NO GOV'T SPACE AVAILABLE LEASING ACTION PLANNED
- ☐ UNIQUE AGENCY SPACE DETERMINED - SEE ATTACHED
- ☐ AGENCY AUTHORIZED TO ACQUIRE SPACE UNDER ITS OWN AUTHORITY
- ☐ COMMENTS ATTACHED

SIGNATURE OF AUTHORIZED GSA OFFICIAL	PRINT NAME AND TITLE

SPACE REQUEST NO.	DATE RECEIVED

NAME OF GSA REGIONAL CONTACT	PHONE NO.

NSN 7540-00-634-4030
Previous edition not usable.

81-107

STANDARD FORM 81 (REV. 2-88)
Prescribed by GSA - FPMR (41 CFR) 101-17

INSTRUCTIONS

Submitting the SF-81

Submit the SF-81 in triplicate, accompanied by a completed SF-81A, Space Requirements Worksheet, Space Requirements Questionnaire and any additional documentation to fully support the agency's space needs. Failure to provide complete and accurate information will delay processing and may result in return of the SF-81 for correction, update, and resubmission.

The SF-81 **must** be submitted by the office which has authority to obligate funds to reimburse GSA for all applicable costs associated with the delivery of space. Agency field components which do not have delegated authority to obligate funds **must** coordinate submission and approval of the SF-81 with offices which have this authority. A GSA Form 2957, Reimbursable Work Authorization, should be submitted when applicable.

Item 1. Date form is prepared.

Item 2. Agency established request number.

Item 3. Name and phone number of the local agency official who is knowledgeable of the request and will serve as the agency's point of contact for this project.

Item 4. Name and phone number of agency representative who will work with GSA if a market survey is conducted. This individual **must** have the authority to determine acceptability of the building and/or sites and their location.

Item 5. GSA regional office which has jurisdiction for geographical area where space is required.

Item 6. Name and address of organization making the request.

Item 7. Name of agency, and bureau code of the organization which will occupy the space (e.g. regional office, district office, field office) if different than information provided in block 6. City and state where the space is requested.

Item 8. Type of request. Initial: A request for new space that is not associated with an existing assignment. Expansion: A request for additional space associated with an existing assignment. Continuing requirements: A space action required for a lease renewal, succeeding lease, lease extension or move. Reduction: A space action that requires regional Real Estate Division effort to effect the partial or total termination of an assignment.

Items 9a. and b. Geographic/Delineated area that the agency will service. The geographic area (State, city, county, zip code, etc.) for which an agency/bureau has operational responsibility as well as the specific delineated area as identified and justified by the requesting agency. GSA review of the delineated area shall be limited to ensuring that the delineated area will provide adequate competition and the maximum use of existing Government controlled space (see item 14 Agency Certification).

Item 10. Period of time the organization will use the space and the suggested number of years for a firm term period. This time period **must** be representative of the longest period for which the agency can commit. "Indefinite" and "ASAP" are not acceptable responses.

Item 11. Total number of personnel to occupy the requested space. ("Personnel" means the peak number of persons to be housed, regardless of how many workstations are provided for them. In addition to permanent employees of the agency, personnel includes temporaries, part-time, seasonal, contractual employees and budgeted vacancies.)

Item 12. This portion of the SF-81 is used to identify agency's square footage requirements by type of space. All information should be supported by a detailed explanation on the Space Requirements Questionnaire and SF-81A.

Item 12, line a. This line identifies the Office Space Subtotal. The Office Space Subtotal is determined by entering the amount of space required for the primary office area and adding this to the amount required for the office support area. "Primary Office Area" is the primary people occupied area in which an activity's normal operational functions are performed.

"Office Support Area" refers to the areas constructed as office space and used to meet needs outside the agency's primary work area requirements (e.g. reception, conference, file, libraries, hearing, interview, and secondary work areas). Office support areas should be clearly identified on the attached SF-81A and Space Requirements Questionnaire.

Item 12, lines b, c. Amount of general and warehouse storage space required. (See item 12, line o for ST 2 inside parking).

Item 12, line d. Total amount of storage space required (add lines b and c).

Item 12, lines e-k. Amount of special space required.

Item 12, line l. Total amount of special space required (add lines e through k).

Item 12, line m. Total amount of Office, Storage and Special space required. (add lines a, d, and l).

Item 12, line n. Total acres needed. For amounts less than 1 acre, 1 acre equals 43,560 square feet.

Item 12, line o, p. Agency's inside and outside parking requirement. Certification that the parking is necessary for the efficient operation of the agency mission is required. One parking space equals 300 square feet. Please indicate the number of spaces.

Item 12, line q. Total parking spaces required. (Add lines o and p).

Item 13. This item refers to the specific architectural, mechanical, electrical, structural, and other special requirements related to each of the types of space requested in item 12. These include security; electrical; HVAC; floor loading; sound conditioning; fire and safety; and the need for after hours building access, utilities, and cleaning services. Such requirements **must** be fully defined by area, including computer rooms, laboratories, conference rooms, etc. These requirements must be specified in detail on the Space Requirements Questionnaire and SF-81A. Check box m item 13 to indicate if this information is attached.

Agency Certification

Item 14. The certification **must** be signed by an authorized agency official.

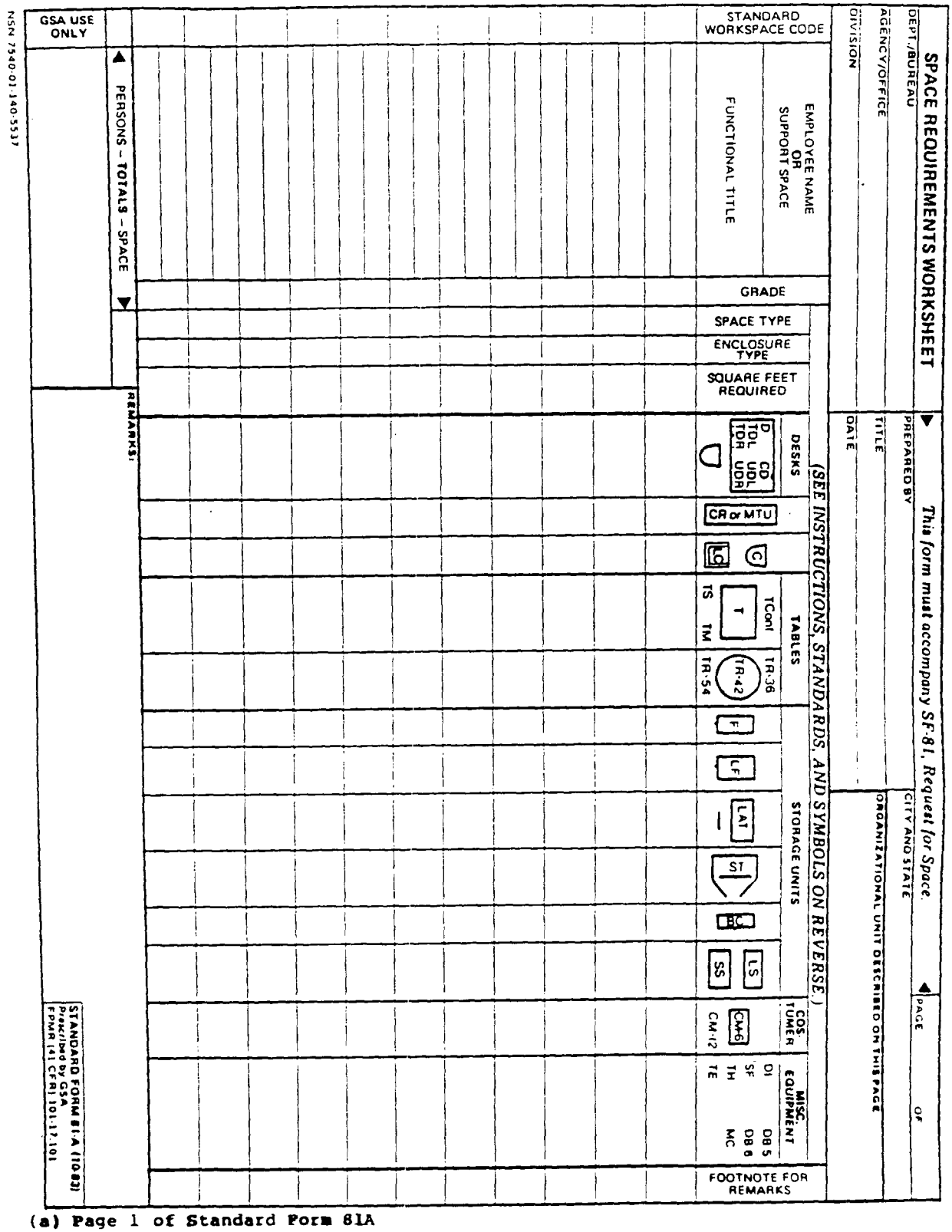
Item 15. GSA will evaluate the request in terms of the space available in its inventory and determine the appropriate action. If GSA determines that space requested is unique agency space, GSA will take no action until the agency has concurred with that designation. GSA will assign a space request number which will be used to track the request until it is satisfied.

Name and phone number of the GSA regional official who is knowledgeable of the request and will serve as GSA's point of contact.

STANDARD FORM 81 BACK (REV. 2-88)

(b) Page 2 of Standard Form 81

Section 101-17.4901--81A Space Requirements Worksheet



(a) Page 1 of Standard Form 81A

SECTION 1 INSTRUCTIONS, STANDARDS AND SYMBOLS

DESKS

D	Standard Desk 60x30
TDL or TDR	Typist Desk 60x34 w/Left or Right Typing Bed
UDL or UDR	Unitized Desk 60x30 w/Left or Right L-unit Return 36x18
CD	Conference Desk 72x36

STORAGE UNITS

F	File, Letter 15x28 (7)
LF	File, Legal 18x28 (8)
LAT	Lateral File 36x18 (9)
BC	Bookcase 34x14 (6)

TABLES

TConf.	Table, Conference 72x36
T	Standard Table 60x34
TM	Table, Medium 45x34
TS	Table, Small 36x24
MTU	Modular Table Unit 66x18
TR-54	Table, Round 54"
TR-42	Table, Round 42"
TR-36	Table, Round 36"
TH	Table, Host 42x18
TE	Table, End 18x24

DIVAN

DI	Divan or Sofa 72x40

CHAIR

C LC	Guest Chair Lounge Chair

MISCELLANEOUS

ST	Storage Cabinet 2-Door 36x18 (12)
SS	Steel Shelving 36x18 (10)
LS	Library Shelving 36x15
DB-6 (S)	Drawing Boards DB-5 60x40 DB-6 72x45 S: Stool
MC	Map Cabinet 54x42
CM-12	Costumer 12-Hanger 51x20 (14)
CM-6	Costumer 6-Hanger 30x20 (8)
CR	Credenza 66x18

SPACE TYPE SYMBOLS.	
O	Open Area
P	Private Area
SP	Semi-Private Area
ENCLOSURE TYPE SYMBOLS.	
CH	Ceiling-High Partition
PS	Privacy Screen
O	Open

SECTION 2 PROGRAMMING INSTRUCTIONS

(1) Organize the data supporting your request by functional work groups. When one work group has been described begin the next work group on a new page.

(2) The requesting agency is responsible for describing the following workspace elements of the *Space Requirements Program.*

- **Workstations** are indicated by employee name, functional title and grade for each *authorized and budgeted* position. *If the authorized position is vacant, so indicate.* Square feet required are determined by layout design on SF-81A, Part 2.
- **Common Function** spaces are indicated by the appropriate name of the workspace (conference, reception, etc.) and the symbol C/F in the grade column. Square feet required are determine by layout design on SF-81A, Part 2.
- **Administrative Support** spaces are either *centralized files* or miscellaneous equipment (i.e., costumers, an extra bookcase) not appropriately contained within other workspaces. Indicate A/S in the grade column. Square feet required may be determined by multiples of the allowance indicated in ( ) in Section 1 above.

(3) Develop the space requirements program in the following manner:

Step 1: List all workspace elements described in (2) above in an order determined by adjacency relationships.

Step 2: As necessary, prepare a standard workspace design on SF-81A, Part 2 for each workstation or common function workspace element. Indicate the dimensions of the workspace and calculate the square feet required.

Step 3: Use the symbols shown within the illustrations above in Section 1 to itemize furnishings and equipment on SF-81A. DO NOT LIST EXCESS. Itemized listings need not be shown for line items previously standardized. Simply code the line entry appropriately.

Step 4: Complete the line item entry by indicating space and enclosure type, square feet required and workspace code No.

(4) Describe, in *Remarks*, all special needs such as: weight of heavy items, special utilities, service access requirements, supplemental HVAC, etc. Develop a separate specification sheet if necessary.

(5) The information provided on these worksheets is to be summarized on SF-81, Request for Space, and submitted attached thereto.

* GPO : 1983 O - 420-498 (12)

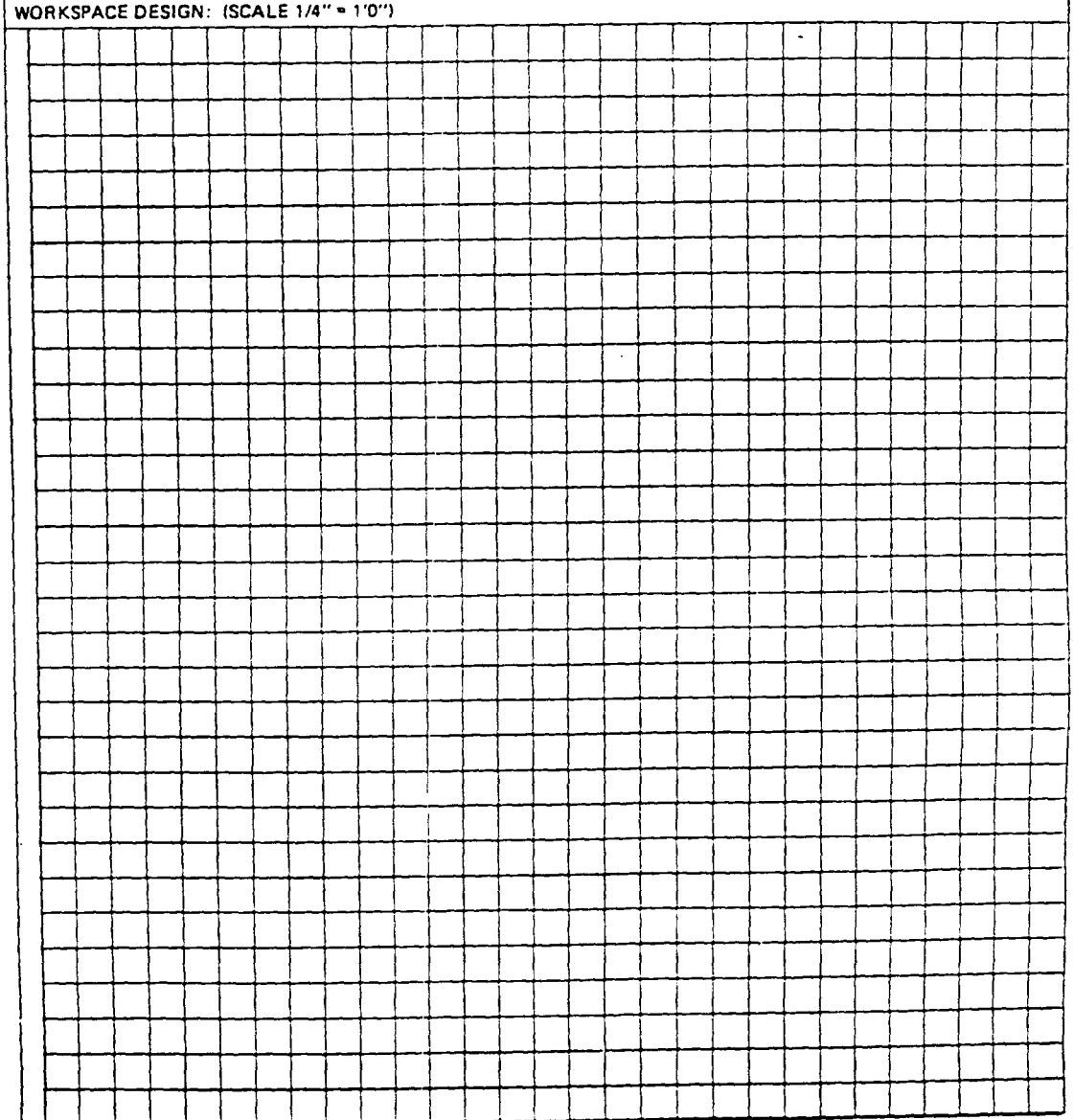
STANDARD FORM 81-A (10-83) BACK

(b) Page 2 of Standard Form 81A

STANDARD WORKSPACE DESIGN NO.

WORKSPACE DESCRIPTION ▼	GRADE	SPACE TYPE	ENCLOSURE	SQUARE FEET	DESKS	CREDENZAS	CHAIRS	TABLES	FILES	BC	ST	SS OR LS	MISC.

WORKSPACE DESIGN: (SCALE 1/4" = 1'0")



★ GPO : 1983 O - 420-498 (12)

STANDARD FORM 81-A PART 2 (10-83)

(c) Page 3 of Standard Form 81A

Section 101-17.4902-144 GSA Form 144, Net Space Requirements for Future Federal Building Construction.

NET SPACE REQUIREMENTS FOR FUTURE FEDERAL BUILDING CONSTRUCTION

CITY AND STATE			CONTEMPLATED BUILDING TITLE			
PART I	**NET SPACE NOW OCCUPIED**					
A.	IN GOVERNMENT-OWNED BUILDINGS					
BUILDING NAME	(1)		(2)		(3)	
TYPE OF SPACE	AREA (SQ. FT.)	NO. OF PERSONNEL	AREA (SQ. FT.)	NO. OF PERSONNEL	AREA (SQ. FT.)	NO. OF PERSONNEL
OFFICE						
FILE						
STORAGE						
OTHER						
TOTALS						
B.	IN LEASED BUILDINGS					
BUILDING NAME	(1)		(2)		(3)	
ADDRESS						
TYPE OF SPACE	AREA (SQ. FT.)	NO. OF PERSONNEL	AREA (SQ. FT.)	NO. OF PERSONNEL	AREA (SQ. FT.)	NO. OF PERSONNEL
OFFICE						
FILE						
STORAGE						
OTHER						
TOTALS						
ANNUAL RENTAL						
LEASE EXPIRES						
NOTICE TO CANCEL						
PROBABLE OCCUPANCY						

PART II NET SPACE REQUIREMENTS (Including A and B of PART I)

PROPOSED USE OF ROOMS (List according to plan arrangement and continuity desired)	NUMBER OF ROOMS	AREA OF EACH ROOM	TOTAL SPACE REQUIRED	PERSONNEL		SQ. FT. PER PERSON	THIS COLUMN FOR GSA USE
				MALE	FEMALE		
TOTALS							

DEPARTMENT OR AGENCY	BUREAU OR DIVISION	
APPROVED BY	TITLE	DATE
(Signature)		

GENERAL SERVICES ADMINISTRATION — GSA FORM 144 (2-65)

(a) Page 1 of GSA Form 144

INSTRUCTIONS

This report is to provide information as a basis for the design of the Federal building specified on the face of this form.

Additional copies of the form, or attachments on plain paper with appropriate headings, should be used if necessary to furnish complete information. If space is not desired in the proposed building, enter a statement to that effect at the bottom of Part II of this form.

PART I

A and B: NET SPACE NOW OCCUPIED. Enter complete information for each kind of occupancy. Use a separate column for each building. Enter the building name in the space provided, and give the aggregate of each kind of space occupied in the building. The dimensions for computing net space are taken from the inside faces of exterior walls to faces of corridor walls, and from center to center of cross partitions (or the faces of partitions separating net assignable areas from other areas).

PART II

NET SPACE REQUIREMENTS. The entries here should indicate the net space requirements based on staffing permitted by current appropriations or authorizations. Space allowances for additional staffing based on future programs will be allowed by GSA only if such programs have Bureau of the Budget approval. Space ultimately will be assigned in accordance with GSA Reg. 2-11, with due regard to the allowances set forth in section 502.00 of that Chapter. Agencies should be guided accordingly in stating estimated net space requirements. Exclude estimated space requirements for temporary or emergency expansion.

PROPOSED USE OF ROOMS: List the types of occupants such as "Executives", "Junior Executives", "Secretaries", and "Clerks" in the order of planning arrangement, or in the order of preferred arrangement if no plan has been made. If any of the following types of rooms or facilities are needed, give the additional information required for each:

Conference or meeting room	- Number of persons to be seated.
Counters	- Length and location.
File Room	- Number and type (letter, legal or special) of file cases.
Laboratory	- Quantity and dimensions of fixed equipment.
Library	- Number of volumes and readers.
Service platform and yard	- Number and size of vehicles and extent of shipping activities.
Storage and supply room	- Quantity and type of material stored and extent of activity.
Vaults	- Size and purpose.

A special justification is required, explaining the need in detail, for any unusual requests for space.

Complete and accurate data must be entered in Part II; the size and cost of the contemplated building will depend upon these data.

GSA FORM 144 (BACK) (2-65)

(b) Page 2 of GSA Form 144

CLASSIFICATION AND STANDARD ALTERATIONS

CLASSIFICATION

A. Office Space (Space which provides a suitable environment in its present state for an office operation, and which includes, among other features, adequate lighting, heating and ventilation, floor covering, finished walls, and accessibility.) The following represent uses of office space:

(1) General purpose office space,
(2) Private corridors,
(3) Meeting rooms (without special equipment and additional heating, ventilation, and air-conditioning (HVAC)),
(4) Training rooms (without special equipment and HVAC),
(5) Libraries (without extensive built-in stacks and special floor loading),
(6) Dry laboratories,
(7) Storage in office space,
(8) Credit unions (without fixed equipment),
(9) Lounges (other than toilet areas),
(10) Reception areas,
(11) Hearing rooms (without special equipment and HVAC),
(12) Mail rooms,
(13) Health rooms (without special equipment),
(14) Table areas in cafeterias (without supplementary HVAC or other special features),
(15) File areas (without increased floorload),
(16) Wellness/physical fitness facilities (exercise and/or locker areas finished to office standards),
(17) Child care facilities (except toilets and kitchen areas), and
(18) Judiciary chambers and jury rooms authorized prior to fiscal year 1992.

STANDARD ALTERATIONS (SA'S)

SA's are those alterations necessary to sprepare an agency's space to meet the basic requirements for the particular classification of space:

A. Office Space.

Floors - Either resilient flooring or carpeting of a grade and type specified in the Standard Solicitation for Offers (SFO) or by the most recent Federal Supply Service (FSS) standard commercial grade carpet used for schedule purchases.

Ceilings - Must be structurally sound, and be at least 8'0", and no more than 11'0" clear from finished floor to the lowest obstruction. Sound Transmission Coefficient (STC) rating of 40.

Partitions - New and/or existing ceiling high interior partitions shall be provided to a maximum of one linear foot for each 10 square feet of occupiable office type space. STC rating of 40.

Wall Treatment - Paint or vinyl wall covering as is the building standard. Vinyl will not be less than 13 oz. per square yard. Government approved wood, rubber, vinyl, or carpet base will be provided as part of the initial tenant buildout (per building standard).

Window Treatment - Building standard. Any deviation will be considered reimbursable.

HVAC - Heating, ventilation, and air-conditioning (HVAC) system capable of maintaining an acceptable operating environment. HVAC services including equipment startup and shutdown will be provided for an 11 hour day, 5 days a week (excluding holidays). Service required beyond normal HVAC equipment operating hours or on weekends or holidays are reimbursable. For further information see FPMR 101-21.300.

CLASSIFICATION

A. Office Space (CONT'D)

STANDARD ALTERATIONS (SA'S)

Lighting - Must provide a minimum of 50-footcandles at work surface.

Electrical Outlets - Electrical outlets will be provided to a maximum of two duplex or one quadruplex electrical outlet for each 100 sq. ft., or in the case of systems furniture, 1 base feed for every 100 sq. ft. of occupiable office type space. Workstation outlets shall be wired so that no more than four workstations are on one 20 AMP circuit. Convenience outlets (outlets mounted on columns or permanent walls or in private offices, conference rooms, libraries, or file/supply rooms) shall be wired to accommodate no more than 8 receptacles to one 20 AMP circuit. Special copier or printer outlets shall be provided at the rate of 1 outlet for every 10,000 sq. ft.

Telecommunications - Conduits and ducts will be provided for tenant agency telecommunications based on a standard planning assumption of one telephone and one data instrument for every 100 square feet of occupiable office space.

Computer Local Area Network (LAN) System Cable Installation - Conduit and/or raceway to accommodate LAN cable installation on a floor or between floors shall be installed as part of the standard tenant buildout. All LAN cable must be purchased by the tenant agency and furnished to a lessor or a contractor for installation (lessor or contractor will specify amount of cable required based on Government layout). Installation instructions and diagrams must be provided by the tenant agency or its computer vendor to the lessor or contractor along with the approved space (design intent) layout. Cable installation shall be done by the lessor/contractor with the assistance and/or advice of the tenant agency's personnel or computer vendor. The computer vendor must be hired and funded by the tenant agency.

CLASSIFICATION

A. **Office Space** (CONT'D)

STANDARD ALTERATIONS (SA'S)

Fire & Safety - Buildout shall conform with the criteria cited in FPMR 101-20.105.

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Typical above-standard office space alterations, which must be justified by the agency, include the following:

- Folding partitions and structural support work required to support them.
- Nonstandard lighting (decorative lights, spot lights, etc.). Parabolic light fixtures shall be considered as standard lighting if they are installed as a standard feature of a building.
- Observation windows in private offices, side light glass panels installed for decorative purposes. (Unless specified in an approved space allocation standard).
- Dutch doors (agency to pay the difference in cost between a standard door and a dutch door).
- Glass pass-through windows installed in standard office space.
- Glass doors or double doors except for main (central) reception doors or doors to large supply or forms areas where shipments come in from dock areas.
- Digital security locks, magnetic (Card Key or Kastle System) locks.
- STC ratings greater than 40 in walls and ceilings (unless otherwise indicated in an agency SAS).

CLASSIFICATION

A. Office Space (CONT'D)

STANDARD ALTERATIONS (SA'S) (CONT'D)

- o Alarm systems; if not required by GSA risk assessment.
- o Single electrical outlets on one 20 AMP circuit, unless specified as standard alterations in an approved GSA/agency Space Allocation Standard.
- o Sound masking.
- o Interior private or semiprivate office door locks (standard private or semiprivate shall have passage set hardware) conference and supply rooms may have locks.

Provision of the above will be on a reimbursable basis.

CLASSIFICATION

B. Storage Space (All storage space will be classified under subset of general storage area, inside parking area, or warehouse.)

1. General Storage Areas (ST-1). Storage in general purpose buildings generally consisting of unfinished floors, walls, ceilings, and adequate HVAC and lighting, including:

a. Basements,

b. Attics,

c. Supply rooms (not finished to office standards),

d. Storerooms (not finished to office standards), and

e. File rooms (not finished to office standards).

STANDARD ALTERATIONS (SA'S)

B. Storage Space

1. General Storage Areas

Floors - Sealed concrete, wood block, or other material adequate for general storage.

Ceilings - Unfinished.

Partitioning - No additional partitioning or wall finish except for required firewalls and agency separating partitions. Door openings shall be wide enough to allow the passage of hand trucks. Doors and jambs shall be installed with protective plates to prevent damage.

Heating and Ventilation - Capable of maintaining an acceptable operating environment with a temperature range between 65° and 85°. HVAC services, including equipment startup and shutdown will be provided for an 11 hour day, 5 days a week (excluding holidays). Service required beyond normal HVAC equipment operating hours or on weekends or holidays are reimbursable. For further information see FPMR 101-21.300.

Lighting - Maintain 30 foot-candles at floor level.

Fire & Safety - Buildout shall conform to the criteria cited in FPMR 101-20.105.

Telecommunications and local area networks - Will be installed as appropriate to the functional requirements of the space.

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Typical above-standard alterations for general storage areas include:

- Dead bolt locks on interior room doors. The entry door can be secured with a deadbolt lock.

CLASSIFICATION

B. Storage Space (CONT'D)

STANDARD ALTERATIONS (SA'S)

B. Storage Space (CONT'D)

- o Interior security/safety partitioning. Subdivision of tenant areas by wire mesh partition is adequate when security is not a major consideration.
- o Above-standard levels of lighting (above 30-footcandles at floor level).
- o Special fire protection features for flammable materials.

CLASSIFICATION

B. **Storage Space**

2. **Inside Parking (ST-2)** - Inside parking areas include:

a. Garage,

b. Parking areas (including rooftops and decks), and

c. Motor pool parking.

3. **Warehouse Areas (ST-3)** - Space specifically designed for materials storage and handling operations consisting of features which include, but are not limited to, concrete or wood block floors, unfinished ceiling, heavy live floor load capacity (over 200 pounds psf), high ceiling (over 14 feet), and industrial lighting. This classification may apply to entire buildings with warehouse features, including minor amounts of supporting office space.

STANDARD ALTERATIONS (SA'S)

B. **STORAGE SPACE**

2. **Inside Parking**

- Adequate identification of parking areas will be provided.

- Sprinkler protection (Fire and safety - buildout features shall conform to the criteria specified in FPMR 101-20.105.)

3. **Warehouse Areas**

Floors - Sealed concrete, wood block, or other material adequate for warehousing service.

Ceilings - Unfinished.

Partitioning - No additional partitioning or wall finish except required firewalls and agency separation partitions.

Heating and ventilation - Capable of maintaining an minimal operating environment. HVAC services will be provided for an 11 hour day, 5 days a week (excluding holidays). Service required beyond normal HVAC equipment operating hours or on weekends or holidays are reimbursable. For further information see FPMR 101-21.300.

Lighting - Maintain a minimum of 10-footcandles.

Toilet Facilities - On a case-by-case basis.

Electrical Service - As required, and including normal hookup to agency warehousing equipment. No telephone outlets will be provided.

Exterior Building Features - Features, such as covered loading docks, power operated doors, dock-levelers, and railroad sidings available for use will be provided when justified by agency and approved by GSA.

CLASSIFICATION

C. Storage Space (CONT'D)

3. Warehouse Areas (ST-3) (CONT'D)

STANDARD ALTERATIONS (SA'S)

3. Warehouse Areas (ST-3) (CONT'D)

* * * * *

Typical above-standard alterations for warehouse areas include:

- o Plumbing (excluding toilets)
- o Load levelers
- o Special fire protection features for flammable materials
- o Loading ramp
- o Floor drains with sediment trap and sump

CLASSIFICATION

C. **Special Space** - Space that necessitates the expenditure of additional or varying sums to construct, maintain, and/or operate as compared with the amount spent for office and storage space. Determination of the normal level will be made by GSA on a case-by-case basis using both industry and GSA-recognized standards. This space is further defined according to one of the following subsets:

1A. Laboratories (SP-1A) - Space containing built-in equipment and utilities required for the qualitative or quantitative analysis of matter, experimentation, the processing of materials, and for photographic development including:

a. Wet laboratories,
b. Clean laboratories, and
c. Photographic laboratories.

STANDARD ALTERATIONS (SA'S)

C. Special Space

1. **Laboratories** - Alterations will be provided in accordance with the levels specified for office space. In addition, they may include the installation of special building equipment to meet the environmental requirements of the laboratory:

Floors - As required, special floors such as quarry tile, grating, etc., will be provided by GSA.

Plumbing and sewage - As required, special building equipment such as special piping and associated water treatment equipment, special sewage disposal and floor drainage systems, and water, gas, compressed air, and vacuum systems will be provided by GSA. Normal hookup will be provided to the space perimeter consistent with architectural, mechanical, electrical, and structural requirements and limitations.

Electrical distribution - All necessary electrical service, including normal hookup, will be provided consistent with architectural, mechanical, electrical, and structural requirements and limitations.

Ceiling and lighting - Where special light fixtures are required to meet the functional needs of a laboratory, they will be included as a standard alteration. Ceiling materials shall be appropriate to the function of the laboratory.

Fire and safety - All new construction shall meet current GSA standards related to fire protection and employee safety.

CLASSIFICATION

C. Special Space (CONT'D)

1A. Laboratories

STANDARD ALTERATIONS (SA'S)

Heating, ventilation, and air-conditioning - As required, special building equipment to treat and exhaust to the atmosphere noxious or offensive gases produced by agency program equipment will be provided. In addition, fresh air suitable to meet the special requirements, up to 100 percent fresh air, temperature control +/-2 degrees within the design range, and humidity control +/-5 percent within the design range will be provided. HVAC services including equipment startup and shutdown will be provided for an 11 hour day, 5 days a week (excluding holidays). Service required beyond normal HVAC equipment operating hours or on weekends or holidays are reimbursable. For further information see FPMR 101-21.300. Fume hoods and/or dust or smoke filtration devices mounted in the ceiling to maintain a safe and clean environment shall also be provided.

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Typical above-standard alterations for laboratory and clinic space:

- Revolving dark room doors,
- Laboratory casework is considered to be furniture and will not be provided or installed by GSA. GSA will, however, prepare floors, ceilings, and/or walls as necessary to permit the installation of casework,
- Backup electrical generators, and
- Security systems (GSA will provide conduit and cutouts for security systems provided that agencies can clearly identify their special needs during the space requirements development process).

CLASSIFICATION

C. Special Space

1B. Private toilets, clinics and health facilities (SP-1B). Space for the physical welfare of employees or the public including:

a. Clinics,

b. Health units and/or rooms (with special built-in medical equipment and/or plumbing),

c. Private toilets and showers,

d. Wellness/physical fitness shower rooms,

e. Child care facility toilet, and

f. Jury room toilets.

STANDARD ALTERATIONS (SA'S)

1B. Private toilets, clinics and health facilities (SP-1B). Alterations will be provided in accordance with the levels specified for office space. In addition, alterations include, exhaust fans, plumbing rough-ins and fixtures, ceramic tile (where appropriate) structural ceiling support for ceiling-mounted X-ray equipment, lead-lined partitions for X-ray rooms and toilet room fixtures (including towel racks, toilet tissue dispensers, etc.).

NOTE: Private toilets and showers for all judiciary functions shall be finished in accordance with the provisions of the current version of the U.S. Court Facility Standard.

Floors - May include, carpet, vinyl tile, or ceramic tile (standard for judiciary) depending on the most economical.

Walls - May include ceramic tile where appropriate.

Heating, ventilation and air-conditioning - Capable of providing an acceptable operating environment and/or to remove odors from toilet rooms. HVAC services including equipment startup and shutdown will be provided for an 11 hour day, 5 days a week (excluding holidays). Service required beyond normal HVAC equipment operating hours or on week-ends or holidays are reimbursable. For further information see FPMR 101-21.300.

Plumbing - As required, water, gas, waste and floor drain systems, including normal rough-in and hookup of fixtures consistent with the architectural, mechanical, electrical and structural requirements and limitations. Toilet room fixtures (towel and toilet tissue dispensers) shall be standard.

Ceilings and lighting - Ceiling materials and lighting shall be in accordance with office standards; however, fixtures should be compatible with the function and environmental (moisture levels, etc.) requirements of the space.

CLASSIFICATION

C. Special Space (CONT'D)

1B. Private toilets, clinics and health facilities (SP-1B)

STANDARD ALTERATIONS (SA'S)

* * * * *

Typical above-standard alterations for SP-1B space are as follows:

- o Clinic or health room cabinets and casework,
- o X-ray equipment,
- o Backup electrical generators, and
- o Security systems to protect pharmacies or medical supplies and equipment.

CLASSIFICATION

C. Special Space

2. Food Service Areas (SP-2) - Space in buildings devoted to the preparation and dispensing of foodstuffs including:

a. Cafeterias (kitchens, related storage and service areas),

b. Snack bars,

c. Mechanical vending areas (where plumbing is provided), and

d. Private kitchens with plumbing (including kitchens in child care facilities).

STANDARD ALTERATIONS (SA'S)

C. Special Space

2. Food Service Areas - Food service areas will be provided with initial alterations in accordance with the levels specified for office space, with additions or exceptions as follows:

Floors - With nonslip tile or quarry tile with cove base molding in large commercial type kitchen areas;

Partitions and ceilings - Smooth surface and washable in food preparation areas;

Heating, ventilation, and air-conditioning - Capable of maintaining an acceptable operating environment in food preparation areas, vending machine rooms, and other concession areas having heat generating equipment. HVAC services including equipment startup and shutdown will be provided for an 11 hour day, 5 days a week (excluding holidays). Service required beyond normal HVAC equipment operating hours or on weekends or holidays are reimbursable. For further information see FPMR 101-21.300.

Electrical service - GSA will provide "all electrical service" including normal hookup, consistent with architectural, mechanical, electrical and structural limitations and the provision and installation of conduit for telephone distribution. Telephone service will not be provided by GSA in concession or blind operated facilities.

Plumbing - As required, water, gas, and waste systems, including normal hookup, consistent with architectural, mechanical, electrical, and structural limitations.

Special equipment - As determined by GSA on a case-by-case basis.

Fire & Safety - Buildout shall be in accordance with the criteria cited in FPMR 101-20.105.

CLASSIFICATION

C. Special Space

3A. Structurally Changed Areas (SP-3A) - Areas having architectural features differing from normal office or storage areas, such as sloped floors, high ceilings, increased floor loading.

a. Auditoriums (when ceiling exceeds 11 feet),
b. Gymnasiums (when ceiling exceeds 11 feet),
c. Libraries (with special stacks requiring above-standard floor loading),
d. Target ranges,
e. Security vaults (requiring structural alterations),
f. Secured Compartmented Information Facility (SCIF),
g. Detention cells (including prisoner toilets and sinks) and related sally ports and attorney/client consultation cubicles within the cell block, and
h. Judiciary courtrooms authorized prior to fiscal year 1992 for both prospectus and non-prospectus level projects.

STANDARD ALTERATIONS (SA'S)

C. Special space (SP-3A) - Structurally changed areas will be provided with initial alterations at levels required to provide standard features normally associated with the type of space being provided. Determination of the normal level will be made by GSA on a case-by-case basis using both industry and GSA-recognized standards. In the case of secured compartmented information facilities (SCIF), GSA will determine the standard level and notify agencies in writing.

Ceiling - Ceiling systems will be determined on a case-by-case basis depending on existing or proposed architectural features, acoustical requirements, electrical distribution and HVAC systems. However, standard level ceiling materials are limited to those which are readily available in the building supply market and do not involve unusual cost to provide, install, and maintain.

Walls - Construction in conformance with applicable GSA criteria for auditoriums, vaults, holding cells, etc.

Lighting - Accepted architectural standards for illumination levels will apply consistent with the type and usage of the space. Lighting fixtures for standard alterations are limited to commercially available units which do not involve unusual cost to provide, install, and maintain.

Window treatment - Building standard.

HVAC - Accepted architectural standard for HVAC systems will apply consistent with type and use of the space. HVAC services including equipment startup and shutdown will be provided for an 11 hour day, 5 days a week (excluding holidays). Service required beyond normal HVAC equipment operating hours or on weekends or holidays are reimbursable. For further information see FPMR 101-21.300.

CLASSIFICATION

C. Special Space (CONT'D)

3A. Structurally Changed Areas (SP-3A)

STANDARD ALTERATIONS (SA'S)

Electrical - Standard electrical service and connections will be supplied as required and will be provided consistent with architectural, mechanical, and structural requirements and limitations of the space.

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Typical above-standard alterations for SP-3A spaces are as follows:

- o Above-standard wall coverings (such as padding for gymnasium walls),
- o Built-in book (library) or storage (vault room) shelving,
- o Lockers,
- o Platforms or stages in auditoriums,
- o Built-in auditorium or gymnasium seating, and
- o Security systems including CCTV's, etc. for cell blocks.

CLASSIFICATION

C. Special Space

3B. Courtrooms - Judiciary (SP-3B). Courtrooms for U.S. District Court, Tax Court, United States Claims Court and U.S. Courts of Appeals requiring above-standard ceiling heights (more than 10 feet) column-free widths exceeding 30 feet and similar (large courtroom) features. For judiciary courtrooms authorized prior to FY 1992. See 3A, above.

STANDARD ALTERATIONS (SA'S)

C. Special Space

3B. Courtrooms - Judiciary (SP-3B).

Court facilities for the U.S. District Court and U.S. Court of Appeals shall be designed and constructed in accordance with the provisions of the most current "U.S. Court Facility Standard".

Courtroom furniture - Standard finishes shall include all courtroom furniture (except chairs for judges, attorneys, witnesses, juries or court staff). Courtroom furniture includes judge's benches, witness and jury boxes, railings, and spectator benches.

Doors - Doors into courtrooms shall contain view windows mounted at an appropriate height.

Finishes - Ceilings, walls, wall finishes, floor coverings, window treatments, and lighting shall be designed and constructed in accordance with the standards specified in the current "U.S. Court Facility Standard". Finishes of equal or less cost may be substituted where appropriate. The U.S. Courts must provide funding for finishes which exceed "U.S. Court Facility Standard" or their equivalent. GSA will make a determination on above-standard finishes and advise the Administrative Office of the U.S. Courts prior to design completion.

Claims Court, Tax Court and Court of International Trade - U.S. Claims Court, Tax Court or Court of International Trade courtrooms which require above-standard ceiling heights and column free widths exceeding 30 feet shall be designed and constructed to a standard equal to that of the U.S. District Court and Court of Appeals.

Telecommunications requirements - Conduits and ducts will be provided for courts' telecommunications (including television cable) requirements, but not to exceed a standard of one telephone and one data instrument for every 100 square feet of space. Any requirements above this level are above-standard and are to be reimbursed to GSA.

CLASSIFICATION

C. Special Space (CONT'D)

3B. Courtrooms - Judiciary (SP-3B)

STANDARD ALTERATIONS (SA'S)

C. Special Space

3B. Courtrooms (Judiciary) - (SP-3B)

Sound systems - Only required wiring and related conduits (including built-in speaker enclosures or hangers for court-furnished audio speakers) will be provided.

* * * * *

Typical above-standard alterations include:

- Security systems - All security measures and systems are considered above-standard alterations; therefore, are reimbursable by the Marshals Service or U.S. Courts. This includes: magnetometers, closed-circuit TV (CCTV), warning signals, X-ray devices and communications systems. GSA will provide conduits, cutouts, mortising, etc., only if clear scopes of work are provided by the Marshals Service or U.S. Courts during the design process.
- Clocks,
- Court seals,
- Audio equipment and its installation,
- Ornamental carvings or figures (such as eagles, stars, etc.) to be mounted on courtroom walls or courtroom furnishings,
- Murals,
- Jury or witness box chairs,
- Chairs and tables for judges, attorneys or court staff, and
- Signaling systems.

CLASSIFICATION

C. Special Space (CONT'D)

3B. Courtrooms - Judiciary (SP-3B)

STANDARD ALTERATIONS (SA'S)

C. Special Space

3B. Courtrooms (Judiciary) - (SP-3B)

NOTE*: New buildings built by GSA for use by court activities shall include elevator service designed to facilitate the secure movement of judicial officials and/or Federal prisoners within the building. Funding for the elevators will be included in the construction cost of the building.

*New buildings means buildings to be constructed for courts use or existing buildings undergoing major repairs, modernization or where new courtrooms and related space are to be provided. Secure elevators required by the Courts and/or Marshals Service in existing Courthouse buildings where no major repair, modernization or new courtroom construction are planned shall be reimbursable.

Fire and Safety - Buildout of facilities shall be in accordance with the provisions cited in FPMR 101-20.105.

CLASSIFICATION

C. Special Space

4. Automatic Data Processing (ADP) Area (SP-4) - Areas having special features such as humidity and/or temperature control, raised flooring, and ceiling heights exceeding office standard; and extensive power requirements (requiring its own power panels, etc., including):

a. Computer rooms, telecommunication (PBX) rooms with special environmental requirements;

b. Computer support areas with special flooring and/or wiring and (with humidity and/or temperature control); and

c. Computer tape vaults.

STANDARD ALTERATIONS (SA'S)

C. Special Space

4. Automatic Data Processing (ADP) Area - Automatic data processing areas will be provided with initial alterations in accordance with levels specified for office space, with additions or exceptions as follows:

(a) Raised floors - If required, installed to provide space for electrical and/or HVAC service for ADP equipment;

(b) Ceilings - As determined by GSA, acoustically treated and sound conditioned to meet the conditions and environmental requirements of each location. Ceiling STC shall not be less than 40.

(c) Heating, ventilation, and air-conditioning - Will be capable of maintaining an operating environment for the ADP equipment compatible with the manufacturer's recommendation; **NOTE:** HVAC services including equipment startup and shutdown will be provided for an 11 hour day, 5 days a week, (excluding holidays). Service required beyond normal HVAC equipment operating hours or on weekends or holidays are reimbursable. For further information see FPMR 101-21.300.

(d) Electrical distribution and electrical services - Includes normal hookup to a power panel within the ADP room. **NOTE:** Electrical services will be provided on a standard 11 hour shift 5 day week, excluding holidays and weekends. Services beyond this standard will be provided on a reimbursable basis.

(e) Telecommunications and local area networks - Will be installed as appropriate to the functional requirements of the space.

(f) Sprinkler protection - Wet pipe in all electronic equipment and tape storage areas. All Other fire and safety criteria cited in FPMR 101-20.105 shall be met.

CLASSIFICATION

C. Special Space

4. Automatic Data Processing (ADP) Area (SP-4) (CONT'D)

STANDARD ALTERATIONS (SA'S)

C. Special Space (CONT'D)

4. Automatic Data Processing (ADP) Area

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Typical above-standard alterations for ADP areas includes:

- o Isolation transformers,
- o Emergency shutdown control switches,
- o Uninterruptible power supplies,
- o Audible and visual alarms,
- o Special security locks, and
- o Supplemental Halon fire suppression system.

CLASSIFICATION

C. Special Space

5A. Conference and Classroom/ Training Facilities (SP-5A) - Areas used for conferences, training, library, hearings or minicomputer use with supplemental HVAC and/or built-in special equipment such as blackout curtains, lighting controls, projection booths and sounding conditioning, in addition to office finishes:

a. Conference rooms with special equipment and/or HVAC,

b. Hearing rooms with special equipment and/or HVAC, (does not include U.S. Court hearing rooms),

c. Classroom/training rooms with special equipment and/or HVAC,

d. Exhibit areas with special equipment and/or HVAC,

e. Table areas in cafeterias with supplementary HVAC or other special features,

f. Mini-computer/mega frame equipment rooms adjacent to office area requiring supplemental HVAC and minor special buildout such as deadbolt locks, dedicated electrical outlets, LAN cable distribution access, etc., (rooms requiring substantially less than SP-4 buildout),

g. Jury rooms (excluding toilets), and

h. Judiciary hearing rooms authorized prior to fiscal year 1992.

STANDARD ALTERATIONS (SA'S)

C. Special Space

5A. Conference and Classroom/Training Facilities (SP-5A) - Classrooms and training areas will be provided standard alterations in accordance with levels specified for office space, with additions or exceptions as follows:

a. Partitions - Structural floor slab to structural ceiling slab walls with a minimum sound transmission class (STC) of 45. Walls shall be constructed to accommodate agency furnished blackboards, projection screens or similar items. Entry/exit doors shall not compromise the STC of 45 requirement. Duct, pipe or other penetrations shall be properly sealed. Duct silencers shall be used as required to ensure the required STC of 45.

b. Ceilings - As determined by GSA, ceilings acoustically treated to provide a minimum sound transmission coefficient of 40 (STC 40); (ceiling supports for view screens are included);

c. Heating, ventilation, and air-conditioning - Supplemental, separately zoned heating, ventilation, and air-conditioning in conformance with GSA standards; all duct penetrations into the room shall be baffled so as not to compromise the STC requirement of the wall. HVAC services including equipment startup and shutdown will be provided for an 11 hour day, 5 days a week (excluding holidays). Service required beyond normal HVAC equipment operating hours or on weekends or holidays are reimbursable. For further information see FPMR 101-21.300.

d. Special features - Special features normally associated with the subcategories of space under this classification are determined by GSA on a case-by-case basis. These include such features as electrical service and normal hookup to agency equipment, blackout curtains, lighting controls, telephone and data lines and projection booths.

e. Fire & safety - Buildout shall be done in accordance with the criteria cited in FPMR 101-20.105.

CLASSIFICATION

C. Special Space (CONT'D)

5A. Conference and Classroom/ Training Facilities (SP-5A)

STANDARD ALTERATIONS (SA'S)

C. Special Space (CONT'D)

f. Telecommunications and local area networks - Will be installed as appropriate to the functional requirements of the space.

* * * * *

Typical above-standard finishes include:

- o Chair rails and paneling,
- o Sound absorbing material mounted on wall surfaces such as "Armstrong Soundsoak" panels, and
- o Blackboards and projection screens.

CLASSIFICATION

C. Special Space (CONT'D)

5B. Hearing Room - Judiciary (SP-5B). Small court facilities for the use of senior district court judges, bankruptcy court judges and magistrate judges. The hearing room typically has a clear column-free width of less than 30 feet. A ceiling height of less than 10 feet and smaller scale judges benches, jury and witness boxes and less spectator seating than large (SP-3B) courtrooms.

STANDARD ALTERATIONS (SA'S)

C. Special Space

5B. Hearing room (Judiciary) (SP-5B) - Hearing rooms will be designed in accordance with "U.S. Court Facility Standard" standards for such facilities.

Doors, walls, and ceilings - Wall and ceiling construction shall be the same as conference and training space. Doors into the hearing room shall have a glass view panel installed at the appropriate height.

Lighting - Lighting levels and the fixtures used shall be as specified in the "U.S. Court Facility Standard". Light switch location shall not compromise security.

Hearing room furniture - Hearing room furniture, including judge's bench, jury and witness boxes, spectator seating and railings are included. Jury seating, judge, attorney, staff and witness chairs and attorney tables are not included and must be provided by the courts. See "U.S. Court Facility Standard" for furniture details.

Heating, ventilation and air-conditioning - Shall be separately zoned and controlled and designed to operate in accordance with the current "U.S. Court Facility Standard" criteria. HVAC services including equipment startup and shutdown will be provided for an 11 hour day, 5 days a week (excluding holidays). Service required beyond normal HVAC equipment operating hours or on weekends or holidays are reimbursable. For further information see FPMR 101-21.300.

Electrical - As specified in the "U.S. Court Facility Standard".

Floor covering - As specified in the "U.S. Court Facility Standard".

CLASSIFICATION

C. Special Space (CONT'D)

5B. Hearing Room - Judiciary (SP-5B)

STANDARD ALTERATIONS (SA'S)

C. Special Space (CONT'D)

5B. Hearing room (Judiciary) (SP-5B)

* * * * *

Typical above-standard alterations include:

- o Security devices, including alarm systems, signaling systems CCTV equipment, etc., (conduit, cutouts and mortising of doors required will be considered standard alterations),
- o Jury, witness, judge and attorney chairs and tables, and
- o Audio systems (GSA will furnish conduit, speaker boxes and/or hangers and electrical service required to power the equipment.)

NOTE: Executive agency (or Commission) hearing facilities for Administrative Law Judges which require a judges bench shall be classified SP-5A. The judge's bench is reimbursable.

CLASSIFICATION

C. Special Space

5C. Judicial Chambers - U.S. Courts (SP-5C).

Chambers for all Article III Federal Judges, Bankruptcy Court Judges, Claims Court Judges and Tax Court Judges, and Magistrate Judges. Chambers typically have finishes that exceed office space standards. Included in the chambers space is the judge's private office, secretarial and law clerk spaces (judicial toilets are classified SP-1B).

STANDARD ALTERATIONS (SA'S)

C. Special Space

5C. Judicial Chambers - U.S. Courts (SP-5C). Design Standard Article III Judges, Bankruptcy Judges and Magistrate Judges are covered in the "U.S. Court Facility Standard". Standards for the others should be designed with similar finishes.

Doors, walls and ceiling and lighting - Walls shall be constructed to meet a minimum STC of 45. All entry doors shall be solid core wood. Ceilings, lighting and interior finishes shall be in accordance with the U.S. Court Facility Standard. Built-in bookcases shall be considered standard alterations.

Heating, ventilation and air-conditioning - Separately zoned and controlled HVAC designed to operate in accordance with the current "U.S. Court Facility Standard" criteria. HVAC services including equipment startup and shut-down will be provided for an 11 hour day, 5 days a week (excluding holidays). Service required byond normal HVAC equipment operating hours or on wekends or holidays are reimbursable. For further information see FPMR 101-21.300.

Electrical - As provided in office quality space. Electrical work shall also include conduit and related cutouts, etc., to allow security devices to be installed by the U.S. Marshals Service or Courts.

Floor covering - As specified in the "U.S. Court Facility Standard."

* * * * *

Typical above-standard alterations include:

- o Decorative ceiling work, and
- o Decorative light fixtures.

CLASSIFICATION

C. Special Space

6. Light Industrial Areas (SP-6) - Areas which may have some or all of the characteristics of warehouse space but, in addition, may be provided with one or more of the following features: air-conditioning, humidity control; special power, and a light level equal to or slightly less than that provided for office space including:

a. Records storage with humidity control;
b. Storage type space with air-conditioning;
c. Printing plants;
d. Product classifying laboratories;
e. Motor pool service areas;
f. Postal workrooms, swingrooms, (including swingroom toilets), locker rooms, mailing vestibules and platforms, lock box lobbies, and unsuspended lookout areas;
g. Shop (other than PBS);
h. Loading docks and shipping platforms;
i. Canopy areas if included in occupiable area;
j. Vertical improved mail system areas; and
k. Telephone frame rooms and unattended switchboards (for specific agency use).

STANDARD ALTERATIONS (SA'S)

C. Special Space

6. Light Industrial Areas

Doors, walls and ceiling and lighting - Light industrial areas will be provided with initial alterations at levels required to provide standard architectural, mechanical, electrical, telecommunications, and structural features normally associated with this type of space. Determination of the normal level will be made by GSA on a case-by-case basis using commercial standards.

CLASSIFICATION

C. Special Space

7. Quarters and Residential Housing - Quarters and residential housing areas (housing and quarters that do not logically fall in the other categories).

STANDARD ALTERATIONS (SA'S)

C. Special Space

7. Quarters and Residential Housing - Initial alterations will place quarters and residential housing in an occupiable and satisfactory condition.

1. Space for wellness/fitness facilities. Exercise equipment, lockers, and nonstandard interior finishes (purchase a lines installation) are the responsibility of the tenant agencies. In a multiple tenancy building, a lead agency should be identified to be the focus of actions relating to a fitness facility and to request its establishment. Normally, the lead agency would be the major occupant in the building. Physical fitness facilities in multiple tenant buildings will be assigned as joint-use space.

a. Exercise rooms. Exercise rooms will be treated the same as conventional office space and provided building standard features as follows:

(1) Floor covering such as vinyl tile or equivalent or acceptable grades of commercial carpet.
(2) Ceilings structurally sound and finished.
(3) Ceiling-high interior partitions.
(4) Heating, ventilation, and air-conditioning (HVAC) capable of maintaining the temperature as specified in FPMR 101-20.107.
(5) Sound attenuation to provide a minimum sound transmission coefficient of 40 (STC 40).
(6) Adequate lighting to maintain acceptable levels of illumination.

b. Locker rooms - Locker rooms will be treated as conventional office space and provided building standard features as follows:

(1) Ceilings that are structurally sound and finished.
(2) Floors that are concrete or finished with other non-slip material.
(3) Heating, ventilation, and air-conditioning (HVAC) capable of maintaining the temperature as specified in FPMR 101-20.107.
(4) Sound attenuation to provide a minimum sound transmission coefficient of 40 (STC 40).
(5) Adequate lighting to maintain acceptable levels of illumination.
(6) Walls that are wallboard or moisture resistant wallboard, as appropriate, and finished and painted or equivalent.

c. Shower rooms - Shower rooms will be treated as Private toilets, clinics and health facilities space (SP-1B) and provide building standard features as follows:

(1) Ceilings that are moisture resistant wallboard or equivalent.
(2) Floors with non-slip finishes.

Appendix B. Wellness/Physical Fitness Facilities

(3) Plumbing and fixtures as required, including water and waste, shower stalls, toilets, and sinks in such numbers as is consistent with the number or facility users and square footage available in the shower rooms.

(4) Adequate lighting to maintaining acceptable levels of illumination.

(5) Heating, ventilation, and air-conditioning (HVAC) capable of maintaining the temperature as specified in FPMR 101-20.107.

(6) Walls that are moisture resistant wallboard and finished and painted, or equivalent.

2. Criteria for establishing fitness programs. Agencies shall submit to the appropriate GSA regional office a Standard Form 81, Request for Space, and a plan for the proposed fitness program. Agencies may contact the President's Council on Physical Fitness and Sports for assistance in developing their plan. The plan should set forth the scope and goals of the proposed program and include the following elements as outlined by the President's Council on Physical Fitness and Sports:

(1) a survey indicating employee interest in the program;

(2) a 3 to 5 year implementation plan demonstrating long-term commitment to physical fitness/health for employees;

(3) a health related orientation, including screening procedures, individualized exercise programs, identification of high-risk individuals, and appropriate follow-up activities;

(4) identification of a person skilled in prescribing exercise to direct the fitness program;

(5) an approach which will consider key health behavior related to degenerative disease, including smoking and nutrition;

(6) a modest facility that includes only the essentials necessary to conduct a program involving cardiovascular and muscular endurance, strength activities, and flexibility;

(7) provision for equal opportunities for men and women, and all employees, regardless of grade level.

Depending on the scope and goals of the proposed program, one or more of the above elements may not apply or may apply only partially or indirectly. However, every attempt should be made to show that each of the above has been considered in the planning effort or are already provided under existing programs and activities sponsored by the agency personnel office, Public Health Service (PHS) health unit, employee association, or other official organization within the agency. For guidance on the development of health service programs, agencies may consult the PHS, Department of Health and Human Services.

Appendix B

A. **Basic policy**. Pursuant to 40 U.S.C. 490b, Federal agencies are authorized to allot space in Federal buildings to individuals or entities who will provide child care services to Federal employees. Federal agencies in GSA-controlled space are responsible for determining their respective child care needs and then requesting the appropriate space from GSA. Upon receipt of such a request, along with the result of a needs assessment survey indicating sufficient agency interest, GSA will provide the standard alterations for the child care center as defined in Appendix A. The cost of any other features not specified in Appendix A will be fully reimbursed to GSA by the user/tenant agency(ies) except as noted in paragraph (f) below.

Agency(ies) will sponsor child centers for their employees, submit space requests for their requirements, allocate space under license or other appropriate authorization document to either the provider of child care services for an employee user group, and pay Rent to GSA for the assigned space.

The provider will occupy the designated space pursuant to an assignment authorizing the sponsoring agency or lead agency (the agency which issues the Standard Form 81, Request for Space, in cases involving a joint-use assignment) to allocate the space to the provider of child care services or an employee user group.

B. **Leasing space for a child care center**. When necessary, GSA will acquire leased space to house a child care center or to relocate agency activities displaced by a child care facility established in GSA-controlled space. When leasing space specifically for a child care center, the lease term should not exceed 5 years unless otherwise determined by the contracting officer to be in the best interest of the Government. In the event the space for a child care center is part of a larger space acquisition for an agency or agencies, the lease term for the center should be coterminous with the other space leased by the Government in the building.

C. **Developing a child care facility out of existing assigned space**. When a portion of an agency's existing assigned space is made available by the agency for child care center use, the cost of alterations to the space will be fully reimbursable to GSA. However, if any of the alterations result in a higher space classification, GSA will fund the alterations for the upgrading of the space to be classified.

D. **New construction or use of modular buildings for child care**. Space solely for the purpose of providing a child care center normally will not be made available by GSA through new construction nor through the purchase or lease of modular

buildings. However, in special circumstances, where no other space can be economically developed and made available for child care use, modular buildings can be considered. In such circumstances, GSA shall be responsible for all expenses associated with site preparation and the purchase or lease of modular buildings including design services and water, sewer, and utility service installation costs.

E. Space classification. Space in child care centers will be classified in accordance with the standards specified in Appendix A.

F. Special buildout considerations. In addition to the standard alterations (SA'S) specified in Appendix A, child care center space will have all built-in features such as kitchen counters, shelves, cabinets, bookcases, closets, mailboxes, sinks and basins required throughout the center furnished and installed as part of the normal buildout. All rest rooms which will be utilized by children from the center should contain child-size toilets, handicapped accessible toilets and child accessible drinking fountains.

Floors in child care centers shall be covered with an acceptable grade of anti-static carpet or tile as appropriate.

All landscaping required to prepare outdoor play areas will be covered by GSA as a part of the standard alterations for a child care center. The purchase and installation of playground equipment will be the responsibility of the sponsoring agency(ies).

G. Special cleaning provisions. For reasons of safety and health, the entire child care center will be cleaned in the same manner as clinical space (i.e., Health Unit), regardless of the space classification.

H. Compliance with State and local requirements. To the maximum extent practical, GSA will comply with State and local laws and regulations relating to the development of facilities for use as child care centers.

I. Special safety and environmental considerations. Every effort shall be made to minimize safety and environmental hazards in the child care center space and play areas as well as in adjacent areas of a building frequented by children. Construction work on a center shall be done in a manner which will minimize sharp corners, tripping hazards, or other problems which may increase the potential for injury to children.

Appendix C

All lead base paint, even lead base paint in layers below existing coats, shall be removed from all surfaces in space to be utilized as a child care center. All other applicable Federal safety and environmental regulations or requirements; including those outlined in FPMR 101-20, must be also be met.

Appendix C

APPENDIX 6-4

(a) Page 1 of Standard Form 81

REQUEST FOR SPACE
(See instructions on reverse)

1. DATE	2. AGENCY REQUEST NUMBER	3. LOCAL AGENCY CONTACT (Name)	PHONE NO.	4. AGENCY MARKET SURVEY REPRESENTATIVE (Name)	PHONE NO.

5. TO: GENERAL SERVICES ADMINISTRATION, PUBLIC BUILDINGS SERVICE NO., STREET ▶ CITY & STATE ▶ ZIP CODE	6. FROM AGENCY ▶ NO., STREET ▶ CITY & STATE ▶ ZIP CODE	7. FOR: AGENCY ADDRESS ZIP CODE BUREAU CODE

8. TYPE OF REQUEST ☐ INITIAL ☐ CONTINUING REQUIREMENTS ☐ EXPANSION ☐ REDUCTION	9a. GEOGRAPHIC SERVICE AREA	9b. DELINEATED AREA
10. TERM OF OCCUPANCY FROM (mo. & yr.) / TO (mo. & yr.)	NO. OF YEARS FIRM TERM	11. TOTAL NO. OF PERSONNEL TO BE HOUSED

12. SPACE REQUIREMENTS

		TYPE OF SPACE	NO. OF PERSONNEL	SQ. FT. PER PERSON	SQ. FT.	TOTALS
OFFICE	a.	PRIMARY OFFICE AREA				
		OFFICE SUPPORT AREA			▶	
		OFFICE SPACE SUBTOTAL			▶	
STORAGE	b.	ST 1 GENERAL STORAGE				
	c.	ST 3 WAREHOUSE STORAGE				
	d.	STORAGE SUBTOTAL (Lines b, c)			▶	
SPECIAL	e.	SP 1 LABORATORY & CLINIC				
	f.	SP 2 FOOD SERVICE AREA				
	g.	SP 3 STRUCTURALLY CHANGED				
	h.	SP 4 AUTOMATED DATA PROCESSING				
	i.	SP 5 CONFERENCE & TRAINING				
	j.	SP 6 LIGHT INDUSTRIAL				
	k.	SP 7 QUARTERS/RESIDENTIAL HOUSING				
	l.	SPECIAL SUBTOTAL (Lines e-k)			▶	
	m.	TOTAL SPACE REQUIRED (Lines a, d, & l)			▶	
	n.	OPEN LAND (Total acres)			▶	
	o.	ST 2 INSIDE PARKING (No. of spaces)				
	p.	OUTSIDE PARKING (No. of spaces)				
	q.	TOTAL PARKING SPACES (Lines o, p)			▶	

13. SPECIAL REQUIREMENTS AND SERVICES (See attached)
☐ ATTACHMENT(S)

14. AGENCY CERTIFICATION

I certify that this request is accurate and complete; is for the minimum amount of space required; is in compliance with FPMR 101-17, including all laws and executive orders governing the location of space; and that funds are available for payment of rent, moving expenses, telecommunication expenses, and any related reimbursable costs.

SIGNATURE	PHONE NO.	DATE

PRINT NAME AND TITLE

15. FOR GSA USE ONLY
(Action by Authorized GSA Official)

- ☐ GOV'T CONTROLLED SPACE TO BE ASSIGNED
- ☐ NO GOV'T SPACE AVAILABLE LEASING ACTION PLANNED
- ☐ UNIQUE AGENCY SPACE DETERMINED - SEE ATTACHED
- ☐ AGENCY AUTHORIZED TO ACQUIRE SPACE UNDER ITS OWN AUTHORITY
- ☐ COMMENTS ATTACHED

SIGNATURE OF AUTHORIZED GSA OFFICIAL	PRINT NAME AND TITLE

SPACE REQUEST NO.	DATE RECEIVED

NAME OF GSA REGIONAL CONTACT	PHONE NO.

NSN 7540-00-634-4030
Previous edition not usable.

81-107

STANDARD FORM 81 (REV. 2-80)
Prescribed by GSA - FPMR (41 CFR) 101-17

INSTRUCTIONS

Submitting the SF-81

Submit the SF-81 in triplicate, accompanied by a completed SF-81A, Space Requirements Worksheet, Space Requirements Questionnaire and any additional documentation to fully support the agency's space needs. Failure to provide complete and accurate information will delay processing and may result in return of the SF-81 for correction, update, and resubmission.

The SF-81 must be submitted by the office which has authority to obligate funds to reimburse GSA for all applicable costs associated with the delivery of space. Agency field components which do not have delegated authority to obligate funds must coordinate submission and approval of the SF-81 with offices which have this authority. A GSA Form 2957, Reimbursable Work Authorization, should be submitted when applicable.

Item 1. Date form is prepared.

Item 2. Agency established request number.

Item 3. Name and phone number of the local agency official who is knowledgeable of the request and will serve as the agency's point of contact for this project.

Item 4. Name and phone number of agency representative who will work with GSA if a market survey is conducted. This individual must have the authority to determine acceptability of the building and/or sites and their location.

Item 5. GSA regional office which has jurisdiction for geographical area where space is required.

Item 6. Name and address of organization making the request.

Item 7. Name of agency, and bureau code of the organization which will occupy the space (e.g. regional office, district office, field office) if different than information provided in block 6. City and state where the space is requested.

Item 8. Type of request. Initial: A request for new space that is not associated with an existing assignment. Expansion: A request for additional space associated with an existing assignment. Continuing requirements: A space action required for a lease renewal, succeeding lease, lease extension or move. Reduction: A space action that requires regional Real Estate Division effort to effect the partial or total termination of an assignment.

Items 9a. and b. Geographic/Delineated area that the agency will service. The geographic area (State, city, county, zip code, etc.) for which an agency/bureau has operational responsibility as well as the specific delineated area as identified and justified by the requesting agency. GSA review of the delineated area shall be limited to ensuring that the delineated area will provide adequate competition and the maximum use of existing Government controlled space (see Item 14 Agency Certification).

Item 10. Period of time the organization will use the space and the suggested number of years for a firm term period. This time period must be representative of the longest period for which the agency can commit. "Indefinite" and "ASAP" are not acceptable responses.

Item 11. Total number of personnel to occupy the requested space. ("Personnel" means the peak number of persons to be housed, regardless of how many workstations are provided for them. In addition to permanent employees of the agency, personnel includes temporaries, part-time, seasonal, contractual employees and budgeted vacancies.)

Item 12. This portion of the SF-81 is used to identify agency's square footage requirements by type of space. All information should be supported by a detailed explanation on the Space Requirements Questionnaire and SF-81A.

Item 12, line a. This line identifies the Office Space Subtotal. The Office Space Subtotal is determined by entering the amount of space required for the primary office area and adding this to the amount required for the office support area. "Primary Office Area" is the primary people occupied area in which an activity's normal operational functions are performed.

"Office Support Area" refers to the areas constructed as office space and used to meet needs outside the agency's primary work area requirements (e.g. reception, conference, file, libraries, hearing, interview, and secondary work areas). Office support areas should be clearly identified on the attached SF-81A and Space Requirements Questionnaire.

Item 12, lines b, c. Amount of general and warehouse storage space required. (See Item 12, line o for ST 2 inside parking)

Item 12, line d. Total amount of storage space required (add lines b and c).

Item 12, lines e-k. Amount of special space required.

Item 12, line l. Total amount of special space required (add lines e through k).

Item 12, line m. Total amount of Office, Storage and Special space required. (add lines a, d, and l).

Item 12, line n. Total acres needed. For amounts less than 1 acre, 1 acre equals 43,560 square feet.

Item 12, line o, p. Agency's inside and outside parking requirement. Certification that the parking is necessary for the efficient operation of the agency mission is required. One parking space equals 300 square feet. Please indicate the number of spaces.

Item 12, line q. Total parking spaces required. (Add lines o and p).

Item 13. This item refers to the specific architectural, mechanical, electrical, structural, and other special requirements related to each of the types of space requested in Item 12. These include security; electrical; HVAC; floor loading; sound conditioning; fire and safety; and the need for after hours building access, utilities, and cleaning services. Such requirements must be fully defined by area, including computer rooms, laboratories, conference rooms, etc. These requirements must be specified in detail on the Space Requirements Questionnaire and SF-81A. Check box in Item 13 to indicate if this information is attached.

Agency Certification

Item 14. The certification must be signed by an authorized agency official.

Item 15. GSA will evaluate the request in terms of the space available in its inventory and determine the appropriate action. If GSA determines that space requested is unique agency space, GSA will take no action until the agency has concurred with that designation. GSA will assign a space request number which will be used to track the request until it is satisfied.

Name and phone number of the GSA regional official who is knowledgeable of the request and will serve as GSA's point of contact.

STANDARD FORM 81 BACK (REV. 2-49)

SPACE REQUIREMENTS WORKSHEET ▶ *This form must accompany SF-81, Request for Space.* ◀ PAGE OF

DEPT./BUREAU	PREPARED BY	CITY AND STATE
AGENCY/OFFICE	TITLE	ORGANIZATIONAL UNIT DESCRIBED ON THIS PAGE
DIVISION	DATE	

(SEE INSTRUCTIONS, STANDARDS, AND SYMBOLS ON REVERSE.)

STANDARD WORKSPACE CODE	EMPLOYEE NAME OR SUPPORT SPACE / FUNCTIONAL TITLE	GRADE	SPACE TYPE	ENCLOSURE TYPE	SQUARE FEET REQUIRED	DESKS (D, CD, TDL, UDL, TDR, UDR)	CR or MTU	C / LC	TABLES (TConf T, TS, TM; TR-36, TR-42, TR-54)	STORAGE UNITS (F, LF, LAT, ST, BC, LS, SS)	COS-TUMER (CM-6, CM-12)	MISC. EQUIPMENT (DI, DB-5, SF, DB-6, TH, MC, TE)	FOOTNOTE FOR REMARKS
	◀ PERSONS – TOTALS – SPACE ▶												

REMARKS:

GSA USE ONLY

STANDARD FORM 81-A (10-83)
Prescribed by GSA
FPMR (41 CFR) 101-17.101

NSN 7540-01-140-5537

101-17.4901(b)

SECTION 1 INSTRUCTIONS, STANDARDS AND SYMBOLS

DESKS

D	Standard Desk 60x30
TDL or TDR	Typist Desk 60x34 w/Left or Right Typing Bed
UDL or UDR	Unitized Desk 60x30 w/Left or Right L-unit Return 36x18
CD	Conference Desk 72x36

STORAGE UNITS

F	File, Letter 15x28 (7)
LF	File, Legal 18x28 (8)
LAT	Lateral File 36x18 (9)
BC	Bookcase 34x14 (6)

TABLES

TConf.	Table, Conference 72x36
T	Standard Table 60x34
TM	Table, Medium 45x34
TS	Table, Small 36x24
MTU	Modular Table Unit 66x18
TR-54	Table, Round 54"
TR-42	Table, Round 42"
TR-36	Table, Round 36"
TH	Table, Host 42x18
TE	Table, End 18x24

DIVAN

DI	Divan or Sofa 72x40

CHAIR

C LC	Guest Chair Lounge Chair

MISCELLANEOUS

ST	Storage Cabinet 2-Door 36x18 (12)
SS	Steel Shelving 36x18 (10)
LS	Library Shelving 36x15
DB-6 (S)	Drawing Boards DB-5 60x40 DB-6 72x45 S: Stool
MC	Map Cabinet 54x42
CM-12	Costumer 12-Hanger 51x20 (14)
CM-6	Costumer 6-Hanger 30x20 (8)
CR	Credenza 66x18

SPACE TYPE SYMBOLS:	
O	Open Area
P	Private Area
SP	Semi-Private Area

ENCLOSURE TYPE SYMBOLS:	
CH	Ceiling-High Partition
PS	Privacy Screen
O	Open

SECTION 2 PROGRAMMING INSTRUCTIONS

(1) Organize the data supporting your request by functional work groups. When one work group has been described begin the next work group on a new page.

(2) The requesting agency is responsible for describing the following workspace elements of the *Space Requirements Program*.

- **Workstations** are indicated by employee name, functional title and grade for each *authorized and budgeted* position. *If the authorized position is vacant, so indicate.* Square feet required are determined by layout design on SF-81A, Part 2.
- **Common Function** spaces are indicated by the appropriate name of the workspace (conference, reception, etc.) and the symbol C/F in the grade column. Square feet required are determine by layout design on SF-81A, Part 2.
- **Administrative Support** spaces are either *centralized files* or miscellaneous equipment (i.e., costumers, an extra bookcase) not appropriately contained within other workspaces. Indicate A/S in the grade column. Square feet required may be determined by *multiples of the allowance indicated in ( ) in Section 1 above.*

(3) Develop the space requirements program in the following manner:

Step 1: List all workspace elements described in (2) above in an order determined by adjacency relationships.

Step 2: As necessary, prepare a standard workspace design on SF-81A, Part 2 for each workstation or common function workspace element. Indicate the dimensions of the workspace and calculate the square feet required.

Step 3: Use the symbols shown within the illustrations above in Section 1 to itemize furnishings and equipment on SF-81A. DO NOT LIST EXCESS. Itemized listings need not be shown for line items previously standardized. Simply code the line entry appropriately.

Step 4: Complete the line item entry by indicating space and enclosure type, square feet required and workspace code No.

(4) Describe, in *Remarks*, all special needs such as: weight of heavy items, special utilities, service access requirements, supplemental HVAC, etc. Develop a separate specification sheet if necessary.

(5) The information provided on these worksheets is to be summarized on SF-81, Request for Space, and submitted attached thereto.

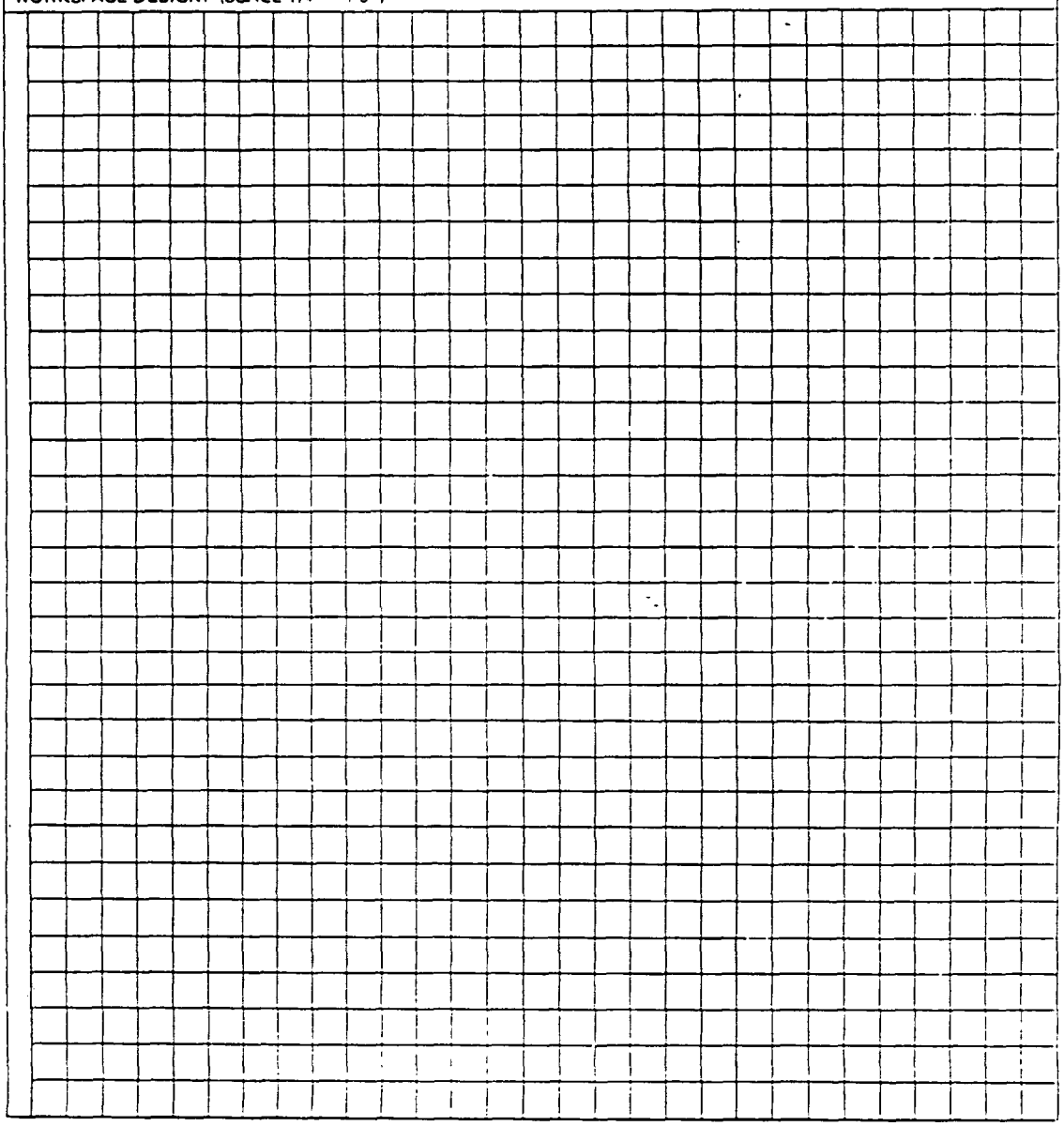
STANDARD FORM 81-A (10-83) BACK

(b) Page 2 of Standard Form 81A

STANDARD WORKSPACE DESIGN NO. _____

WORKSPACE DESCRIPTION ▼	GRADE	SPACE TYPE	ENCLOSURE	SQUARE FEET	DESKS	CREDENZAS	CHAIRS	TABLES	FILES	BC	ST	SS OR LS	MISC.

WORKSPACE DESIGN: (SCALE 1/4" = 1'0")



* GPO 1983 O - 420-498 (12)

STANDARD FORM 81-A PART 2 (10-83)

(C) Page 3 of Standard Form 81A

APPENDIX 6-5

6820-23

Federal Register

Thursday, March 7, 1996

Assignment and Utilization of Space

AGENCY: General Services Administration **ACTION:** Rule

GENERAL SERVICES ADMINISTRATION
41 CFR Part 101-17
RIN 3090-AF90

Assignment and Utilization of Space

AGENCY: Public Buildings Service, General Services Administration.

ACTION: Interim rule with request for comments.

SUMMARY: This interim rule begins the process of replacing Part 101-17 of the Federal Property Management Regulations (FPMR). Policy and procedures regarding the assignment and utilization of space have been provided by a series of temporary regulations since 1982, the most current being FPMR Temporary Regulation D-76 which went into effect on August 26, 1991. This interim rule repeals the outdated and superseded permanent FPMR Part 101-17 and provides new guidance concerning the location of Federal facilities in urban areas.

DATES: This interim rule is effective March 7, 1996. Comments should be submitted on or before April 8, 1996. This interim rule shall expire on March 7, 1997.

ADDRESS: Comments should be submitted to the General Services Administration, Public Buildings Service, Office of Commercial Broker (PE), Washington, DC 20405.

FOR FURTHER INFORMATION CONTACT:
Hilary Peoples, Assistant Commissioner, Office of Commercial Broker, at (202) 501-1025.

SUPPLEMENTARY INFORMATION: The purpose of this interim rule is to provide new, permanent FPMR guidance regarding the location of Federal facilities in urban areas.

On August 16, 1978, President Carter issued Executive Order 12072, which directs Federal agencies to give first consideration to centralized community business areas when filling federal space needs in urban areas. The objective of the Executive Order is that Federal facilities and Federal use of space in urban areas serve to strengthen the nation's cities and make them attractive places to live and to work. This regulation serves to reaffirm this Administration's commitment to Executive Order 12072 and its goals.

The General Services Administration (GSA) has determined that this rule is not a significant regulatory action for the purposes of Executive Order 12866.

This rule is not expected to have a significant economic impact on a substantial number of small entities within the meaning of the Regulatory Flexibility Act, (5 U.S.C. 601, et seq.). An initial regulatory flexibility analysis has therefore not been performed.

The Paperwork Reduction Act does not apply to this action because the proposed changes to the Federal Property Management Regulations do not impose reporting, recordkeeping or information collection requirements which require the approval of the Office of Management and Budget pursuant to 44 U.S.C. 3501, et seq.

List of Subjects in 41 CFR Part 101-17

Administrative practices and procedures. Federal buildings and facilities. Government real property management.

Authority: Sec. 205(c), 63 Stat. 390. 40 U.S.C. 486(c)

In 41 CFR Chapter 101. the following Interim Rule D-1 is added to the appendix at the end of Subchapter D to read as follows:

Federal Property Management Regulations Interim Rule To: Heads of Federal Agencies Subject: Assignment and Utilization of Space

1. Purpose. This interim rule begins the process of replacing Part 101-17 of the Federal Property Management Regulations (FPMR). Policy and procedures regarding the assignment and utilization of space have been provided by a series of temporary regulations since 1982, the most current being FPMR Temporary Regulation D-76 which went into effect on August 26. 1991. This interim rule repeals the outdated and superseded permanent FPMR Part 101-17 and provides new guidance concerning the location of Federal facilities in urban areas.

2. Effective date. This interim rule is effective March 7. 1996. Comments should be submitted on or before April 8. 1996.

3. Expiration date. March 7. 1997.

4. Comments: Comments should be submitted to the General Services Administration. Public Buildings Service. Office of Commercial Broker (PE), Washington. DC 20405.

5. Effect on other directives. This interim rule amends 41 CFR Part 101-17 by deleting all subparts and sections in their entirety and by adding a new § 101-17.205 entitled "Location of Space."

Dated: December 21. 1995.

Thurman M. Davis. Acting Administrator of General Services.

Subchapter D-Public Buildings and Space
PART 101-17-ASSIGNMENT AND UTILIZATION OF SPACE

101-17.205 Location of space.

(a) Each Federal agency is responsible for identifying its geographic service area and the delineated area within which it wishes to locate specific activities. consistent with its mission and program requirements. and in accordance with all applicable statutes. regulations and policies. Specifically. under the Rural Development Act of 1972. as amended. 42 U.S.C. § 3122. agencies are required to give first priority to the location of new offices and other facilities in rural areas. When agency mission and program requirements call for location in an urban area. agencies must comply with Executive Order 12072. August 16. 1978. 3 CFR. 1979 Comp., p. 213. which requires that first consideration be given to central business areas (CBAs) and other designated areas. The agency shall submit to GSA a written statement explaining the basis for the delineated area.

(b) GSA shall survey agencies' mission. housing, and location requirements in a community and include these considerations in community-based policies and plans. These plans shall provide for the location of federally-owned and leased facilities. and other interests in real property including purchases. at locations which represent the best overall value to the Government consistent with agency requirements.

(c) Whenever practicable and cost-effective. GSA will consolidate elements of the same

agency or multiple agencies in order to achieve the economic and programmatic benefits of consolidation.

(d)(1) GSA will consult with local officials and other appropriate Government officials and consider their recommendations for, and review of, general areas of possible space or site acquisition. GSA will advise local officials of the availability of data on GSA plans and programs, and will agree upon the exchange of planning information with local officials. GSA will consult with local officials to identify CBAs.

(2) With respect to an agency's request for space in an urban area, GSA shall provide appropriate Federal, State, regional, and local officials such notice as will keep them reasonably informed about GSA's proposed space action. For all proposed space actions with delineated areas either partially or wholly outside the CBA, GSA shall consult with such officials by providing them with written notice, by affording them a proper opportunity to respond, and by considering all recommendations for and objections to the proposed space action. All contacts with such officials relating to proposed space actions must be appropriately documented in the official procurement file.

(e) GSA is responsible for reviewing an agency's delineated area to confirm that, where appropriate, there is maximum use of existing Government-controlled space and that established boundaries provide competition when acquiring leased space.

(f) In satisfying agency requirements in an urban area, GSA will review an agency requested delineated area to ensure that the area is within the CBA. If the delineated area requested is outside the CBA, in whole or part, an agency must provide written justification to GSA setting forth facts and considerations sufficient to demonstrate that first consideration has been given to the CBA and to support the determination that the agency program function(s) involved cannot be efficiently performed within the CBA.

(g) Agency justifications for locating outside CBAs must address, at a minimum, the efficient performance of the missions and programs of the agencies, the nature and function of the facilities involved, the convenience of the public served, and the maintenance and improvement of safe and healthful working conditions for employees.

(h) GSA is responsible for approving the final delineated area. As the procuring agency, GSA must conduct all acquisitions in accordance with the requirements of all applicable laws, regulations, and Executive orders. GSA will review the identified delineated area to confirm its compliance with all applicable laws, regulations, and Executive orders, including the Rural Development Act of 1972, as amended, the Competition in Contracting Act, as amended, 41 U.S.C. § 252-266, and Executive Order 12072.

(i) Executive Order 12072 provides that ``space assignments shall take into account the management needs for consolidation of agencies or activities in common or adjacent space in order to improve administration and management and effect economies.'' Justifications that rely on consolidation or adjacency requirements will be carefully reviewed for legitimacy.

(j) Executive Order 12072 directs the Administrator of General Services to ``[e]nsure, in cooperation with the heads of Executive agencies, that their essential space requirements are met in a manner that is economically feasible and prudent.'' Justifications that rely on budget or other fiscal restraints for locating outside the CBA will be carefully reviewed for legitimacy.

(k) Justifications based on executive or personnel preferences or other matters which do not have a material and significant adverse impact on the efficient performance of agency program functions are not acceptable.

(l) In accordance with the Competition in Contracting Act, GSA may consider whether restricting the delineated area to the CBA will provide for competition when acquiring leased space. Where it is determined that an acquisition should not be restricted to the CBA, GSA may expand the delineated area in consultation with the requesting agency and local officials. The

CBA must continue to be included in such an expanded area.

(m) If, based on its review of an agency's requested delineated area, GSA concludes that changes are appropriate, GSA will discuss its recommended changes with the requesting agency. If after discussions the requesting agency does not agree with GSA's delineated area recommendation, the agency may take the steps described in this section. If an agency elects to request a review of the GSA's delineated area recommendation, GSA will continue to work on the requirements development and other activities related to the requesting agency's space request. GSA will not issue a solicitation to satisfy an agency's space request until all requested reviews have been resolved.

(1) For space actions of less than 25,000 square feet, an agency may request a review of GSA's delineated area recommendation by submitting a written request to the responsible Assistant Regional Administrator for the Public Buildings Service. The request for review must state all facts and other considerations and must justify the requesting agency's proposed delineated area in light of Executive Order 12072 and other applicable statutes, regulations, and policies. The Assistant Regional Administrator will issue a decision within fifteen (15) working days. The decision of the Assistant Regional Administrator will be final and conclusive.

(2) For space actions of 25,000 square feet or greater, a requesting agency may request a review of GSA's delineated area recommendation by submitting a written request to the Commissioner of the Public Buildings Service that the matter be referred to an interagency council for decision. The interagency council will be established specifically to consider the appeal and will be comprised of the Administrator of General Services or his/her designee, the Secretary of Housing and Urban Development, or his/her designee, and such other Federal official(s) as the Administrator may appoint.

(n) The presence of the Federal Government in the National Capital Region (NCR) is such that the distribution of Federal installations will continue to be a major influence in the extent and character of development. These policies shall be applied in the GSA National Capital Region, in conjunction with regional policies established by the National Capital Planning Commission and consistent with the general purposes of the National Capital Planning Act of 1959 (66 Stat. 781), as amended. These policies shall guide the development of strategic plans for the housing of Federal agencies within the National Capital Region.

(o) Consistent with the policies cited in paragraphs (a), (b), (c) and (e) of this section, the use of buildings of historic, architectural, or cultural significance within the meaning of section 105 of the Public Buildings Cooperative Use Act of 1976 (90 Stat. 2505) will be considered as alternative sources for meeting Federal space needs.

(p) As used in § 101-17.205, the following terms have the following meanings:

(1) "CBA" means the centralized community business area and adjacent areas of similar character, including other specific areas which may be recommended by local officials in accordance with Executive order 12072.

(2) "Delineated area" means the specific boundaries within which space will be obtained to satisfy an agency space requirement.

(3) "Rural area" means any area that (i) is within a city or town if the city or town has a population of less than 10,000 or (ii) is not within the outer boundaries of a city or town if the city or town has a population of 50,000 or more and if the adjacent urbanized and urbanizing areas have a population density of more than 100 per square mile.

(4) "Urban area" means any Metropolitan Area (MA) as defined by the Office of Management and Budget (OMB) and any non-MA that meets one of the following criteria:

(i) A geographical area within the jurisdiction of any incorporated city, town, borough, village, or other unit of general local government, except county or parish, having a population of 10,000 or

more inhabitants.

(ii) That portion of the geographical area within the jurisdiction of any county, town, township, or similar governmental entity which contains no incorporated unit of general local government, but has a population density equal to or exceeding 1,500 inhabitants per square mile; or

(iii) That portion of any geographical area having a population density equal to or exceeding 1,500 inhabitants per square mile and situated adjacent to the boundary of any incorporated unit of general local government which has a population of 10,000 or more inhabitants. (Reference: Intergovernmental Cooperation Act of 1968, 40 U.S.C. § 535.)

APPENDIX 6-6

PER-97-02

January 17, 1997

MEMORANDUM FOR ALL REAL PROPERTY LEASING ACTIVITIES
(PER DISTRIBUTION LIST)

FROM: HILARY PEOPLES (s) Alan Waldron for
ASSISTANT COMMISSIONER FOR
PROPERTY ACQUISITION AND REALTY SERVICES - PE

SUBJECT: Revised SFO, Lease Forms, and Procedures for
Can't Beat GSA Leasing

1. Purpose. This acquisition letter issues a revised Standard solicitation for offers (SFO), lease forms, and guidance on use of the SFO and forms. The SFO includes, among other items, the latest safety and environmental requirements as issued by acquisition letter PER-96-04, BOMA Usable square feet in lieu of occupiable square feet, new accessibility standards, a mandatory seismic safety paragraph for all seismic zones, an optional energy savings paragraph, and revisions for Can't Beat GSA Leasing. This letter also eliminates the requirement for procurement integrity certifications in accordance with the Clinger-Cohen Act of 1996 (Public Law 104-106).

2. Background.

   a. GSA began using Standard SFOs and GSA Forms 3516, 3517, and 3518 for leases over 10,000 square feet and Small Lease SFOs and related forms for leases up to 10,000 square feet in 1984. We have used Expedited Leases since 1991. Acquisition letter PER 95-03, *Simplified Procedures for Acquisition of Leasehold Interests in Real Property*, implemented the Federal Acquisition Streamlining Act of 1994 and authorized use of Simplified procedures for leases up to $100,000 net annual rental, which covers over 60 percent of GSA's leasing actions. Accordingly, Lease Lab regions have recommended that regions have greater authority to choose the size of solicitation and forms that are used in each lease contract, including the incorporation of provisions and clauses by reference. This letter provides that flexibility.

   b. The Americans With Disabilities Act and the Americans With Disabilities Act Accessibility Guidelines (ADAAG) apply to state and local Governments and the private sector. The Uniform Federal Accessibility Standards (UFAS) are applicable to the Federal Government. The ADAAG and UFAS are compatible in most of their requirements; however, UFAS is slightly more restrictive than the ADAAG in some areas and vice versa. When GSA seeks to lease space constructed to meet the ADAAG in the private market and the SFO requires compliance with the UFAS, this can create confusion for potential offerors. Therefore, we have revised SFO paragraphs to require compliance with both the ADAAG and UFAS.

   c. The Earthquake Hazards Reduction Act of 1977, as amended by Public Law 101-614, required the President to adopt "standards for assessing and enhancing the seismic safety of existing buildings constructed for or leased by the Federal Government which were designed and constructed without adequate seismic design and construction standards...."

Accordingly, on December 1, 1994, the President issued Executive Order 12941, *Seismic Safety of Existing Federally Owned or Leased Buildings,* and adopted the *Standards of Seismic Safety for Existing Federally Owned or Leased Buildings* which were published by the National Institute of Standards and Technology as NISTIR 5382. Those standards and latest national code improvements have made it necessary to revise SFO language and include consideration of seismic safety in all leases over 10,000 square feet.

d. GSA Form 2991, *Market Survey*, is out of date and no longer needed.

e. GSA Form 3627, Market Survey; GSA Form 3628, Lease Action Summary; and GSA Form 1364, Proposal To Lease Space, required minor changes to conform to Can't Beat GSA Leasing procedures.

f. Executive Order 12902, *Energy Efficiency and Water Conservation at Federal Facilities,* of March 8, 1994, requires GSA to adopt "a model provision on energy efficiency ... for inclusion in new leasing contracts." This acquisition letter includes that model provision.

g. On December 13, 1996, the Administrator issued an increase from $25,000 to $100,000 in the authority for agencies to contract for reimbursable space alterations. That change is reflected in the SFO paragraph *Alterations $100,000 or Less.*

3. Effective Date/Expiration Date. This acquisition letter is effective for all SFOs created after the date of issuance, and will expire in 1 year unless otherwise extended or canceled.

4. Cancellation. PQRP-94-05, *Standard and Small Lease Solicitation For Offers (SFO) and SFO Forms;* PER-96-01, *Revised Leasing Forms;* and GSA Form 2991, *Market Survey*, are cancelled.

5. Coverage. All real property leasing activities.

6. Instructions/Procedures. Business practices are attached. The following is a summary of attachments:

   a. Attachment 1 - Business Practices - Issuance and Use of Revised SFOs and Lease Forms.

   b. Attachment 2 - Minimum Requirements Standard SFO.

   c. Attachment 3 - GSA Form 3516, *Solicitation Provisions.*

   d. Attachment 4 - GSA Form 3517, *General Clauses.*

   e. Attachment 5 - GSA Form 3517A, *General Clauses (Short Form).*

   f. Attachment 6 - GSA Form 3518, *Representations and Certifications.*

   g. Attachment 7 - GSA Form 3518A, *Representations and Certifications (Short Form).*

   h. Attachment 8 - SFO *Accessibility, Accessibility and Seismic Safety, Seismic Safety for New Construction,* and *Energy Cost Savings* paragraphs.

Attachments

BUSINESS PRACTICES
ISSUANCE AND USE OF REVISED SFOs AND LEASE FORMS

1. Revised SFO and GSA Forms.

   a. This acquisition letter issues Simplified and Standard SFOs and forms: however, regional and case-by-case SFO and form variations are authorized within statutory and regulatory limitations.

   b. The primary versions of GSA Forms 3516, *Solicitation Provisions*. (Attachment 3) and 3517, *General Clauses*, (Attachment 4) now incorporate provisions and clauses by reference. The forms state that the full text is available from the contracting officer upon request or may be found on the Internet at http://www.gsa.gov/pbs/pe/standcla/ standcla.htm. Alternatively, the contracting officer may determine that the solicitation should be issued initially with full text. Full text versions of these forms are numbered 3516A and 3517B and are not attached, but are being issued in electronic format.

2. Standard SFO. A minimum requirements Standard SFO has been developed and is attached as Attachment 2. That SFO is taken from the full text of the Standard SFO. The full text of the Standard SFO and forms are not attached, but this office will issue them electronically to GSA real estate activities. They are available in electronic format for other Federal agencies and interested parties by contacting gary.roberts@gsa.gov. The Small Lease SFO will no longer be maintained; however, many of the paragraphs from that SFO have been added to the Standard SFO.

3. Use of Lease Forms and SFOs. The requirements for use of lease forms and SFOs are designed so that contracting officers may determine the level of detail that is necessary in each acquisition to reasonably assure that 1) the Government receives the correct type, amount, and quality of space and 2) the Government's interests are protected during the term of the lease.

   a. Leases Equal To or Less Than $100,000 Net Annual Rent.

      (i) Realty Specialists should use Simplified procedures, GSA Forms 3626, 3517A, 3518A, and supplemental requirements (as necessary) for leases which do not exceed this threshold. (GSA Forms 3626 was issued by PER-96-04.)

      (ii) Realty Specialists may use Standard Form 2 and a Standard SFO when more detail is needed. Realty Specialists may use GSA Form 3516 if the information on that form is not provided to offerors in another fashion. However, Realty Specialists may not use GSA Forms 3517 and 3518, as they contain clauses and provisions not required for Simplified acquisitions.

   b. Leases Greater Than $100,000 Net Annual Rent.

      (i) Realty Specialists must use the clauses and provisions on GSA Forms 3516, 3517, and 3518, although use of the forms themselves is at the contracting officer's discretion.

(ii) Standard Form 2 and the Standard SFO are recommended, but not required. Realty Specialists may use GSA Form 3626 in lieu of the SF 2; however, it must be supplemented with the minimum safety and environmental requirements from the Standard SFO. Realty Specialists may not use GSA Forms 3517A and 3518A, because they do not contain all of the provisions and clauses required by law for leases exceeding the Simplified threshold. The contracting officer may, however, determine that it is appropriate to delete or modify any of the GSAR real estate clauses numbered 1 - 21 on the Form 3517.

4. SFO Revisions.

a. Incorporated fire safety and environmental revisions as issued by PER-96-04, *Safety and Environmental Procedures in Lease Acquisition.*

b. Deleted the 5-page *Handicapped Accessibility* paragraph and the related subpar. (c) of *Toilet Rooms.* Accessibility requirements are incorporated by reference in a paragraph entitled *Accessibility.* This paragraph requires compliance with the Americans With Disabilities Act Accessibility Guidelines and the Uniform Federal Accessibility Standards, whichever are more stringent for the particular architectural feature.

c. Replaced all references to "occupiable" square feet with "BOMA Usable" and defined "BOMA Usable." (Attachment 8) Clauses affected include the GSAR clauses 552.270-4, *Historic Preference* and 552.270-25, *Adjustment for Vacant Premises.*

d. Deleted "firm" from "firm term" in 552.270-25, *Adjustment for Vacant Premises,* to allow for adjustments after the firm term has expired.

e. Added to the *How To Offer* paragraph a requirement for the offeror to submit an estimated construction cost and financing rate for buildout.

f. Edited *Location: Inside or Outside City Center* for consistency on parking and transportation.

g. Updated the *Accessibility, Accessibility and Seismic Safety,* and *Seismic Safety for New Construction* paragraphs and modified the first two to recognize that award may be made based on initial offers and that approval of waivers of accessibility requirements has been delegated from the Administrator to the Commissioner (Attachment 8). *Accessibility and Seismic Safety* is now required for all leases over 10,000 square feet in all seismic zones.

h. Added provisions of the old *Award Factors: General* paragraph to the *Negotiations* paragraph.

i. Modified *Negotiations, Accessibility, Accessibility and Seismic Safety, Other Factors,* and *Award Based on Price* to recognize the possibility of award based upon initial offers.

j. Updated *Plans With Offer* and *CAD As-Built Floor Plans* to reflect the latest CAD technology.

k. Deleted dates on referenced GSAR clauses in *Alterations $100,000 or Less* and *Overtime Usage* to assure continued reference to current versions of clauses.

l. Modified *Award* to delete specific reference to GSA Forms 3517 and 3518 and to recognize that the lease may include the GSA Form 3626.

m. Deleted the word "where" to improve clarity in the second line of *Labor Standards.*

n. Changed the text and title of *Alterations $25,000 or Less* to *Alterations $100,000 or Less* to reflect the issuance of FPMR Amendment D-95 dated December 13, 1996.

o. Revised *Common Area Factor* to require submission of factors "when applicable."

p. Removed references to *certifications* from *Building Systems, Acoustical Requirements, Utilities: Separate From Rental,* and *Floors and Floor Load.*

q. Removed language from the first subparagraph of *Elevators* which duplicated provisions in the *Normal Hours* and *Overtime Usage* paragraphs.

r. Modified *Overtime Usage* to clarify what uses the Government may make of the space without overtime payment.

s. Modified *Utilities* and *Utilities: Separate From Rental* to provide for choice of either paragraph without the other.

t. Modifed *Janitorial Services* to require "Control of pests as appropriate, using Integrated Pest Management techniques."

u. Added short versions of several clauses from the Small Lease SFO.

v. Added the optional paragraph, *Energy Cost Savings,* for use in leases with a firm term of 5 years or more which exceed the simpified lease acquisition threshold (Attachment 8).

w. Updated *Miscellaneous Labor Clauses* to incorporate the latest versions of 52.222-4 and 52.222-6.

5. GSA Form 3516, *General Provisions,* Revisions. (Attachment 3) Revised both the 3516 incorporation by reference version and the 3516A full text version of the forms as follows:

a. Deleted *Appraisal, Requirement for Radon Certification, Requirement for Certificate of Procurement Integrity,* and *Requirement for Recycling Representation.*

b. Substituted *Service of Protest (AUG 1996)* for the old provision.

6. GSA Form 3517, *General Clauses,* Revisions. (Attachment 4) Revised both the 3517 incorporation by reference version and the 3517B full text version of the forms as follows:

a. Incorporated the latest FAR and GSAR versions of several clauses.

b. Deleted *Requirement for Certificate of Procurement Integrity-Modification.*

c. Deleted *Asbestos and Hazardous Waste Management,* in accordance with PER-96-04.

d. Added the *Drug-Free Workplace* clause in place of the certification deleted from GSA Form 3518.

e. Replaced references to "occupiable" square feet with "BOMA Usable" in the following GSAR clauses -

(i) 552.270-21, *Changes*,

(ii) 552.270-28, *Default in Delivery - Time Extensions*, and

(iii)552.270-31, *Payment*.

7. GSA Form 3517A, *General Clauses (Short Form)*, Revisions. (Attachment 5) Deleted *Requirement for Certificate of Procurement Integrity-Modification.*

8. GSA Form 3518, *Representations and Certifications*, Revisions. (Attachment 6) Revised as follows:

a. Deleted *Asbestos Representation* and *Certification For Past or Present Hazardous Waste Operations* in accordance with PER-96-04, *Safety and Environmental Procedures in Lease Acquisition.*

b. Deleted *Certification Regarding A Drug-Free Workplace*, and updated *Small Business Program Representations.*

8. GSA Form 3518A, *Representations and Certifications (Short Form)*, Revisions. (Attachment 7) Updated *Small Business Representation.*

9. GSA Form 3627, Market Survey, Revisions. Revised to replace reference to occupiable with BOMA Usable. This optional form is not attached, but is being issued in electronic format.

9. GSA Form 3628, Lease Action Summary. Revised to replace reference to occupiable with BOMA Usable and to recognize that we accept an SF 81 or a "request." This optional form is not attached, but is being issued in electronic format.

10. GSA Form 1364, Proposal To Lease Space. Revised to replace reference to occupiable with BOMA Usable and to recognize that general clauses and representations and certifications are not required to be on a GSA form. This optional form is not attached, but is being issued in electronic format.

APPENDIX 6-7

STANDARD FORM 2
FEBRUARY 1965 EDITION
GENERAL SERVICES
ADMINISTRATION
FPR (41 CFR) 1-16.601

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE	LEASE NO.

THIS LEASE, made and entered into this date by and between

whose address is

and whose interest in the property hereinafter described is that of

hereinafter called the Lessor, and the UNITED STATES OF AMERICA, hereinafter called the Government:

WITNESSETH: The parties hereto for the considerations hereinafter mentioned, covenant and agree as follows:

1. The Lessor hereby leases to the Government the following described premises:

to be used for

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on

..... through ....., subject to termination and renewal rights as may be hereinafter set forth.

3. The Government shall pay the Lessor annual rent of $.....

at the rate of $..... per ..... in arrears. Rent for a lesser period shall be prorated. Rent checks shall be made payable to:

4. The Government may terminate this lease at any time by giving at least ..... days' notice in writing to the Lessor and no rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.

5. This lease may be renewed at the option of the Government, for the following terms and at the following rentals:

provided notice be given in writing to the Lessor at least ..... days before the end of the original lease term or any renewal term; all other terms and conditions of this lease shall remain the same during any renewal term. Said notice shall be computed commencing with the day after the date of mailing.

6. The Lessor shall furnish to the Government, as part of the rental consideration, the following:

7. The following are attached and made a part hereof:

The General Provisions and Instructions (Standard Form 2-A, ... edition).

8. The following changes were made in this lease prior to its execution:

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.

LESSOR

BY _____ _____
(Signature) *(Signature)*

IN PRESENCE OF:

_____ _____
(Signature) *(Address)*

UNITED STATES OF AMERICA

BY _____ _____
(Signature) *(Official title)*

STANDARD FORM 2
FEBRUARY 1965 EDITION

U. S. GOVERNMENT PRINTING OFFICE : 1974 O - 556-069

APPENDIX 6-8

PREPARED BY	DATE	LEASE ACTION SUMMARY	LEASE NUMBER

A. REQUIREMENTS

NAME OF REQUESTING AGENCY		NAME AND TITLE OF AGENCY REPRESENTATIVE	TELEPHONE NUMBER
BOMA USABLE SF *(Range)*	OCCUPANCY DATE	GENERAL DELINEATED AREA	REIMB. WORK AUTHORIZATION ☐ NOT REQUIRED ☐ IN FILE
TYPE OF SPACE ☐ OFFICE ☐ WAREHOUSE ☐ OTHER *(Specify)*		NOTIFICATION DATE / ACTION ☐ TELEPHONE CALL ☐ LETTER ☐ OTHER *(Specify)*	SF 81/REQUEST IN FILE ☐ YES ☐ NO

B. MARKET SURVEY AND NEGOTIATIONS

1

ADDRESS OF OFFERED SPACE	LOCATION OF OFFERED SPACE	LOCATION IDENTIFIED FROM ☐ REAL ESTATE TRADE PUBLICATION ☐ IN-HOUSE FILE ☐ OTHER *(Specify)*

NAME OF PARTY CONTACTED	SUMMARY OF DISCUSSION POINTS *(Requirements, Deficiencies, etc.)*
PARTY'S AFFILIATION WITH OWNER	
FIRST CONTACT DATE / BY ☐ TELEPHONE ☐ SITE VISIT	
DATE OF ON-SITE INSPECTION	
ATTENDEES	NEGOTIATED RESULTS *(Include initial and final offer)*

ACTION	YES	NO
SPACE IS AVAILABLE		
CONSIDER FOR NEGOTIATION		
OFFER SUBMITTED		

2

ADDRESS OF OFFERED SPACE	LOCATION OF OFFERED SPACE	LOCATION IDENTIFIED FROM ☐ REAL ESTATE TRADE PUBLICATION ☐ IN-HOUSE FILE ☐ OTHER *(Specify)*

NAME OF PARTY CONTACTED	SUMMARY OF DISCUSSION POINTS *(Requirements, Deficiencies, etc.)*
PARTY'S AFFILIATION WITH OWNER	
FIRST CONTACT DATE / BY ☐ TELEPHONE ☐ SITE VISIT	
DATE OF ON-SITE INSPECTION	
ATTENDEES	NEGOTIATED RESULTS *(Include initial and final offer)*

ACTION	YES	NO
SPACE IS AVAILABLE		
CONSIDER FOR NEGOTIATION		
OFFER SUBMITTED		

3	ADDRESS OF OFFERED SPACE	LOCATION OF OFFERED SPACE	LOCATION IDENTIFIED FROM ☐ REAL ESTATE TRADE PUBLICATION ☐ IN-HOUSE FILE ☐ OTHER *(Specify)*
	NAME OF PARTY CONTACTED	SUMMARY OF DISCUSSION POINTS *(Requirements, Deficiencies, etc.)*	
	PARTY'S AFFILIATION WITH OWNER		
	FIRST CONTACT DATE / BY ☐ TELEPHONE ☐ SITE VISIT		
	DATE OF ON-SITE INSPECTION		
	ATTENDEES	NEGOTIATED RESULTS *(Include initial and final offer)*	

ACTION	YES	NO
SPACE IS AVAILABLE		
CONSIDER FOR NEGOTIATION		
OFFER SUBMITTED		

IF MORE THAN THREE LOCATIONS SURVEYED, ATTACH SUPPLEMENTAL SHEETS AND CHECK HERE ☐ NUMBER ATTACHED ____

C. RATIONALE FOR AWARD	LOCATION NUMBER

☐ LOWEST PRICE ACCEPTABLE OFFER. PRICE IS CONSIDERED REASONABLE BASED UPON: *(Include market comparables and other data, if available).*

☐ OFFER REPRESENTS GREATEST VALUE TO THE GOVERNMENT *(Explain)*

D. APPROVAL OF AWARD

NAME AND TITLE OF CONTRACTING OFFICER	SIGNATURE	DATE

E. ACCEPTANCE FOR OCCUPANCY

NAME AND TITLE OF GOVERNMENT REPRESENTATIVE	SIGNATURE	DATE

Appendix 7

APPENDIX 7-1

UNITED STATES
DEPARTMENT OF ENERGY

LEASING HANDBOOK

February 1997

Office of Project & Fixed Asset Management

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I. Introduction

I.
INTRODUCTION

I. INTRODUCTION

A. PURPOSE AND PHILOSOPHY

The purpose of this handbook is to provide the user with a single source of information and guidance for planning, acquiring, and managing leasehold workspace to meet DOE needs. It is not intended to replace or supersede any statutes, regulations or procedures governing DOE leasing but, rather to correlate and highlight these requirements. Any discrepancy that may appear between the contents of this handbook and any applicable statute or regulation should be resolved in favor of the latter. In other words, this handbook does not constitute any new authority; it is only a guide.

1. Ownership vs. Leasing

One of the first questions to be decided in considering new workspace is the type of real estate interest that should be acquired. While there are many types of real estate interests, we will here discuss only two--fee simple ownership, in which the owner enjoys all rights and privileges pertaining to a parcel of land, and a leasehold, in which the lessee has been granted the right to use and occupy the parcel for a specified length of time under certain agreed conditions in return for payment of rent. There are advantages and disadvantages to each.

While ownership will generally cost less for a long-term or permanent installation, it requires a large up-front investment and often involves costly delays for construction. Leasing requires a much smaller annual outlay and allows quick occupancy of an existing building. However, replacing expensive special installations that were made in leased space can be very costly and the cost of a lease that continues too long can exceed that of buying property. An owner can use the property without any restrictions (other than those imposed by law, such as taxes and zoning), whereas a lessee's use is subject to the conditions in the lease.

For short-term or temporary needs, leasing offers greater flexibility and economic advantage. Leasing is easier and faster to accomplish than buying and walking away from leased space is also easier once the need for it ends.

The above are some factors to consider in making the choice between leasing and ownership. The decision should be made only after studying the type of space needed, time elements, and economics. For many needs under today's circumstances, leasing will be the preferred solution.

2. Applicability

This handbook is primarily intended to cover acquisition of leasehold interests in existing buildings and their appurtenant land. It also covers leasing of space to be provided by new construction.

If agreement on rent or other conditions cannot be reached with an owner and no acceptable alternative site is available, DOE can acquire a leasehold interest by condemnation. Should this become necessary, follow the procedures set forth in Chapter IV of DOE Order No. 4300.1C.

B. DEFINITIONS

The following real estate terms are among those used in this handbook and/or in leasing transactions with which realty specialists should be familiar. Some other specialized definitions appear in appropriate sections of the handbook.

1. Appraisal

- An estimate and opinion of value by an expert.
- The act or process of estimating value; usually a written statement of the appraiser's opinion of the market value of an adequately described parcel of property as of a specified date.

2. Area, Gross

The sum of all floor areas of a building (including all stories or areas that have floor surfaces and clear standing headroom of 6-1/2 feet or more), including basement (except unexcavated portions), attics, garages, roofed porches, mezzanines, loading platforms, shipping platforms, penthouse, mechanical equipment rooms, floors, lobbies, and corridors. Gross area does not include open courts, light wells, upper portions of rooms, unroofed areas such as cooling towers and unenclosed portions of ground level or intermediate stories.

3. Area, Mechanical

The portion of the gross area designed to house mechanical equipment, including boiler rooms, incinerator rooms, and transformer vaults.

4. Area, Occupiable

That portion of the gross area that is available for use by an occupant's personnel or furnishings, including ceiling-high corridors in a single tenancy space (which are removable) and space that is available jointly to the various occupants of the building, such as auditoriums, health units, and Government-controlled snack bars. Occupiable area does not include that space in the building devoted to its operations and maintenance, including craft shops, gear rooms, and building supply storage and issue rooms. (This is the standard used by the General Services Administration (GSA) for a number of years for assigning space and for establishing utilization rates. However, as of Fiscal Year 1997, GSA space will be assigned on the basis of BOMA Usable. See definition below.)

5. **Area, Rentable**

The rentable area in a leased building for which the tenant is charged rent.

6. **Area, BOMA Usable**

"Usable area" or "BOMA Usable" means that portion of the gross area thatis available for use by an occupant's personnel or furnishings, as well as space that is available jointly to the various occupants of the building, such as auditoriums, health units, and snack bars (i.e., joint-use space, including such areas in leased locations leased to the Government). Effective October 1, 1996, BOMA Usable is the standard measurement for the assignment of space to Federal agencies by the General Services Administration. See Chapter II, paragraph A.2.b. for complete definition.

7. **BOMA**

This Building Owners and Managers Association (BOMA) develops private industry's most accepted standard of floor measurement for office buildings.

8. **Building, Historic**

A building given preference under the terms of the Public Building Cooperative Use Act of 1976 and Executive Order 13006 when leased space is acquired using leasing authority delegated by GSA.

9. **Delineated Area**

An area described by words, sketch, design or diagram. Generally used to describe a suitable geographic area in which to lease space or locate a facility.

10. **Discounting**

Conversion of future cost or income into present value. The concept of time value that holds that the present value of a dollar of future costs or income decreases with the amount of time that will elapse before that dollar is paid.

11. **Escalation Clause, Leasing**

An agreement in the lease contract to adjust the rent payments in the event of an increase or decrease of costs such as taxes, services, and utilities, by way of the Consumer Price Index and actual tax billings.

12. **Highest and Best Use**

The most profitable likely use, within the realm of reasonable probability, to which a property can be put or adapted, and for which there is a current market.

13. **Lease, New**

A new lease covers space in a building for which there has been no prior DOE lease.

14. **Lease, Renewal**

The exercise of an option in the lease to renew its terms and conditions for an additional period.

15. **Lease, Sublease**

An agreement conveying the right of use and occupancy of a property, in which the lessor is the lessee in a preexisting lease.

16. **Lease, Succeeding**

A lease secured to cover continued occupancy of premise without a break in continuous tenancy, but under new terms and conditions.

17. **Lease, Superseding**

A lease that replaces a prior lease before it expires.

18. **Lease, Supplemental Agreement**

An amendment to a lease be mutual agreement of the lessor and lessee, changing, adding or deleting one or more of the terms and conditions of the lease.

19. **Lessee**

One who possesses the right to use or occupy a property under a lease agreement.

20. **Lessor**

One who conveys the right to use and occupy a property under a lease agreement.

21. **Personal Property**

Generally, movable items; that is, those not permanently affixed to and part of real estate. Generally, and with exceptions, items remain personal property if they can be removed without serous injury to either the real estate or the item itself. The definition is specifically

determined by intent. Personal property is further defined as those items determined not to be real property.

22. **Real Property**

This refers to the interests, benefits, and rights inherent in the ownership of physical real estate. It is the bundle of rights with which the ownership of real estate is endowed.

23. **Rent, Gross**

Total periodic rent paid to the lessor under the lease agreement, regardless of inclusion or exclusion of services or utilities.

24. **Rent, Net**

Bare contract rent exclusive of the reasonable value of services and utilities.

25. **Space, Special Purpose**

Work space that is predominantly utilized for the special purpose of an agency and is not generally suitable for the use of other agencies.

26. **Space, General Purpose**

Work space under the assignment authority of GSA that GSA has found suitable for the interchangeable use of Federal agencies.

27. **Survey, Market**

A field survey of the areas under consideration for a lease requirement for the purpose of obtaining information on market conditions and the availability of suitable space.

28. **Termination Clause**

A clause in a lease that describes lease termination rights (in addition to termination for default, fire, destruction) and the procedures for exercising such rights.

29. **Value, Fair Market**

The highest price estimated in terms of money that a property will bring if exposed for sale in the open market by a seller who is selling but not obligated to sell, allowing a reasonable time to find a buyer who is willing but not obligated to buy with both parties having full knowledge of all the uses to which it is adapted and for which it is capable of being used.

30. **Value, Fair Rental**

The monetary amount reasonably expected for the right to an agreed use of real property as established by competition in the rental market, or, if market data is inadequate or unavailable, that amount that will amortize the value of the remaining investment and provide a fair rate of interest return during the remaining useful life of the rented property. Also called "Fair Annual Rental."

C. AUTHORITY FOR LEASING

1. Real Property Other than General Purpose Office Space

The basic authority for DOE leasing is the DOE Organization Act - Public Law 95-91 (91 Stat. 965). This Act authorized DOE to acquire by lease real property *other than general purpose office space* necessary to accomplish its mission. Leases may be used to acquire needed special purpose space and land.

2. General Purpose Office Space

The Federal Property and Administrative Services Act of 1949 (40 U.S.C. 490 (h) (1)), as amended, and Section 1 of the Reorganization Plan No. 18 of 1950 (40 U.S.C. 490 Note) authorized the Administrator of General Services to acquire leasehold interests in general purpose space for use by all Government agencies and to add and manage such space, except as otherwise provided by statute. GSA may delegate some of this authority, at its discretion. The period of the lease may not exceed 20 years.

3. Delegation of Authority

Pursuant to a Delegation of Lease Acquisition Authority dated July 16, 1987, GSA granted DOE long-term leasing authority which permit's DOE to acquire special purpose space for firm terms of up to 20 years, and to lease general purpose space for firm terms of up to five years in areas where GSA controls less than 250,000 square feet of space. (See former DOE Order 4300.1C, Attachment I-1 for documents outlining GSA delegation criteria.) In addition, FPMR Amendment D-92 (2/23/93) revised Part 101-18, Acquisition of Real Property, to establish categorical space delegations that may be exercised by any agency; established new or amended existing agency special purpose space delegations; and authorizes up to 20 year lease terms for certain categorical and agency-specific space delegations. Section 101-18.104-3(d) is a delegation to DOE of up to 20 year authority to lease facilities housing the special purpose or special location activities of the old Atomic Energy Commission.

4. Types of DOE Leases

Conditions of leases and leasing procedures may vary according to signature authority. The following are the most common DOE lease types differentiated by this factor:

a. Signed by DOE under Public Law 95-91

Limitations are detailed in paragraph I.7.b. of DOE Order 4300.1C. Procedures will be covered in this handbook. Terms of leases funded by appropriations available for only one fiscal year may not exceed the fiscal year unless specifically authorized by statute. No-year funds must be committed, with Headquarters approval, for the entire amount of firm-term rent for terms exceeding one year. A prospectus must be submitted to and approved by congress for any lease with an annual net rent more than $1,740,000 as of Fiscal Year 1997. This figure is indexed each year.

b. Signed by DOE contractor under contract authority

Procedures and requirements are the same as if signed by DOE, except that:

- The contractor may lease general purpose space to house contractor personnel
- No prospectus is required
- Space requirements and proposed lease must be reviewed and approved by DOE
- Competition in Contracting Act does not apply, although competition is required

c. Signed by contractor under its own corporate authority

DOE contractors may enter into leases of any term or cost so long as the contract states that the terms of the lease, including rent, are the sole responsibility of the contractor and that the lease contains a provision that nothing in the lease shall bind, or purport to bind, the Government.

d. Signed by DOE under delegation of authority from GSA

See Paragraph 3, above.

D. FEDERAL STATUES APPLICABLE TO DOE LEASING PROGRAM

In addition to the basic DOE and GSA authorities cited in the preceding Section, the following statutes and regulations apply to all leasing actions by DOE:

1. Reorganization Plan No. 18 of 1950 (40 U.S.C. 490 Note)

Transferred all functions with respect to acquiring space in buildings by leases, and all functions with respect to assigning and reassigning space in buildings to GSA.

2. Federal Property and Administrative Services Act of 1949 (40 U.S.C. § 490(h))

Provides GSA with 20 year leasing authority. Permits delegation of this authority.

3. Public Building Act of 1959 (40 U.S.C. § 606)

Section 7 of this Act requires Congressional committee approval of leases with annual rental, excluding services and utilities, in excess of $1,740,000. Further requires Congressional committee approval for lease alteration projects in excess of $870,000. The numbers above are applicable for Fiscal Year 1997 and are indexed annually.

4. Competition in Contracting Act of 1984 (41 U.S.C. § 251 *et seq.*)

GSA acquires leased space through the use of full and open competitive procedures mandated by this Act.

5. Public Building Cooperative Use Act of 1976 (40 U.S.C. §§ 601a-612a)

Requires GSA to afford a preference to historic properties in the leasing process. Also provides for the outleasing to the public of vacant Federal space when no Federal tenancy needs are present.

6. The Small Business Act (15 U.S.C. §§ 631-647)

Requires a positive effort by Federal contractors to place subcontractors with small and small disadvantaged business concerns. The Act also requires publication of Federal procurement requirements, requires large businesses to submit small business subcontracting plans, and provides for liquidated damages for failure to meet subcontracting plan goals.

7. Rural Development Act of 1972 (42 U.S.C. § 3122)

Requires Federal agencies to give first priority to rural areas in locating facilities. See also Executive Order 12072 (paragraph E. 4, below) regarding the location of Federal facilities in urban areas.

8. **Contract Disputes Act of 1978 (41 U.S.C. §§ 601-613)**

Requires disputes arising from Federal contracts to be adjudicated by established process and procedures.

9. **Prompt Payment Act (31 U.S.C §§ 3901-3907)**

Requires Federal payments to contractors to be made in an expeditious manner, provides penalties for late payment by the Government, and requires that the Government be entitled to discounts for early payment.

10. **Assignment of Claims Act of 1940 (31 U.S.C. § 327)**

Allows contractors to assign rights to payment, including rent, to established financing institutions.

11. **The Architectural Barriers Act of 1968 (42 U.S.C. §§ 4151-4152)**

Requires that public buildings be made accessible to the physically handicapped through construction and alterations to provide for suitable accessibility, restrooms, plumbing, water fountains, elevators, etc. The requirements of this Act are implemented through the Uniform Federal Accessibility Standards.

12. **Fire Administration Authorization Act of 1992 (15 U.S.C. § 2227)**

Requires that an entire building be sprinklered or provide an equivalent level of life safety when Federal funds are used to lease 35,000 square feet or more of space in a building (under one or more leases) and some portion of the leased space is on or above the 6th floor. Also requires all hazardous areas be sprinklered in all Government leases

13. **Earthquake Hazards Reduction Act of 1977 (42 U.S.C. § 7705b)**

Requires adoption of standards for assessing the seismic safety of existing buildings constructed for or leased by the Government that were designed and constructed without adequate seismic design and construction standards.

14. **Energy Policy Act of 1992 (42 U.S.C. § 8253)**

Requires the Federal Government to meet 20 percent energy reduction targets by the year 2000. This includes Federally leased space.

15. **Occupational Safety and Health Act of 1970 (29 U.S.C. §§ 651-678)**

Requires GSA to ensure that space leased and assigned to agencies provides safe, healthful working conditions, including building features such as lighting, guard rails, indoor air quality, fire safety features, emergency elevator requirements, etc.

16. **The National Environmental Policy Act of 1969 (42 U.S.C. § 4321 *et seq.*)**

Requires an assessment of the environmental impacts associated with major Federal actions, including Government leasing.

17. **National Historic Preservation Act of 1966 (16 U.S.C. §§ 470-470w-6)**

Requires listed historical properties to be protected from harm as a result of Federal actions, including leasing.

18. **Randolph-Sheppard Act (20 U.S.C. § 107)**

Requires that licensed blind vendors be authorized to operate vending facilities on a Federal property, including leased buildings. The Act imposes a positive obligation on GSA to acquire space in buildings which have suitable sites for vending facilities.

19. **Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. § 4601 et seq.)**

Requires the payment of relocation benefits to persons displaced as a result of Federal actions. This Act is potentially applicable to persons displaced as a result of lease-construction projects on sites designated by the Government.

20. **Intergovernmental Cooperation Act of 1968 (40 U.S.C. §§ 531-535)**

Requires Federal agencies to consult with planning agencies and local elected officials and to coordinate Federal projects (i.e., usually large projects requiring Congressional prospectus approval) with development plans and programs of the state, region, and locality where the project is to be located.

21. **Drug-Free Workplace Act of 1988 (41 U.S.C. §§ 701-707)**

Requires contractors to make certifications regarding actions to reduce the possibility of drug use at the site of the performance of work. The requirements of the Act do not apply to contracts below the simplified acquisition threshold for leasing.

22. **Prohibitions Against Payments to Influence (31 U.S.C. § 1352)**

Requires certifications from contractor that funds have not and will not be paid to any person to influence the award of a Federal contract.

23. **Officials Not To Be Benefit (41 U.S.C. § 22)**

Prohibits any member of Congress from receiving any benefit arising from a Federal contract.

24. **Covenant Against Contingent Fees (41 U.S.C. § 254(a))**

Requires that no individuals other than full-time bona fide agents maintained by the contractor have been retained to solicit or obtain a Federal contract. This requirement is not applicable to contracts below the simplified acquisition threshold for leasing.

25. **Anti-Kickback Act of 1986 (41 U.S.C. § 51)**

Prohibits a contractor from soliciting or receiving kickbacks from subcontractors in return for subcontract awards. The requirements of this Act are not applicable to contracts below the simplified acquisition threshold for leasing.

26. **Anti-Lobbying (18 U.S.C. § 1913)**

Prohibits the use of appropriated funds to lobby Congress.

27. **Examination of Records (P.L. 103-355, § 2251)**

Authorizes the head of an agency and the Comptroller General to inspect records of Federal contractors. This authority is not applicable to contracts below the simplified acquisition threshold for leasing.

28. **Davis-Bacon Act of 1931 (40 U.S.C. §§ 276a-276a-7)**

Provides for payment of prevailing wages to laborers on Federal construction projects. This Act is potentially applicable to lease acquisitions when an offeror proposes to construct a building or completely reconstruct or rehabilitate an existing building for the predominant use of the Government.

29. **Contract Work Hours and Safety Standards Act of 1962 (40 U.S.C. §§ 327-333)**

Imposes 40 hour work week and time-and-a-half overtime requirements on certain contracts. This Act is potentially applicable to lease acquisitions when an offerer proposes to construct a building or completely reconstruct or rehabilitate an existing building for the predominant use of the Government. The Act does not apply to contracts below the simplified acquisition threshold.

30. **Copeland Act of 1937 (18 U.S.C. § 874; 40 U.S.C § 276c)**

This Act makes it unlawful for a contractor to force a kickback from any person employed in the construction or repair of a building or public work. The Act also requires contractors and subcontractors to furnish a compliance statement with respect to wages paid to employees. This Act is potentially applicable to lease acquisitions when an offeror proposes to construct a building or completely reconstruct or rehabilitate an existing building for the predominant use of the Government.

31. **Atomic Energy Act of 1954 (42 U.S.C. § 2201, as mandated)**

The Atomic Energy Act of 1954 sets forth conditions and rules relating to production and use of atomic energy and the furnishing of services and products in support thereof.

E. EXECUTIVE ORDERS AND REGULATIONS APPLICABLE TO THE DOE LEASING PROGRAM

1. **Executive Order 11246 - Equal Employment Opportunity (1965, 30 Fed. Reg. 12319)**

Prevents Federal contractors from discriminating against any employee or applicant for employment because of race, color, religion, sex, or national origin.

2. **Executive Order 11988 - Floodplain Management (1977, 42 Fed. Reg. 26951)**

Precludes Federal agencies from leasing space in buildings located within floodplains unless there are no practicable alternatives.

3. **Executive Order 11990 - Protection of Wetlands (1977, 42 Fed. Reg. 26961)**

Precludes Federal agencies from leasing space in wetland areas unless there are no practicable alternatives.

4. **Executive Order 12072 - Federal Space Management (1978, 43 Fed. Reg. 36869)**

Requires that first consideration be given to locating Federal facilities in urban areas within central business districts.

5. **Executive Order 12699 - Seismic Safety of Federal and Federally Assisted or Regulated New Building Construction (1990, 55 Fed. Reg. 835)**

Requires that new buildings constructed for lease to the Government are designed and constructed in accordance with appropriate seismic design and construction standards.

6. **Executive Order 12902 - Energy Efficiency and Water Conservation at Federal Facilities (1994, 59 Fed. Reg. 11463)**

Requires that appropriate consideration be given to efficient buildings in the leasing process. Increases Federal energy reduction goals to 30 percent by the year 2005.

7. **Executive Order 12941 - Seismic Safety of Existing Federally Owned or Leased Buildings (1994, 59 fed. Reg. 62545)**

Adopted standards of the Interagency Committee on Seismic Safety in construction (ICSSC) as the minimum level acceptable for use by Federal departments and agencies in

assessing the seismic safety of their owned and leased buildings and in mitigating unacceptable seismic risks in those buildings.

8. **Executive Order 13006 - Locating Federal Facilities on Historic Properties in Our Nations Central Cities (1996, 61 Fed. Reg. 26071)**

Subject to the Rural Development Act and Executive Order 12072, directs that Executive agencies give first consideration to locating Federal facilities in historic properties within historic districts when operationally appropriate and economically prudent.

9. **Federal Property Management Regulations (FPMR). Subchapter D Applies to Leases.**

This sets forth GSA policy for the leasing of space and describes the conditions under which GSA will delegate authority. Specific standing delegations are also set forth in this regulation.

10. **General Services Acquisition Regulations (GSAR)**

The GSAR was issued by GSA, effective April 1, 1984. It applies to all GSA contracts for supplies or services, including construction through purchase or lease. Part 570 of the GSAR contains policies and procedures on the acquisition of leasehold interests in real property. Part 501, 502, 503, 533, 552, 553, and subparts 504.70, 509.4, and 532.8 include policies and procedures which have general application to all contracts including leases of real property. Other GSAR provisions do not apply to leases of real property unless a specific cross reference is made to the provisions in Parts 501 and 570. Federal agencies which lease space under a delegation of authority from the Administrator of GSA are required to comply with the provisions of GSAR.

11. **DOE Order 4300.1C**

This Order, no longer mandatory in accordance with the Life Cycle Asset Management (LCAM) initiatives, established Department-wide policies and procedures for planning the development and utilization of sites and their facilities and for the acquisition, use, inventory, and disposal of real property or interests therein. It continues to serve as a useful reference and guidance document.

II. Planning for Acquisition

II.
PLANNING FOR ACQUISITION

II. PLANNING FOR ACQUISITION

A. DETERMINING SPACE REQUIREMENTS

1. Current Federal Policy

Federal policy on space requirements is established by Federal Property Management Regulations (FPMR) Temporary Regulation D-76 (8/26/91) which sets forth the methodology and criteria to determine the amount of space required and to develop the basic buildout requirements for a new or expansion space project (see Appendix 6-2 of the DOE Real Estate Desk Guide). Establishing the need involves identifying and describing the delineated area, the personnel to be housed, furniture and equipment needs, square footage required per person and in total, and technical requirements. Use of the Standard Form 81 (Request for Space) and its related documents (SF-81A, Parts 1 and 2) facilitates requirements development. (As a result of a General Services Administration [GSA] decision in October 1996, these forms are no longer mandatory in the formulation of a space need when making requests to GSA. However, their continued use is permissible, and they remain helpful tools in identifying and explaining requirements.) The GSA-developed "Space Requirements Guidelines and Questionnaire," available from GSA Regional Offices, is also a useful document in putting together information on the technical aspects of the space needs.

2. Space Utilization and Measurement

a. Utilization Rate

As a guide in determining the amount of space needed to house a particular activity, FPMR Temporary Regulation D-76 establishes a utilization rate target of 125 square feet per person in the primary office area. In addition, a threshold of 22 percent of the primary rate is established for the office support area. The utilization rate is determined by dividing the total primary office area by the number of people occupying the space. Space requirements that substantially exceed the thresholds should be given a "second look" to make sure the need is justified. There are no utilization rates for the storage and special categories of space, but they also should be closely scrutinized since rent for such space (particularly special space) can be high.

b. Measuring Space

Prior to 1994, most Government agencies with authority to acquire leased space used the "Net Usable" method of space measurement in soliciting and evaluating offers. However, since this was essentially a "Government" measurement system, it was generally unfamiliar to potential private sector offerors. Thus, the decision was made

by GSA in 1994 to shift to a local measurement system whereby the space requirement would be solicited in terms of the more widely utilized "rentable area" method. When rentable space is offered to the Government, the square footage total is adjusted by a "common area factor" (a percentage determined by the offeror to be the occupant's share of building support/common areas) to arrive at the Government's "Usable space," the actual area available for a tenant's personnel, equipment, and furnishings. "Usable space" or "BOMA Usable" has replaced "occupiable space" as GSA's standard measurement for assigning space to Federal activities. If the offered amount of rentable space is determined to be incapable of producing the required usable area, the offer must be rejected.

The definitions of "rentable space" and "usable space" are as follows:

> **Rentable space** is the area for which the tenant is charged rent. It is determined by the owner and may vary by city or by building within the same city. The rentable space may include a share of building support/common areas such as elevator lobbies, building corridors, and floor service areas. Floor service areas typically include restrooms, janitor rooms, telephone closets, electrical closets, and mechanical rooms. The rentable space generally does not include vertical building penetrations and their enclosing walls, such as stairs, elevator shafts, and vertical ducts.
>
> **Usable space** is that portion of the gross area that is available for use by an occupant's personnel or furnishings, as well as space that is available jointly to the various occupants of the building, such as auditoriums, health units, and snack bars (i.e., joint-use space, including such areas in locations leased to the Government). Usable space includes that space available for an occupant's personnel and furnishings used to provide circulation, whether or not defined by ceiling high partitions. Usable space does not include that space in the building devoted to its operations and maintenance, including craft shops, gear rooms, and building supply storage and issue rooms.
>
> Usable area is computed by measuring the area enclosed by the finished surface of the room side of corridors (corridors in place as well as those required by local codes and ordinances to provide an acceptable level of safety and/or to provide access to essential building elements) and other permanent walls, the dominant portion (see BOMA International Standard [ANSI/BOMA Z65.1-1996] definitions for "Office Area") of building exterior walls, and the center or tenant-separating partitions. Where alcoves, recessed entrances, or similar deviation from the corridor are present, BOMA Usable Square Feet shall be computed as if the deviation were not present.

Common Area Factor is a conversion factor(s) determined by the building owner and often applied to the usable area to determine the rentable square feet for the building.

B. DELINEATING THE AREA OF CONSIDERATION IN THE COMMUNITY

1. Size

Program requirements ultimately govern the location of required space and may limit the area of consideration. However, limitations on the area must be fully justified on the basis of mission requirements. Court decisions and legislation have reduced the flexibility of agencies in fixing boundaries within which to locate new facilities. Accordingly, to avoid conflict with statutory requirements and to forestall protests from bidders, the area of consideration must be consistent with mission requirements, conform with Federal location policy, and provide adequate competition.

2. Boundaries

In the determination of the geographic location in which to house a Federal activity, a number of statutes, orders, and regulations comes into play. Specifically, under the Rural Development Act of 1972, agencies are required to give first consideration to the location of new offices and other facilities in rural areas. If an agency concludes that a particular activity must be located in an urban area, then the requirements of Executive Order 12072 (Federal Space Management) must be applied. The Executive Order mandates that in urban areas first consideration be given to locating Federal facilities in the Central Business Area (CBA) and adjacent areas of similar character. Regulations governing the application of Executive Order 12072 to specific space actions are contained in Federal Property Management Regulations (FPMR) Temporary Regulation D-76 (41 CFR 101-17, Assignment and Utilization of Space).

A March 7, 1996, amendment (Interim Rule, FR Doc. 96-5301) to the location policy contained in FPMR Temporary Regulation D-76 places increased emphasis on locating Federal activities in the Central Business Areas of urban communities. Under the revised policy, GSA is given final approval authority for delineated areas. Any requests for delineated areas outside the CBA "in whole or in part" must be fully justified by the agency. Subparagraph (g) of Sub-part 101-17.205 outlines the matters that must be addressed in any justification for locating outside CBA's. If GSA determines that a proposed delineated area is not in accord with applicable laws, regulations and executive orders, it will recommend changes. The Interim Rule establishes an appeals procedure (subparagraphs (m) (1) and (2)) to be followed when an agency does not agree with GSA's proposed changes to the delineated area. If GSA determines that expansion of the delineated area is necessary to provide adequate competition in accordance with the

Competition in Contracting Act, the Central Business Area will continue to be included in the expanded area. Agencies using GSA-delegated leasing authority must adhere to the GSA location policy. (See Appendix 6-5 of the DOE Real Estate Desk Guide for the complete text of the Interim Rule.)

In addition to the above, other factors that must be considered before a final decision is made on the delineated area are:

- The availability of existing or planned Government-controlled space. A decision not to use such space must be fully justified.

- The existence of historic buildings in the general area. Use of such buildings is prescribed by the Public Buildings Cooperative Use Act of 1976 and Executive Order 13006 (see Attachment II-1).

3. **Language**

In describing the boundaries of the delineated area, use specific terms to avoid misunderstanding or confusion. Make it clear that the needed space must be "within or fronting the area bounded by...(list streets or other features)." If a feature other than a street is involved such as a river, freeway, etc., the description should continue "...and the northerly edge of Interstate 80 on the south."

Attachment II-1

Real Property

GENERAL SERVICES ADMINISTRATION

Washington, DC 20405

June 28, 1996

GSA BULLETIN FPMR D-238

PUBLIC BUILDING AND SPACE

To: Heads of Federal Agencies

SUBJECT: Locating Federal Facilities on Historic properties in Our Nation's Central Cities

1. Purpose. This bulletin announces the policy concerning the location of federal facilities on historic properties in our central cities.

2. Expiration date. This bulletin contains information of a continuing nature and will remain in effect until canceled.

3. Background.

a. On May 21, 1996, President Clinton signed Executive Order 13006, entitled "Locating Federal Facilities on Historic Properties in Our Nation's Central Cities," to encourage "learning, acquiring, locating, maintaining, or managing" federal facilities on historic properties in our nation's central cities. So that federal agencies may benefit from GSA's real property management expertise, government-wide policy guidance is being provided concerning the acquisition and use of historic properties to be utilized by federal agencies where operationally appropriate and economically prudent.

b. The Public Buildings Cooperative use Act of 1979 (40 U.S.C. § 601a) directs the Administrator of General Services to "acquire and utilize space in suitable buildings of historic, architectural, or cultural significance, unless use of such space would not prove feasible and prudent compared with available alternatives. "In the

past, some federal agencies have successfully promoted the acquisition and use of space in "buildings of historic, architectural, and cultural significance" by extending a 10 percent cost preference for these properties.

4. Action. In accordance with Executive Order 13006, and subject to the requirements of Section 601 of Title VI of the Rural Development Act of 1972, as amended, (42 U.S.C. § 3122), and Executive Order 12072, when locating federal facilities, federal agencies shall give first consideration to historic properties within historic districts. If no such property is suitable, then Federal agencies shall consider other developed or undeveloped sites within historic districts. Federl aagencies shall consider historic properties outside of historic districts, if no suitable site within a district exists.

All Federal agencies must use procedures which implement the policy to extend first consideration to locations as prescribed in the Executive Order. These implementation procedures should be consisten with the existing policy set forth in Executive Order 12072 (Federal Space Management), which extends first consideration to central business areas (CBAs), and should consider applicable requirements relating to full and open competition under the Competition in contracting Act, 41 U.S.C. 253 et seq.

Federal agencies are encouraged to consider the Government's previous approach extending preference to historic properties. Where operationally appropriate and economically prudent, Federal agencies may extend first consideration to historic properties using various methods, including but not limited to extending a cost preference (similar to GSAR 570.701-4, Historic Preference); limiting competition to historic districts and/or historic properties; conducting market surveys and market analyses to identify historic properties or districts to be included in the area of consideration; providing notice of a requirement and an opportunity to respond to local, state or regional historic preservation officials, or a combination of the foregoing.

G. MARTIN WAGNER
Associate Administrator
Office of Policy, Planning and Evaluation

III. Leasing Procedures

III.
LEASING PROCEDURES

III. LEASING PROCEDURES

A. REQUEST FOR SPACE

If space is to be acquired by the General Services Administration (GSA), the initial step is to contact the appropriate GSA Regional Office to inform it of the space need as outlined in Chapter 6 of the DOE Real Estate Desk Guide. In this case, the DOE Realty Specialist's role will be interacting with GSA Realty Specialists/Space Planners during the various phases of the leasing process.

If space is to be acquired under GSA delegated authority, the appropriate GSA Assistant Regional Administrator for Public Buildings should be notified of the requirement before proceeding with the leasing action. Although this requirement is not applicable to contractors, they should also consult with GSA, directly or through DOE, to determine if suitable Government-controlled space might be available. The contractor must also submit its proposed leasing plan to DOE Realty Specialists for review.

- You must fully justify the delineated area, taking into consideration all of the factors discussed in paragraph II B of this handbook.

- Be sure the number of square feet you request is reasonable and will generate competition. If possible, use a range of size rather than one rigid figure, particularly for smaller blocks, to avoid asking for an uneconomical increment.

- Proceed with your leasing action only after GSA notifies you that it cannot fill your request or, under the delegation, no response has been received from the GSA Assistant Regional Administrator for the Public Building Service within ten (10) working days after being advised of your proposed action.

B. MARKET SURVEY

The market survey is the most crucial step in the leasing procedure. This is where you become familiar with the marketplace and gather data for negotiation strategy as well as the development of the Solicitations for Offers (SFO). You also determine which proposed properties meet your requirements and which might be made acceptable. The information gathered must thoroughly document the availability of space, quality of space, services offered, and rental rates being paid for similar space. A good market survey puts you a step ahead in every phase of the leasing process and makes it run more smoothly; a poor market survey puts you at a disadvantage and can multiply the difficulties in the process.

1. Identify Potential Locations

The first step is to identify as many potential locations as possible. This can be done by advertising in a local paper and/or contracting real estate offices. Allow a week or ten (10) days for replies to the ad and give the approximate survey date in the ad. If you get no leads from these sources, you can:

- Contact local officials for leads
- Drive or walk the delineated area, noting signs, vacant buildings or lots, construction sites, etc. Inspect any building you may identify to assure that they contain adequate facilities for you needs.

2. Advertising

If the proposed space exceeds ~~10,000 square feet~~ $100,000.00/yr, you must advertise and use a formal SFO:

- If the space does not exceed ~~10,000 square feet~~ $100,000.00/yr, advertising is discretionary with the Contracting Officer, based upon whether it would increase competition. For example, if you are looking in a small town where you are familiar with all sources, a good market survey may suffice, without advertising.
- The ad should be attractive and professional and must contain at least the location (delineated area), amount and type of space, and the date occupancy will be required. It could also include any special or unusual requirements, such as a need for 24-hour operation.
- You may choose a display ad, classified ad, or specialized ad depending upon relative costs and the size and nature of the prospective readership (see example of ads, Attachment III-1 at the end of this chapter). In some localities, placing an ad in a foreign language newspaper may be desirable.
- The ad must establish a cutoff date for responses. Enforcement of this provision is at the discretion of the real estate contracting officer so long as the discretion is exercised uniformly in each leasing project.
- If the required space is more than ~~10,000 square feet~~ $100,000.00/yr, copies of the ad must be sent to the Advisory Council on Historic Preservation, 1100 Pennsylvania Avenue, NW, Washington, D.C. 20004-2590 and to the State Historic Preservation Officer on the day the ad is placed.

- No cover letter is necessary

- The Historic Preservation Office must respond prior to the market survey, but, even if there is no response, you are required to identify any historic building capable of meeting your needs during the market survey.

3. **Schedule Appointments**

As soon as possible after identifying leads, schedule appointments with owners or agents. Be sure to allow sufficient time between appointments to gather information, make notes, and travel to the next location.

4. **Inspect Each Building**

Inspect each building with the owner or agent. You should take along a camera, notebook, survey forms, a map of the delineated area, a tape measure, and sample SFO's with general clauses.

- Discuss general SFO requirements. Make notes of the owner/agent's questions or comments for later review and discussion.

- Measure space with tape if less than 10,000 square feet, for larger areas, get approximate figures.

- Check for availability of facilities--parking, transportation facilities, communication lines, service lines, food, etc.

- Document your findings on each building, preferable on a survey form (see form, Attachment III-2 at the end of this chapter).

- Pay particular attention to the critical factors of handicapped accessibility and fire safety. Basic schedule for these are included on the sample survey form; the detailed standards for new and existing buildings are available from your GSA office.

- Photograph the exterior and interior, as appropriate.

- Advise owner/agent of any clearly unacceptable space during the survey (space that does not meet standards and cannot be altered to meet them) and determine whether the owner still requests an SFO be sent. Carefully document the notification and justification for non-acceptability.

- Try to obtain information regarding current rents received for comparable space within the building and offer from the owner/agent. Tenants may also be a source of rental information.

5. **Analyze Market Data**

After completing the market survey, analyze the market data and decide whether to proceed with the solicitation:

- To proceed, you must have several potential locations in order to assure adequate competition.

- If no space within the delineated area appears to meet the SFO requirements, consider modifying the requirements and/or enlarging the delineated area.

C. SOLICITATION FOR OFFERS (SFO)

1. Preparation of Offerors

Preparation of the SFO is vitally important because its provisions form the major part of the actual lease contract that will be executed. The solicitation must be in writing. Take time to consider carefully each element to be included; you may have to amend the SFO after it has been issued if you make an error, omit something, or new requirements are identified which are necessary to accomplish the agency mission. Amendments can delay the leasing process and may even require a completely new start. To avoid amendments (and errors that may be repeated in the lease), pay special attention to the following items:

a. Specifications Must Be Realistic and Specific

They should conform to conditions revealed by the market survey. (For example, if the survey shows no space offers more than 20 parking spaces, it would be impractical to require 100 parking spaces). Specifications should also include all special build-out requirements so that costs can be amortized in the rent. Fully serviced leases are preferred because administrative costs and efforts are reduced.

b. Factors of Award

Try to avoid allowing credit for certain non-required items such as windows, grading or design in making the award. While many such elements may be desirable, mentioning such factors can generate protests and controversy unless they can be objectively determined. Award factors should be avoided unless they are absolutely

necessary and used only if mathematical (objective) evaluations can be made for comparisons of overall cost to the Government.

c. **Delineated Area of Consideration**

The SFO must clearly describe the boundaries of the delineated area. An offeror should have no difficulty in determining whether or not a particular property is within the area of consideration (see paragraph II.B.3 supra).

d. **Cancellation Provision**

This provision, which can be an attractive management tool, should be included if you need flexibility or plan a consolidation. The higher risk to the lessor means a higher cost. Solicit for the longest term that can be justified program-wise and is within statutory limitations. If it is anticipated that the space requirement will extend beyond the authorized initial firm term, the term may be extended to include the renewed term, but it must be specified that the lessee has the right to terminate the lease anytime on or after the date the authorized lease term expires.

e. **Renewal Option**

Using a renewal option at a fixed rental in lieu of an escalation clause means that some risk factor is included in the rental rate for the initial term. Do not include this option unless it is needed for a particular purpose, such as leasing special purpose space with a large anticipated capital expenditure. Consider that unless it is an evaluated option, you must re-advertise and demonstrate that the option is in the overall best interest of the Government, with all costs being considered, prior to its being exercised.

f. **Fully Serviced**

SFO's requiring proposals for fully serviced facilities are preferred. If the specifications permit unserviced proposals, any utilities not included must be separately metered for the space offered.

g. **Escalation Clause**

Where services and utilities (opening costs) are required and/or may be included in the offers and an escalation clause is included, operating costs must be established and agreed upon prior to the lease award. The realty specialist may obtain technical assistance for evaluating operating costs. See Paragraph III.G.2.c.

h. **Methods of Evaluation**

The SFO must describe the method that will be used to evaluate offers and the weight that will be given to various elements. It should be made clear that the offers must establish an annual rental cost per square foot within the specified range of size (e.g., 16,000-18,000 square feet) for the purpose of comparison with other offers. The range should generally not exceed + or - 5% of the identified requirements.

I. **Submission Date**

The cut-off date for submission of offers must be definitely and clearly stated.

j. **Avoid Ambiguity in Every Provision**

Courts will construe any ambiguity against the maker of the instrument (DOE) if a dispute occurs.

2. **Issuing the SFO**

Issuing the list developed in the market survey, mail the SFO to all interested owners on the same date. Provide an SFO to any owner who has requested one even though he has been informed that his property does not meet minimum requirements. Keep a list of all parties to whom the SFO was sent and the date of issue.

3. **Modification**

Should it become necessary to change the provisions of the SFO, the revised information must be sent to *all* interested parties on the same date. You may use a notification letter for minor changes; for more extensive changes, use a formal amendment to the SFO with a transmittal letter.

D. INITIAL EVALUATION OF OFFERS

1. **List and Review All Offers**

All offers received should be listed and reviewed. It will be helpful to use an abstract form for this purpose to highlight differences in offers and items that need further clarification and negotiation (see sample, Attachment III-3 at the end of this chapter).

2. **Measure the Usable Space**

The first step in the initial evaluation is to measure the usable space covered in the offer (see Paragraph II.A.2.b. of this handbook for measurement procedures). Be sure the space shown on plans agrees with the written figure in the offer. If the space offered is more or less than the SFO requirements, note it as an item to clarify.

3. **Prepare Negotiation Record**

Prepare a negotiation record for each offeror (see sample document Attachment III-4), and carefully note any exceptions to the basic SFO that appear in the offer; the goal is to make all offers responsive and competitive.

- Note differences among offers and list them for comparison.
- Remember that we must negotiate with all offerors on exactly the same terms, requirements, and conditions. Discrepancies must be resolved to achieve that objective.
- In considering variances, remember that if you grant a variance to an offeror, you must offer the same variance to all offerors and amend the SFO.

4. **Fire Safety/Asbestos Survey or Certification**

Once you know which offers appear to be initially acceptable, you should request a fire safety/asbestos survey or certification on these locations. You should get the survey results before price negotiations; if the results are delayed, you can schedule negotiations but advise offerors that fire safety requirements may be forthcoming.

5. **Check Carefully**

Check each offer carefully to assume that:

- The offer is signed by an authorized party - the owner(s), an agent with written authority, a general partner of a partnership, or an appropriate official of a corporation.
- All terms of the offer are in compliance with the SFO requirements.

6. **Prepare for Negotiations**

Once all offers have been initially evaluated and differences and discrepancies noted, you should prepare for negotiations by considering negotiation strategy and objectives with

your superior. These discussions should cover both price and terms, based upon the market survey and all available information.

- Try to schedule negotiation sessions so that more than one Government representative can be present, if possible. This makes it easier to verify what took place at the session and to minimize misunderstandings.

- Try to schedule the same number of negotiating sessions with each offeror so that no one can claim preferential treatment was offered to another offeror. Sessions initiated by an offeror need not be included unless information pertinent to the leasing action surfaces.

- Be prepared to document all sessions by written notes or reports immediately after the session. These will be valuable in case of a dispute.

E. NEGOTIATION SESSION

1. Negotiation Sessions

Hold separate negotiation sessions with each offeror in a setting that will assure privacy.

2. Meet Face-to Face

Try to meet the offerors face-to-face. In some situations, a telephone session may be necessary; if so, make a special effort to document the conversation thoroughly.

3. Confidentially

Keep all information disclosed during the session strictly confidential.

4. Extensions or Modifications

If you grant an extension or modification to an offeror during or as a result of negotiations, you must offer the same terms to all offerors, in writing.

5. Oral Agreements

No oral agreements are binding on either party to the negotiations, whether made during or outside negotiation sessions.

6. Succeeding or Superseding Leases

In negotiating the price on succeeding or superseding leases, be sure to consider costs already recovered by the lessor. Since costs for installing improvements prior to occupancy were recovered in rent for the first term of the lease, you can argue that we should get a discount as compared to a new tenant.

F. BEST AND FINAL OFFERS

After final negotiating sessions have been held and you are satisfied that all items have been fully covered with all offerors, you can request best and final offers from the offerors. This is done to assure that the Government will obtain the lowest competitive rental rate consistent with its requirements.

- Be sure that all offerors are capable of performing and that all necessary inspections and reports have been addressed.

- Be sure that all offerors know the general offer range you expect from them, but do not discuss any specific price figures.

1. Making the Requests

Make the request by sending a letter or telegram to *all* offerors, giving the *date*, *time*, and *place* for submission of the best and final offers (see example on next page).

2. Avoid Extensions

Avoid extending the time for filing unless there are some problems with requirements or a possible protest.

3. Low Offerors

At this point, you may save time by giving preliminary data on possible low offerors to a staff or contract appraiser.

EXAMPLE OF
REQUEST FOR BEST AND FINAL OFFERS

July 15, 1999

J.M. Lessor & Company
c/o Mr. John Offeror
ABC Realty Company
111 Main Street
Big City, MD 20654

Gentlemen:

Please be advised that the Department of Energy is requesting best and final offers in response to Solicitation No. B12-88-55. Final offers are to be received no later than close of business (5:00 p.m.), Monday, July 26, 1999, at the Department of Energy, Room 4B-211, 1000 Independence Avenue, SW, Washington, D.C. 20585.

Very truly yours,

Joseph Lessee
Contracting Officer

G. APPRAISAL

1. Appraisal Requirements

If the annual net rental exceeds $2,000, an appraisal is required to the award for the contract. The approved appraisal will establish:

- The fair rental value of the proposed space
- The economic rent available
- The maximum rental for the space
- The offers that are fair and reasonable

2. Elements to Include in Contract

In contracting for the appraisal, include the following elements:

a. Fair Annual Rental

Request that the appraiser estimate the Fair Annual Rental value of the space and that the appraisal documentation be consistent with the "Uniform Standards for Federal Land Acquisition" published by the Department of Justice 1973 (U.S. Printing Office Stock No. 052-059-00002-0) and professional standards of nationally recognized appraisal organizations.

b. Necessary Information

Give the appraiser all necessary information, including copies of the SFO and proposed lease, floor plans, legal description, services, and alterations. Do NOT give the appraiser any offer figure on price or rent.

c. Estimating Value

Instruct the appraiser to estimate separately the value of the base rent and any utilities or services included in the proposed lease. Identify items to be paid lump sum and not in the rent.

d. Scope of Work

Be sure the appraisal contract includes the scope of work to be performed and the date the appraisal must be delivered.

3. Quality of Appraisers

Select only well-qualified appraisers. Try to use an appraiser who:

- Has experience in appraising properties in the geographical area in which the space is located, rather than in some other county or state and experience in appraising properties similar to the subject.
- Has received a professional designation from a recognized appraisal society, such as the American Institute of Real Estate Appraisers or the Society of Real Estate Appraisers.
- Is completely objective--has no business or personal relationship with any potential offeror or the Government that might give rise to an actual or apparent conflict of interest.

4. Approval of Appraisal

The appraisal must be reviewed and approved before any payment of the appraisal fee or award of the leasing contract. The reviewer should have a fundamental knowledge of appraisal principles and techniques. If the needed expertise is not available on staff, you may be able to use review services of another agency, pay a fee for review, or request review by Headquarters Real Estate. The review should be completed on the proper DOE appraisal review form.

H. EVALUATION OF BEST AND FINAL OFFERS

1. Receiving Offers

Do not open offers until either all have been received or the closing time has arrived. Note the date and time of receipt on each offer. Evaluate the offers by listing the features of each on an abstract of offers form.

2. Base if Comparison

Base the comparison of offers on the annual rental per square foot as stated in the offers, plus consideration of these items:

- Cost of utilities (if not included in rent)
- Escalation clauses
- Parking
- Janitorial services (if not included in rent)

- Alterations
- Moving costs
- Cost of loss of productivity (if measurable)

3. **Avoid Award Factors When Possible**

As stated earlier, Award Factors should be avoided unless they can be objectively determined. If any such factors were included in the SFO, however, they must be considered and given the weight described in the SFO in evaluating the offers.

- Document the evaluation of each factor considered.

- Some factors may be so critical that an offer that does not meet them cannot be considered, even though it is satisfactory in all other respects. For example, the delivery date may be essential and if an offer states that the premises cannot be ready on that date, the offer must be rejected.

- Do not consider any factors that were not included in the SFO.

4. **Historic Building Preference**

If the total cost per square foot to the Government in a historic building space is within 10% of the total cost to the Government of the otherwise lowest offer, the historic building preference applies.

I. PREPARATION OF LEASE CONTRACT

1. Standard Form 2, U.S. Government Lease for Real Property

The lease agreement when executed by DOE is prepared on Standard Form 2 (SF-2), U.S. Government Lease for Real Property. The contractor lease agreement shall be the same format with appropriate changes to identify the contractor as the lessee. Before filling in the lease, assembling all of the necessary data to be incorporated into the contract is important. One good way to do this is to make copies of the offer and amendments, negotiation records, fire safety/asbestos reports, approved unit price lists and approved alteration prices. You can then check off each item on the copies as you incorporate it into the lease. Be sure that the lease contains all of the terms and conditions that were agreed upon between the lessor and the Real Estate Contracting Officer. Fill in the lease form as follows:

a. **Date of Lease**

The lease date is the date of the award.

b. **Lease Number**

A lease number is assigned to each lease for identification and control. The number is assigned when the lease is awarded and remains with it until it expires.

c. **Parties**

Leases are drawn in the name of the owner, which can be an individual, a trust, an estate, a partnership, a joint venture or a corporation. Estates, trusts or corporations must present some documentation of the authority of the individual who will sign the contract.

In partnerships, all partners must be listed, both general and limited, but only a general partner has authority to sign. Long lists of partners can be attached on a schedule, with only the name of the partnership and the general partner appearing on the SF-2 or contractor equivalent. A leasing agent or realty agent cannot sign the lease unless the owner has given a power-of-attorney authorizing the signature.

d. **Delineation of the Premises**

Insert the complete identification of the property, including the occupiable square footage. If only a portion of a building is being leased, identify the portion by room number(s) or attach a floor plan outlining the space marked as "Exhibit A" and made a part of the lease. If leasing the entire building or entire floor(s), state this. With respect to the intended use of the premise, insert, "such purposes as determined by the Department of Energy." If the owner objects to this statement, you can state the actual intended use unless it is classified, but this will eliminate future use flexibility.

e. **Term of Lease**

The exact dates of the beginning and end of the term should be stated in Clause 2. In the case of phased occupancy or new construction, develop an occupancy schedule and make it a part of the lease, inserting this language under the commencement date of the lease: "for a term beginning on the date agreed upon between the lessor and the Government in a supplemental agreement to be made upon acceptance of the last increment of space hereunder by the Government."

f. **Rental**

State the annual rent, the monthly amount, and to whom rent should be paid by the lessee. Note that the Government does not pay rent in advance; it pays one month in arrears, or after the end of the month rather than before. This practice is different from commercial leases.

g. **Termination**

Clause 4 covers the Government's termination rights. As mentioned in Paragraph III.C.1.d. this clause should be used only where you need flexibility. If it is used, try to insert the shortest notice period possible for the Government's termination notice, if not already established by the SFO agreement. Any renewal options contained in a lease should include the right to cancel.

h. **Renewal**

Clause 5 provides for lease renewal. Renewal normally requires some affirmative action by the Government; automatic renewal is not allowed except when leasing under the GSA delegation and only upon fulfillment of the C.I.C.A. requirements. See Paragraph III.C.1.e. for additional discussion of this item.

I. **Services, Utilities, Alterations and Extras**

Clause 6 contains all items to be provided by the lessor as part of the rental consideration, such as utilities and services. Each of these must be specifically listed and may related schedules, plans or specifications must be referenced and attached.

j. **Attachments**

The following items delineate further information on the attachments:

- Clause 7 sets forth attachments to the lease. It must include any item that is to be made a part of the lease contract, and each item should be listed and described. It is advisable to include the offer letter and the award letter as attachments, but be sure to note any subsequent changes in the terms set forth in these letters that are not part of the lease contract.

- In drafting the lease contract, be very careful that all items in the contract agree with the accepted offer and that all of the terms of the contract have been fully agreed upon by the parties.

- The lease package should include all of the documents that contain information or material to be covered by the contract. This means that it must include the SF-2, the SFO, GSA Form 3517 (General Clauses), and GSA Form 3518 (Representations and Certifications) or contractor equivalent, as well as other documents listed in Clause 7 of the SF-2 or necessary for clarifications of requirements, such as floor plans or specifications.

- The most important thing to remember in drafting the lease contract is to avoid ambiguity in terms. It is impossible to describe all possible conditions or circumstances in terms that would convey exactly the same meaning to everyone who reads them, but it is possible to minimize confusion and misunderstandings by watching language carefully and following these suggestions:

  - Insert only items that are really necessary and avoid using words such as "desirable," "should," or "preferable"

  - Keep statements of requirements brief and to the point. Avoid jargon, but use specific technical terms where necessary.

  - Have another realty specialist read the language and give you their interpretation.

  - Discuss the language with your supervisor, legal council, and/or Real Estate contracting officer.

  - If you make any changes, discuss them with the lessor at a meeting or by phone and document the meeting or conversation to show that there was a meeting of the minds on the meaning of the clauses discussed.

- Each page of all attachments to the SF-2 must be initialed by both parties to the agreement.

J. LEASING PROCEDURES--CONTRACTOR LEASES

When space is leased by a DOE contractor with the rental being reimbursed by DOE (referred to as a "covered contractor lease"), the leasing action must be in accord with DOE-established procedure. Covered contract leases are subject to one of two different procedures depending on whether the contractor has an approved leasing system. To obtain approval the contractor's leasing system must have the acceptance of the DOE programmatic approval official, and a Certified Realty Specialist (CRS). The procedures under which a contractor must operate are described in detail in Attachment III-5.

U.S. GOVERNMENT SEEKS SOURCES FOR LEASED OFFICE SPACE IN VIRGINIA

Requirement: The United States Government is interested in leasing approximately 44,000 square feet of rentable space. Rentable space must yield 35,000 to 40,000 occupiable square feet, available for use by Tenant for personnel, furnishings, and equipment.

Unique Requirements: Twenty-five (25) reserved parking spaces for official government vehicles where access is limited to, and controlled by agency.

Location: East of Route 28 (Sully Road); South of Route 7 (Leesburg Pike); West of 495 Beltway (Tysons Corner); and North of Route 66 including northern boundary of Route 50.

Term: Offerors are required to submit an offer for ten (10) years firm with two (2) consecutive five (5) year renewal options.

Occupancy: Occupancy required no later than Spring, 1998.

Information To Be Submitted:

1. Building name and address.
2. Rentable square feet and rentable rate per square foot.
3. Method of Measurement used to determine rentable square feet.
4. Common Area Factor(s) for available space by floor, if applicable.

Please submit information to the following address within 15 days.

U.S. GENERAL SERVICES ADMINISTRATION
Property Acquisition and Realty Services (WPEMA)
7th & D Streets, S.W.
Washington, D.C. 20407
Attn.: Susan Koenig, (202) 401-7189 EXT. 128

See us on the internet: **http://www.gsa.gov/pbs/pe/space/pespace.htm**

Note: Effective calendar 1997 space requirements will be stated in BOMA usable footage rather than occupiable.

U.S. GOVERNMENT SEEKS SOURCES FOR LEASED OFFICE SPACE IN VIRGINIA

Requirement: The United States Government is interested in leasing approximately 84,240 square feet of rentable space. Rentable space must yield 73,365 to 78,000 occupiable square feet, available for use by Tenant for personnel, furnishings, and equipment.

Unique Requirements: Fifteen (15) reserved parking spaces for official government vehicles where access is limited to, and controlled by agency. Requires a stand alone building with no more than two floors. It must be light industrial space defined as high bay storage area, warehouse and office space.

Location:

Northern boundary:	Route 29 to the NW; Route 50 to the N; Washington Boulevard/Army Navy Drive to the NE
Eastern boundary:	George Washington Parkway/Mount Vernon, Jefferson Davis Highway
Southern boundary:	Intersection of Route One and Route 123 (Ox Road)
Western boundary:	Route 123 West (Ox Road)

Term: Offerors are required to submit an offer for twenty (20) year firm term.

Occupancy: Occupancy required no later than Fall, 1998.

Information To Be Submitted:

1. Building name and address.
2. Rentable square feet and rentable rate per square foot.
3. Method of Measurement used to determine rentable square feet.
4. Common Area Factor(s) for available space by floor, if applicable.

Please submit information to the following address within 15 days.

U.S. GENERAL SERVICES ADMINISTRATION
Property Acquisition and Realty Services (WPEMA)
7th & D Streets, S.W.
Washington, D.C. 20407
Attn.: Susan Koenig, (202) 401-7189, ext. 128

See us on the internet: http://www.gsa.gov/pbs/pe/space/pespace.htm

Note: Effective calendar 1997 space requirements will be stated in BOMA usable footage rather than occupiable.

Attachment III-2

MARKET SURVEY

DATE

I. REQUIREMENTS

1 DELINEATED AREA

2. BOMA USABLE SQUARE FEET REQUIRED

3 CLIENT AGENCY

4 SPECIAL REQUIREMENTS *(If any)*

5. SELECTION FACTORS OTHER THAN PRICE *(If applicable)*

II. BUILDING SURVEYED

6 BUILDING NAME AND LOCATION

7. OWNER OR AGENT NAME AND ADDRESS

8. TELEPHONE NO OF OWNER/AGENT ( )

9. SPACE AVAILABLE

A. FLOOR(S)	B. AMOUNT (Rentable Sq. Ft.)

10. NEIGHBORHOOD DESCRIPTION

III. ASKING PRICE AND TERMS

11 RENT	A PER ANNUM	B PER RENTABLE SQ. FT	C MEASUREMENT USED FOR QUOTE
	$	$	

12. SERVICES INCLUDED IN RENT ☐ FULL ☐ PARTIAL *(State below what is excluded)*

13. TENANT IMPROVEMENTS INCLUDED IN RENT

14 COMMENTS

Place PHOTOGRAPH Here

IV. DECISION TO CONSIDER FOR NEGOTIATION

15 ☐ WILL CONSIDER THIS BUILDING FOR NEGOTIATION IT MEETS OR CAN MEET THE REQUIREMENTS OF THE CLIENT AGENCY

16. ☐ *WILL NOT CONSIDER THIS BUILDING FOR NEGOTIATION IT DOES NOT MEET OR CANNOT MEET THE REQUIREMENTS OF THE CLIENT AGENCY FOR THE FOLLOWING REASONS*

17 THE CLIENT AGENCY REPRESENTATIVE PRESENT ON THE MARKET SURVEY

☐ *AGREES WITH THE ABOVE DECISION* ☐ *DOES NOT AGREE WITH THE DECISION BECAUSE*

18A SIGNATURE OF AGENCY REPRESENTATIVE	18B TITLE OF AGENCY REPRESENTATIVE	18C DATE

19A. SIGNATURE OF GSA REPRESENTATIVE	19B TITLE OF GSA REPRESENTATIVE	19C. DATE

GENERAL SERVICES ADMINISTRATION

GSA FORM 3627 (1-97)
Page 1 of 2

V. BUILDING DESCRIPTION

ITEM	CONDITION	YES	NO
20 GENERAL	☐ A NEW ☐ B OLDER WELL MAINTAINED ☐ C OLDER POORLY MAINTAINED		
21 TRANSPORTATION ACCESS	A PARKING AVAILABLE ON SITE		
	B PUBLIC PARKING IN VICINITY		
	C SERVED BY PUBLIC TRANSPORTATION		
22 INTERIOR WALLS	A TYPE ☐ DRYWALL ☐ OTHER *(Specify)* ☐ PLASTER		
	B ACCEPTABLE COVERING IN OFFERED AREA		
23 LIGHTING	A ADEQUATE IN PUBLIC AREAS		
	B ADEQUATE IN WORK AREAS		
24 CEILINGS	A UNIFORM HEIGHT *(8 to 11')*		
	B SUSPENDED		
	C FINISH ☐ ACOUSTICAL ☐ OTHER *(Specify)* ☐ PLASTER ☐ TILE		
25 WINDOWS	A IN SPACE ☐ FIXED ☐ CAN OPEN B COVERING ☐ BLINDS ☐ OTHER *(Specify)* ☐ DRAPES		
26 FLOOR COVERING	A TYPE ☐ CARPET ☐ OTHER *(Specify)* ☐ VINYL		
	B EXISTING ACCEPTABLE FOR OCCUPANCY		
27 RESTROOMS	A SEPARATE FACILITIES FOR WOMEN AND MEN ON FLOOR(S) OFFERED		
	B. EXISTING ACCEPTABLE		
28 DRINKING FOUNTAINS	EXISTING ACCEPTABLE		
29 ELEVATORS	A TYPE ☐ PASSENGER ☐ FREIGHT		
	B CURRENT CERTIFICATE OF INSPECTION		
30 HEATING	A TYPE ☐ CENTRAL ☐ INDIVIDUAL UNITS		
	B FUEL ☐ OIL ☐ GAS ☐ ELECTRIC ☐ OTHER *(Specify)*		
31 AIR CONDITIONING	TYPE ☐ CENTRAL ☐ INDIVIDUAL WINDOW UNITS		
32 ACCESSIBLE TO HANDICAPPED	A ROUTE TO AND WITHIN THE BUILDING		
	B ENTRANCE AND ELEVATORS		
	C DRINKING FOUNTAINS AND RESTROOMS		
33 COMMENTS			

Attachment III-3

ABSTRACT AND EVALUATION OF OFFERS:

Agency: **Solicitation:** ☐ **Initial** ☐ **Final** ☐ **Amended**

Realty Specialist:

OFFERORS:		
Square Footage Offered		
Initial Term/Alternate Offer		
Termination Rights/Alt. Offer		
Annual Rental/Alternate		
Composition Square Foot		
Operating Cost Escalator		
Base Cost of Services		
Services by Government		
Escalated Rental Increase		
Renewal Option(s)		
Renewal Rental/sq. ft. - Present value price eval. [if applicable]		
Parking (or other cost)		

ABSTRACT AND EVALUATION OF OFFERS:

Overtime HVAC (Zoned?) - Janitorial		
Unit Prices - Ceiling High Partition - Screens - Duplex Electrical Outlet - Wall Electric Outlet - Other		
$/sq. ft. ISA/Spec. Req. or Lump Sum Payment		
Other Price Factors: - Moving Cost - Other		
Total Cost to Government Per Rentable sq. ft.		
Historic Preference? - Eligible (Yes or No)		
Award Factors: - Handicapped Accessibility - Other		
Comments		

Attachment III-4

SFO No. _____

General Services Administration
Public Buildings Service
PRE-NEGOTIATION RECORD
(Real Property Lease Acquisition)

Building Name and Address	Owner/Agent Name and Address

Rentable Square Footage Offered: _____

GSA Measured Occupiable: _____

NEGOTIATION OBJECTIVES

POINTS FOR NEGOTIATION	OBJECTIVE RANGE	BASIS
1. Rentable SF Rate	$	
2. Operating Cost Rate per Rentable SF		
3. Percentage of Occupancy		
4. Hourly Overtime Rate		
5. Unit Prices		
· ceiling high partitions		
· screens		
· wall duplex electrical outlets		
· floor duplex electrical outlets		
· wall telephone outlets		
· floor telephone outlets		
· other unit prices		
6. Parking Rates per Space per Month		
7. Renewal Term in Rentable SF Rate		
8. Termination Rights		
9. Other Items for Negotiation (continue on attached sheet)		

APPROVED:

REALTY SPECIALIST SIGNATURE Date

CONTRACTING OFFICER SIGNATURE Date

Attachment III-5

Contractor Leases

Leases Signed by Contractors-General

When real property is leased by a contractor to perform work for DOE, and the cost of the lease rent is reimbursed under the DOE contract, acquisition of the leasehold interest (a "covered" contractor lease) will follow the procedures outlined below. There are two procedures for covered contractor leases, depending on whether or not the contractor has an approved leasing system. To obtain approval of its leasing system, the contractor must have approval of the DOE programmatic approving official (Operations Office Manager for the eight operations offices, or PSO or designee for other field offices), and by a Certified Realty Specialist (CRS). An approved leasing system must include the following elements:

(1) Leases must be within dollar and square footage authorizations prescribed by DOE;

(2) The contractor shall develop and use a standard lease package, including terms and conditions approved by DOE;

(3) The lease requirement must be competed or the contractor's sole source justification must be approved by DOE and included in the contractor's lease file;

(4) Reasonableness of price must be demonstrated (via appraisal, broker data, etc.);

(5) The contractor must maintain real property lease files that reflect the process used to acquire the leased property and that provide a good audit trail;

(6) The contractor shall utilize personnel who have been appropriately trained for real property lease acquisition actions; and

(7) The contractor shall plan lease actions for continuing requirements so holdovers do not occur.

Contractor Leasing Procedure, Contractors with Approved Leasing Systems

Once the CRS has approved a contractor's leasing system, the CRS may approve square footage and allowances as described in this paragraph so long as the total estimated annual rent based on the allowance and estimated square footage does not exceed $500,000 per annum. Where the projected annual rent would exceed $500,000, the proposal, together with a CRS recommendation, must be submitted to the Real Estate Team for Headquarters review and approval. In either case, the procedures of this paragraph will apply to the leasing action.

(1) The contractor may lease general purpose office space to house contractor personnel. The contractor may not lease general purpose office space to house DOE or other Government personnel.

(2) No prospectus is required for contractor leases.

(3) Indemnity and/or hold harmless clauses are discouraged. When market conditions dictate, such clauses may be used with prior consent of DOE.

(4) All contractor lease agreements must be consistent with the Chief Financial Officer's guidance on scoring of budget authority for that agreement. The budget authority must be scored in the first year of the contract for the entire firm term of the lease. However, if there are cancellation rights, then the budget authority must be scored for the rental until cancellation rights can be exercised, plus any cancellation penalties.

(5) Reimbursable contractor leases shall contain certain clauses, terms, and conditions as approved by the cognizant DOE contracting officer and CRS consistent with guidance provided by the Real Estate Team.

(6) In acquisition of space, contractor leases are governed by the same standards as those for Federal employees in the following areas:

(a) The amount of square footage;

(b) Justification for above standard alterations; and

(c.) Use of the proper appropriated funds.

(7) The space requirements must be reviewed and approved by the CRS in the appropriate DOE office. The space requirements must be well planned and adequately described to enable the CRS to classify the space in accordance with the space types used by GSA in their budgeting rental matrices.

(8) The requirements must be furnished to the CRS in adequate time to allow for all necessary DOE reviews plus sufficient time for the contractor to negotiate a lease meeting the requirements of this Chapter. If the contractor does not negotiate a lease within the approved DOE thresholds for square footage and/or rental rate as discussed below in paragraph (10)(c), sufficient time must be allowed for DOE review and approval of the entire lease package prior to the contractor entering into any lease agreement.

(9) For the CRS to develop a predetermined rental allowance for fully serviced, turnkey space (Allowance), the contractor must provide anticipated terms and conditions that will

effect the Allowance for the lease. This will include, but not be limited to, lease term and firm term, escalators if any, buildout, renewal rights, and cancellation rights.

(10) The CRS will review and approve the square footage of space, which may not be exceeded, and develop the Allowance. The Allowance is to be developed as a composite annual square foot rate (weighted average) for the total of all types of space involved. The Allowance shall be developed in accordance with paragraphs (10)(a), (b) and (c).

(a) Initially use the GSA rental matrices for the Budget Year of the budgeting cycle, which is generally provided by GSA approximately 18 months before the Budget Year.

(b) Confirm or adjust the GSA data by one following methods:

1. Contact the appropriate GSA regional office and determine the accuracy of the matrix data;

2. Conduct a market survey;

3. Have an appraiser conduct a market survey or prepare an appraisal establishing a range of rental values;

4. Subscribe to real estate information services for commercial office rental properties provided by local and national real estate organizations; and

5. Any other reliable source of rental data not listed above

6. The GSA rental rates are for fully serviced, turnkey leases and may require adjustments for special space requirements over and above commercial standards. Any such special space requirements will require the preparation of independent cost estimates. The estimated cost of such requirements will be amortized over the initial term of the lease. If there are cancellation rights during the initial term of the lease, a cancellation penalty clause may be included. The cost of the special space requirements, amortized over the initial term and estimated square footage of space to be leased, is added to the initial annual square foot rate developed in paragraph (10)(b) to adjust the Allowance.

(11) The method of measuring space must be the same in identifying the square footage requirements and the development of the annual square foot rent.

(12) The CRS must thoroughly document the files clearly showing how the Allowance was established.

(13) Developing the Allowance for exercising a contractor priced renewal option shall follow the same procedures as for the initial lease term. The contractor will need to justify the continuing need for the space. Then the CRS will develop rental data for the subject market to determine the reasonableness of the annual square foot rate for the renewal option being evaluated. Unpriced options shall not be used. If a priced option is not available a succeeding lease is required.

(14) Justifications for space and Allowances are also necessary for supplemental lease agreements for expansions, succeeding leases, etc. Lease extensions are to be avoided.

(15) If the preapproved space requirements and/or Allowances are not considered adequate by the contractor, the contractor will have the following options:

(a) Apply to the CRS for revised allowances;

(b) Complete the negotiations and submit the lease package for DOE review(s) and approval(s) for space and/or rent outside the thresholds; or

(c) Assume all costs for space and rent over the approved square footage and Allowance.

(16) If the contractor negotiates a total acquisition cost that is equal to or below the Allowance and is in compliance with all other requirements of this Order, no further DOE review(s) of the lease package will be necessary. "Total Acquisition cost" means the sum of all amounts necessary to provide fully serviced, turnkey space plus any approved special requirements.

(17) If the total acquisition cost exceeds the Allowance, the lease package will require field office and perhaps Headquarters review, depending on the annual rent. It will be necessary for the lease package to contain all the documentation required for a standard DOE lease review.

(18) Contractors that are found to be performing their leasing activities unsatisfactorily are subject to being reverted to procedures outlined below and required to submit their lease actions to DOE for pre-award review(s).

(19) In addition, the solicitation for space must include a clause requiring the successful offeror to meet the DOE Energy Conservation Voluntary Performance Standards for

Commercial Buildings, and DOE requirements regarding alterations to leased space after initial occupancy.

Contractor Leasing Procedures, Contractors without an Approved Leasing System

When a contractor does not have an approved leasing system, then the procedures of paragraphs (1) through (6) in the section "Contractor Leasing Procedures, Contractors with Approved Leasing Systems," as well as the advertising, soliciting, negotiating, and awarding procedures covered in this chapter, must be followed.

Emergency Contractor Leasing

If leased space is necessary to house either new DOE contractors during the transition into new contracts, or existing contractors with urgent and compelling short term lease requirements, the above requirements are waived except for the following:

(1) The space requirements must be approved by the appropriate DOE official;

(2) The term of the lease shall not exceed 18 months;

(3) Competition must be sought; and

(4) Reasonableness of price shall be demonstrated as follows:

(a) If ~~10,000~~ $100,000.00/yr square feet or less--appraisal of fair annual rental, or a minimum of three current comparable lease rentals, or a minimum of three documented competitive offers.

(b) If more than ~~10,000~~ $100,000.00/yr square feet--appraisal of fair annual rental.

(5) Initial and subsequent alterations may not exceed 25 per cent of the annualized base rent without DOE approval.

(6) If leased space is determined to be the only option for the contractor's long term space requirements, the contractor shall have a lease agreement for the permanent space requirements consummated within one year of the effective date of their contract.

(7) If the emergency space will be replaced by leased space, the solicitation for replacement space cannot include moving costs as an award factor.

(8) The contractor may not lease general purpose office space to house DOE or other governmental personnel.

IV. Simplified Lease Procedures

IV.
SIMPLIFIED LEASE PROCEDURES

IV. SIMPLIFIED LEASE PROCEDURES

A. BACKGROUND

The **Federal Acquisition Streamlining Act of 1994** contains provisions that permit streamlined procedures for leasing actions. Under this Act, and in accordance with the implementing guidance provided by General Services Administration Acquisition Regulation (GSAR) Change 65:

- The small purchase threshold for leasing is increased from $25,000 total contract value to a Simplified Lease Acquisition Threshold (SLAT) of $100,000 annual rental;
- The threshold for application of 11 clauses is raised from $100,000 annual rental, and over 30 GSAR clauses and provisions are made more flexible;
- The threshold for cost or pricing data is raised from $100,000 to $500,000 with an adjustment every five years;
- Competition for leases that do not exceed SLAT is redefined; and
- The contracting officer is permitted to approve acquisitions in situations where there is other than "competition to the maximum extent practicable."

The simplified process is intended to be less formal than the standard lease acquisition with much of it handled by telephone or during on-site visits. The type of specifications the realty specialist must use in the process will depend upon the complexity of the acquisition, ranging from -minimum specifications for small amounts of generic office space to detailed specifications for special purpose facilities such as laboratories or for lease construction.

By memorandum to all of its leasing activities dated January 17, 1997, GSA issued an Acquisition Letter (PER-97-02) addressing a number of changes to its Solicitation for Offers (SFO) and related forms resulting from streamlining efforts and policy modifications. The SFO includes revised safety and environmental requirements, BOMA Usable square footage measurement in lieu of Occupiable, revised accessibility standards, a mandatory seismic safety requirement, an optional energy savings paragraph, and changes to reflect the implementation of GSA's "Can't Beat GSA Leasing" program. The Acquisition Letter is Attachment IV-1. The Solicitation for Offers, both a standard and minimum requirements version, as well as the revised forms mentioned in the letter, may be found in the indices to this handbook. As indicated in the letter, greater flexibility is now allowed with regard to the use of the standard or simplified SFO and variations in form usage are permitted within statutory and regulatory limitations.

B. APPLICATION OF THE SIMPLIFIED PROCESS

When a lease is not expected to exceed the SLAT, the following conditions apply:

- At least three sources must be solicited in securing competition to the maximum extent practicable. When the contracting officer determines that circumstances exist which support other than maximum competition, they must document the file with the reasons for their conclusion.

- Sources not solicited which express an interest in the leasing action must be considered if they meet, or can be made to meet, the requirements.

- When there are repeated leasing actions in the same market, full competition must be sought each time from as many sources as available.

Newspaper Advertisements Newspaper advertisements are required if the square footage exceeds 10,000 square feet. Other circumstances where publicizing is not required are described in **Federal Acquisition Regulation** (FAR) 5.202 and GSAR 505.202.

Current Market Information Current market information must be obtained and documented for all leasing actions. However, on-site inspection of available properties during the market survey is no longer mandatory because of the detailed information and data that is accessible within DOE or from other available sources (GSA, Corps of Engineers, local government, private sector real estate agents and brokers, multiple listing services, etc.) to identify locations that will meet the Government's minimum requirements. If use of a form is deemed necessary for a particular leasing action, the **GSA Form 3627 (Market Survey)** may be used to document leases less than 10,000 square feet (see Chapter III, Attachment III-2).

Safety and Environmental Acceptability See attached copy of GSA Acquisition Letter 96-04 (10/30/96) for safety and environmental procedures (Attachment IV-1). The forms and clauses referenced in the Acquisition Letter may be found in the Appendices of this handbook.

Independent Government Estimates Independent Government estimates are not required for above-standard, lump-sum alterations in competitive lease actions where the alterations are included in the price evaluation of offers, or for unit costs for adjustments, if market data are available to determine that unit costs are fair and reasonable.

Negotiation Objectives/Price Negotiation Record

- Realty Specialists should develop specific written negotiation objectives involving a minimum and maximum position for DOE prior to negotiations. These negotiation objectives should be developed based on current market information, appraisal data (if available), and the technical knowledge of the specialist. These negotiation objectives may but need not, be approved by the contracting officer and shall be included as part of the lease file.

- A record of price negotiations must be maintained for the file; however, a formal Price Negotiation Memorandum is not required. The written record should include a brief

discussion of the negotiation objectives, a succinct abstract of offers, the results of negotiations, the rationale for the award decision, and informal attachments as required.

- Negotiations may be recorded on **GSA Form 3628, Lease Action Summary**.

Pre-Award Documentation

- Appraisals are not required for leases that use the simplified process. However, the contracting officer must use market data (cost or price analysis) to evaluate the price and document the file to demonstrate that the proposed contract rental represents a fair market price. In addition, in cases with a total contract value more than $500,000 where there is no competition or market data to support an exemption to the requirement to obtain cost or pricing data, the contracting officer may decide to obtain an appraisal in order to support an exemption instead of obtaining cost or pricing data.

- When the total cost value will exceed $100,000, a Certificate of Procurement Integrity must be provided to the proposed successful offeror for completion and submission before award.

Continuing Space Requirements

- *Succeeding and Superseding Leases and Lease Extension* When the cost of a succeeding lease for the continued occupancy of space in a building, superseding lease, or extension does not exceed the simplified lease acquisition threshold, the contracting officer may use simplified acquisition procedures and document the reasons for the absence of competition in the file. No justification or approvals are required above the contracting officer.

- Expansion. When an expansion requirement is determined to be within the general scope of the lease, the space may be acquired through a modification to the lease without further justification.

Forms

Needed forms for the simplified lease process are:

- **GSA Form 3626, U.S. Government Lease for Real Property (Short Form)** Includes pertinent Federal Acquisition Streamlining Act language

- **GSA Form 3517 (A), General Clauses (Short Form)**
  Reflects revised thresholds

- **GSA Form 3518(A), Representation and Certifications (Short Form)**

Attachment IV-1

General Services Administration
Public Buildings Service
Washington, DC 20405

OCT 30 1996

PER-96-04

MEMORANDUM FOR ALL REAL PROPERTY LEASING ACTIVITIES
(PER DISTRIBUTION LIST)

FROM: HILARY PEOPLES
ASSISTANT COMMISSIONER FOR
PROPERTY ACQUISITION AND REALTY SERVICES

JAMES STEELE 10/15/96
ASSISTANT COMMISSIONER FOR
PROPERTY MANAGEMENT

SUBJECT: Safety and Environmental Procedures in Lease Acquisition

1. Purpose. This acquisition letter issues reengineered safety and environmental procedures for lease acquisitions and implements the Federal Acquisition Reform Act requirement to eliminate non statutory certifications.

2. Background.

   a. The Lease Acquisition Business Process Redesign report concluded that the lease solicitation for offers (SFO) is too detailed and technical. With regard to safety and environmental procedures, the report recommended greater reliance on local codes and national standards. The changes in this acquisition letter reflect that recommendation.

   b. GSA leases over 10,000 square feet include GSA requirements for lessor certifications on a number of environmental subjects not required by law. The Federal Acquisition Reform Act of 1995 requires that such certifications be eliminated from contracts unless the Administrator approves their continued use based upon a "justification for the requirement and a determination that there is no less burdensome means for enforcing the particular regulation that contains the certification requirement ...." Accordingly, we will hereafter rely on lease clauses *without certifications*.

3. Effective Date/Expiration Date. These instructions and SFO changes are effective for all new SFOs prepared on or after the date of issuance, and will expire 12 months from the date of issuance, unless extended. Specialists may amend SFOs for ongoing acquisitions as deemed appropriate.

4. Cancellation. Acquisition letter PQRP-94-08, *Safety and Environmental Procedures in Lease Acquisition*, dated November 8, 1994, is canceled.

5. Applicability. All real property leasing activities.

6. Instructions/Procedures. The following is a summary of attachments:

   a. Attachment 1 -- Safety and Environmental Management Business Practices for Lease Acquisition.

   b. Attachment 2 -- GSA Form 3626, *U.S. Government Lease for Real Property (Short Form)*.

   c. Attachment 3 -- GSA Form 3517A, *General Clauses (Simplified Leases)*.

   d. Attachment 4 -- Standard SFO Paragraphs.

ATTACHMENT 1

Safety and Environmental Management Business Practices for Lease Acquisitions

1. General.

   a. Specialists must assure that --

      (1) Offered space meets or will be upgraded to meet the requirements of the Fire Administration Authorization Act of 1992 (the Fire Act) (see paragraph 2),

      (2) Offered space meets or will be upgraded to meet local fire and safety codes and ordinances as evidenced by a current occupancy permit for the intended Government use, and

      (3) Except for leases less than 6 months, all below grade floors on which the Government will occupy space, including garage areas, and all hazardous areas of *entire* buildings in which the Government is offered space are protected or will be protected by automatic sprinkler systems or an equivalent level of safety.

   b. Specialists shall consult Safety and Environmental Management (S&EM) personnel 1) as needed throughout the lease acquisition process, e.g., when occupancy permits are not issued and 2) on layouts for all leases which exceed the simplified lease acquisition threshold.

   c. Definitions.

      (1) *Hazardous areas* means those areas in a building referred to as hazardous areas in National Fire Protection Association Standard 101, the Life Safety Code, or any successor standard thereto.

      (2) *Equivalent level of safety* means an alternative design or system (which may include automatic sprinkler systems), based upon fire protection engineering analysis, which achieves a level of safety equal to or greater than that provided by automatic sprinkler systems. (See 41 CFR 101-6.6 for guidance on conducting an equivalent level of safety analysis.)

2. Multi-Story Buildings - All Leases.

   a. Three stories or more. If offered space is 3 stories or more above grade, the contracting officer must obtain, in-house or from the Lessor, written documentation that the building meets egress and fire alarm requirements as established by NFPA Standard No. 101 (current as of date of the solicitation) or equivalent. However, if 1) offered space is 5 stories or less above grade, 2) the total Government leased space in the building (all leases combined) will be less than 35,000 square feet, *and* 3) the building is sprinklered, the documentation is not required.

b. Six stories or more. The Fire Act requires that when the Federal Government leases 35,000 square feet or more of space, in one or more blocks, with some portion of the space on the 6th floor or above, the *entire* building must be protected by an automatic sprinkler system or an equivalent level of safety. *However*, the installation of an automatic sprinkler system or equivalent level of safety is not required solely as a result of the leasing of space *below* the 6th floor. This exception would apply, for example, if 30,000 square feet is currently leased on the 5th and 6th floors and 10,000 square feet is subsequently leased in a separate action on the 3rd floor.

3. Environmental Certifications and Representations. Offeror's environmental certifications and representations are eliminated.

4. Renewal Options. Paragraphs 1 and 2, above, apply to the exercise of renewal options when the initial lease was entered into after October 26, 1992.

5. Extensions and Expansions. Paragraphs 1 and 2, above, apply to lease extensions and the acquisition of expansion space, whether accomplished through supplemental lease agreement, new lease, or otherwise.

6. Disaster Leases. This acquisition letter applies to the acquisition of long-term replacement space for agencies displaced by a disaster (fire, earthquake, flood, etc.).

7. Temporary Leases. Space leased not longer than 6 months must meet local fire and safety codes and ordinances as evidenced by a current occupancy permit for the intended Government use. For temporary leases that exceed 6 months, paragraphs 1 and 2, above, apply.

8. Equivalent Level of Lifesafety Evaluation Procedures. When an Offeror proposes an equivalent level of lifesafety, the fire protection engineering analysis used to develop the equivalency must be evaluated by qualified Safety and Environmental Management personnel and approved in accordance with the requirements of 41 CFR 101-6.6.

9. SFO Changes. Realty Specialists must include minimum standards in all leases.

   a. Simplified Lease minimum requirements have been incorporated into GSA Form 3626, *U.S. Government Lease for Real Property (Short Form)* (Attachment 2) and GSA Form 3517A, *General Clauses (Simplified Leases)* (Attachment 3).

   b. The Standard SFO *Safety and Environmental Management* (S&EM) section for other than Simplified Leases has been modified to implement the above business practices and are shown on Attachment 4. Minimum required paragraphs are indicated below with a superscript M (M).

      (1) *General Safety and Environmental Requirements (SEP 1991)* and *Code Violations (OCT 1994)* have been replaced by *Fire and Life Safety (OCT 1996)* M and *Occupancy Permit (OCT 1996)* M.

      (2) *Sprinkler System (OCT 1996), Manual Fire Alarm Systems (OCT 1996), Asbestos (OCT 1996), Indoor Air Quality (OCT 1996), Radon in Air (OCT 1996)* (new name), *Radon in Water (OCT 1996)*, and *Recycling (OCT 1996)* have been modified to clarify requirements.

(3) A new *Hazardous Materials (OCT 1996)* [M] paragraph has been added.

(4) Optional short versions of *Asbestos (OCT 1996)* [M], *Indoor Air Quality (OCT 1996)*, *Radon in Air (OCT 1996)* [M], and *Radon in Water (OCT 1996)* have also been included.

(5) The *Recycling (OCT 1996)* paragraph has been modified to require recycling when local markets exist for recovered materials.

(6) The paragraphs *Portable Fire Extinguishers (SEP 1991)*, *Standpipes (SEP 1991)*, *Engineered Smoke Control Systems (SEP 1991)*, *Exit and Emergency Lighting*, and *Fire Doors* have been deleted.

(7) In addition to the S&EM paragraph changes 1) the long and short versions of *Ventilation (OCT 1996)* [M] have been modified to eliminate the exception to compliance with ASHRAE Standard 62, thereby assuring that all Offerors offer the same level of service, 2) *Elevators (OCT 1996)* has been modified to emphasize code compliance and delete reference to automatic emergency recall, and 3) several other paragraphs have been edited or modified for clarity and consistency with existing policies. These changes are also shown in Attachment 4.

c. Standard SFO and related forms revised to reflect the above will be distributed by a separate acquisition letter.

ATTACHMENT 1

BUSINESS PRACTICES
ISSUANCE AND USE OF REVISED SFOs AND LEASE FORMS

1. Revised SFO and GSA Forms.

   a. This acquisition letter issues Simplified and Standard SFOs and forms; however, regional and case-by-case SFO and form variations are authorized within statutory and regulatory limitations.

   b. The primary versions of GSA Forms 3516, *Solicitation Provisions*, (Attachment 3) and 3517, *General Clauses*, (Attachment 4) now incorporate provisions and clauses by reference. The forms state that the full text is available from the contracting officer upon request or may be found on the Internet at http://www.gsa.gov/pbs/pe/standcla/standcla.htm. Alternatively, the contracting officer may determine that the solicitation should be issued initially with full text. Full text versions of these forms are numbered 3516A and 3517B and are not attached, but are being issued in electronic format.

2. Standard SFO. A minimum requirements Standard SFO has been developed and is attached as Attachment 2. That SFO is taken from the full text of the Standard SFO. The full text of the Standard SFO and forms are not attached, but this office will issue them electronically to GSA real estate activities. They are available in electronic format for other Federal agencies and interested parties by contacting gary.roberts@gsa.gov. The Small Lease SFO will no longer be maintained; however, many of the paragraphs from that SFO have been added to the Standard SFO.

3. Use of Lease Forms and SFOs. The requirements for use of lease forms and SFOs are designed so that contracting officers may determine the level of detail that is necessary in each acquisition to reasonably assure that 1) the Government receives the correct type, amount, and quality of space and 2) the Government's interests are protected during the term of the lease.

   a. Leases Equal To or Less Than $100,000 Net Annual Rent.

      (i) Realty Specialists should use Simplified procedures, GSA Forms 3626, 3517A, 3518A, and supplemental requirements (as necessary) for leases which do not exceed this threshold. (GSA Forms 3626 was issued by PER-96-04.)

      (ii) Realty Specialists may use Standard Form 2 and a Standard SFO when more detail is needed. Realty Specialists may use GSA Form 3516 if the information on that form is not provided to offerors in another fashion. However, Realty Specialists may not use GSA Forms 3517 and 3518, as they contain clauses and provisions not required for Simplified acquisitions.

   b. Leases Greater Than $100,000 Net Annual Rent.

      (i) Realty Specialists must use the clauses and provisions on GSA Forms 3516, 3517, and 3518, although use of the forms themselves is at the contracting officer's discretion.

(ii) Standard Form 2 and the Standard SFO are recommended, but not required. Realty Specialists may use GSA Form 3626 in lieu of the SF 2; however, it must be supplemented with the minimum safety and environmental requirements from the Standard SFO. Realty Specialists may not use GSA Forms 3517A and 3518A, because they do not contain all of the provisions and clauses required by law for leases exceeding the Simplified threshold. The contracting officer may, however, determine that it is appropriate to delete or modify any of the GSAR real estate clauses numbered 1 - 21 on the Form 3517.

4. SFO Revisions.

a. Incorporated fire safety and environmental revisions as issued by PER-96-04, *Safety and Environmental Procedures in Lease Acquisition.*

b. Deleted the 5-page *Handicapped Accessibility* paragraph and the related subpar. (c) of *Toilet Rooms*. Accessibility requirements are incorporated by reference in a paragraph entitled *Accessibility*. This paragraph requires compliance with the Americans With Disabilities Act Accessibility Guidelines and the Uniform Federal Accessibility Standards, whichever are more stringent for the particular architectural feature.

c. Replaced all references to "occupiable" square feet with "BOMA Usable" and defined "BOMA Usable." (Attachment 8) Clauses affected include the GSAR clauses 552.270-4, *Historic Preference* and 552.270-25, *Adjustment for Vacant Premises.*

d. Deleted "firm" from "firm term" in 552.270-25, *Adjustment for Vacant Premises*, to allow for adjustments after the firm term has expired.

e. Added to the *How To Offer* paragraph a requirement for the offeror to submit an estimated construction cost and financing rate for buildout.

f. Edited *Location: Inside or Outside City Center* for consistency on parking and transportation.

g. Updated the *Accessibility*, *Accessibility and Seismic Safety*, and *Seismic Safety for New Construction* paragraphs and modified the first two to recognize that award may be made based on initial offers and that approval of waivers of accessibility requirements has been delegated from the Administrator to the Commissioner (Attachment 8). *Accessibility and Seismic Safety* is now required for all leases over 10,000 square feet in all seismic zones.

h. Added provisions of the old *Award Factors: General* paragraph to the *Negotiations* paragraph.

i. Modified *Negotiations*, *Accessibility*, *Accessibility and Seismic Safety*, *Other Factors*, and *Award Based on Price* to recognize the possibility of award based upon initial offers.

j. Updated *Plans With Offer* and *CAD As-Built Floor Plans* to reflect the latest CAD technology.

k. Deleted dates on referenced GSAR clauses in *Alterations $100,000 or Less* and *Overtime Usage* to assure continued reference to current versions of clauses.

l. Modified *Award* to delete specific reference to GSA Forms 3517 and 3518 and to recognize that the lease may include the GSA Form 3626.

m. Deleted the word "where" to improve clarity in the second line of *Labor Standards.*

n. Changed the text and title of *Alterations $25,000 or Less* to *Alterations $100,000 or Less* to reflect the issuance of FPMR Amendment D-95 dated December 13, 1996.

o. Revised *Common Area Factor* to require submission of factors "when applicable."

p. Removed references to *certifications* from *Building Systems, Acoustical Requirements, Utilities: Separate From Rental,* and *Floors and Floor Load.*

q. Removed language from the first subparagraph of *Elevators* which duplicated provisions in the *Normal Hours* and *Overtime Usage* paragraphs.

r. Modified *Overtime Usage* to clarify what uses the Government may make of the space without overtime payment.

s. Modified *Utilities* and *Utilities: Separate From Rental* to provide for choice of either paragraph without the other.

t. Modifed *Janitorial Services* to require "Control of pests as appropriate, using Integrated Pest Management techniques."

u. Added short versions of several clauses from the Small Lease SFO.

v. Added the optional paragraph, *Energy Cost Savings,* for use in leases with a firm term of 5 years or more which exceed the simpified lease acquisition threshold (Attachment 8).

w. Updated *Miscellaneous Labor Clauses* to incorporate the latest versions of 52.222-4 and 52.222-6.

5. GSA Form 3516, *General Provisions,* Revisions. (Attachment 3) Revised both the 3516 incorporation by reference version and the 3516A full text version of the forms as follows:

a. Deleted *Appraisal, Requirement for Radon Certification, Requirement for Certificate of Procurement Integrity,* and *Requirement for Recycling Representation.*

b. Substituted *Service of Protest (AUG 1996)* for the old provision.

6. GSA Form 3517, *General Clauses,* Revisions. (Attachment 4) Revised both the 3517 incorporation by reference version and the 3517B full text version of the forms as follows:

a. Incorporated the latest FAR and GSAR versions of several clauses.

b. Deleted *Requirement for Certificate of Procurement Integrity-Modification.*

c. Deleted *Asbestos and Hazardous Waste Management,* in accordance with PER-96-04.

d. Added the *Drug-Free Workplace* clause in place of the certification deleted from GSA Form 3518.

e. Replaced references to "occupiable" square feet with "BOMA Usable" in the following GSAR clauses -

(i) 552.270-21, *Changes*.

(ii) 552.270-28, *Default in Delivery - Time Extensions*, and

(iii)552.270-31, *Payment*.

7. GSA Form 3517A, *General Clauses (Short Form)*, Revisions. (Attachment 5) Deleted *Requirement for Certificate of Procurement Integrity-Modification.*

8. GSA Form 3518, *Representations and Certifications*, Revisions. (Attachment 6) Revised as follows:

a. Deleted *Asbestos Representation* and *Certification For Past or Present Hazardous Waste Operations* in accordance with PER-96-04, *Safety and Environmental Procedures in Lease Acquisition*.

b. Deleted *Certification Regarding A Drug-Free Workplace*, and updated *Small Business Program Representations*.

8. GSA Form 3518A, *Representations and Certifications (Short Form)*, Revisions. (Attachment 7) Updated *Small Business Representation*.

9. GSA Form 3627, Market Survey, Revisions. Revised to replace reference to occupiable with BOMA Usable. This optional form is not attached, but is being issued in electronic format.

9. GSA Form 3628, Lease Action Summary. Revised to replace reference to occupiable with BOMA Usable and to recognize that we accept an SF 81 or a "request." This optional form is not attached, but is being issued in electronic format.

10. GSA Form 1364, Proposal To Lease Space. Revised to replace reference to occupiable with BOMA Usable and to recognize that general clauses and representations and certifications are not required to be on a GSA form. This optional form is not attached, but is being issued in electronic format.

BOMA USABLE SQUARE FEET (JAN 1997)

(a) For the purposes of this solicitation, the Government recognizes the BOMA (Building Owners and Managers Association) International standard (ANSI/BOMA Z65.1-1996) definition for Office Area, which means "the area where a tenant normally houses personnel and/or furniture, for which a measurement is to be computed."

(b) BOMA Usable Square Feet shall be computed by measuring the area enclosed by the finished surface of the room side of corridors (corridors in place as well as those required by local codes and ordinances to provide an acceptable level of safety and/or to provide access to essential building elements) and other permanent walls, the dominant portion (see Z65.1) of building exterior walls, and the center of tenant-separating partitions. Where alcoves, recessed entrances, or similar deviation from the corridor are present, BOMA Usable Square Feet shall be computed as if the deviation were not present.

ACCESSIBILITY (DEC 1996)

(a) All offers received in response to this solicitation will be evaluated to determine whether the offers fully meet the accessibility requirements for new construction of the Americans With Disabilities Act Accessibility Guidelines (ADAAG) (36 CFR Part 36, App. A) and the Uniform Federal Accessibility Standards (UFAS) (Federal Register vol. 49, No. 153, August 7, 1984, reissued as FED. STD. 795, dated April 1, 1988, and amended by Federal Property Management Regulations Amendment D-88, 54 FR 12627, March 28, 1989). If any offers are received which fully meet accessibility requirements of new construction, then other offers which do not fully meet these requirements will not be considered. Where standards conflict, the more stringent shall apply.

(b) FULL COMPLIANCE:
"Fully meets" as used herein means the offer fully complies with the ADAAG and/or UFAS requirements for Parking and Loading Zones, Accessible Route, Entrance and Egress, Ramps, Stairs, Handrails, Doors, Elevators, Telephones, Controls, Signage, Alarms, Drinking Fountains, Storage Facilities, Seating and Work Stations, Assembly Areas, and Toilet Rooms.

(c) SUBSTANTIAL COMPLIANCE:
In accordance with ADAAG and UFAS, if no offer is received which fully meets accessibility requirements for new construction, but an offer(s) is received which substantially meets these requirements, then other offers which do not substantially meet these requirements will not be considered. "Substantially meets" as used herein with respect to the accessibility requirements means the offer fully complies with the ADAAG and UFAS requirements for Automobile Parking and Loading Zones, Accessible Route, Entrance and Egress, Doors, Drinking Fountains, Toilet Rooms and the space has at least one elevator where necessary for route.

(d) LESS THAN SUBSTANTIAL COMPLIANCE:
In accordance with ADAAG and UFAS, if no offer is received which either fully or substantially meets the accessibility requirements of new construction, consideration will be given only to offers which meet the following minimum requirements:

(1) At least one accessible route shall be provided from an accessible entrance to the leased space and all required accessible areas. At least one interior means of vertical access shall be provided. Elevators shall have complying Controls and Signage.

(2) If parking is provided, then accessible spaces shall be included.

(3) Accessible toilet rooms shall be provided as follows:

(i) Where more than one toilet room for each sex is provided on a floor on which the Government leases space, at least one toilet room for each sex on that floor shall be accessible.

(ii) Where only one toilet room for each sex is provided on a floor on which the Government leases space, either one unisex toilet room or one toilet room for each sex on that floor shall be accessible.

(iii) Where only one toilet room is provided in a building where the Government leases space, one unisex toilet room shall be accessible.

(iv) In a qualified historic building where the Advisory Council on Historic Preservation determines that providing the above minimum accessible toilet facilities would threaten or destroy the historic integrity of the space, unisex toilet room(s) in the building shall be accessible.

(e) If no offer is received which meets the minimum accessibility requirements described above, offers will not be considered unless a waiver of accessibility requirements is requested by the Contracting Officer and granted by the GSA Public Buildings Service Commissioner.

ACCESSIBILITY AND SEISMIC SAFETY (JAN 1997)

(a) All offers received in response to this solicitation will be evaluated to determine whether the offers fully meet one of the Model Building Seismic Design Provisions shown below and the accessibility requirements for new construction of the Americans With Disabilities Act Accessibility Guidelines (ADAAG) (36 CFR Part 36, App. A) and the Uniform Federal Accessibility Standards (UFAS) (Federal Register vol. 49, No. 153, August 7, 1984, reissued as FED. STD. 795, dated April 1, 1988, and amended by Federal Property Management Regulations Amendment D-88, 54 FR 12627, March 28, 1989). Where standards conflict, the more stringent shall apply. If any offers are received which fully meet accessibility and seismic safety requirements, then other offers which do not fully meet these requirements will not be considered.

(b) FULL COMPLIANCE:

(1) "Fully meets" as used herein with respect to accessibility means the offer fully complies with the ADAAG and UFAS requirements for Parking (Automobile and Van) and Loading Zones, Accessible Route, Entrance and Egress, Ramps, Stairs, Handrails, Doors, Elevators, Telephones, Controls, Signage, Alarms, Drinking Fountains, Storage Facilities, Seating and Work Stations, Assembly Areas, and Toilet Rooms. Where standards conflict, the more stringent shall apply.

(2) "Fully meets" with regard to seismic safety, means that the building design and construction are in compliance with the seismic requirements of one of the following Model Building Code Seismic Design Provisions as applicable in the geographical area and according to the version of the Code published during the year indicated. Compliance shall be established by a registered structural engineer's evaluation.

	Model Building Code Seismic Design Provisions		
BUILDING TYPE	BOCA	SBCCI	UBC
Wood Frame, Wood Shear Panels	*	*	1949
Steel Moment Resisting Frame	1987	1991	1976
Steel Braced Frame	1990	1991	1988
Steel Frame w/Concrete Shear Walls	1987	1991	1976
Reinforced Concrete Moment Resisting Frame	1987	1991	1976
Reinforced Concrete Shear Walls	1987	1991	1976
Tilt-up Concrete	1987	1991	1973
Reinforced Masonry	1987	1991	1976

*Local provisions for wood construction need to be compared to the 1949 UBC to determine benchmark year. For additional building types, see NISTIR 5382.

(c) SUBSTANTIAL COMPLIANCE:

(1) In accordance with ADAAG and UFAS, if no offer is received which fully meets accessibility requirements for new construction, but an offer(s) is received which substantially meets these requirements, then other offers which do not substantially meet these requirements will not be considered. "Substantially meets" as used herein with respect to the accessibility requirements means the offer fully complies with the ADAAG and UFAS requirements for Automobile Parking and Loading Zones, Accessible Route, Entrance and Egress, Doors, Drinking Fountains, Toilet Rooms and the space has at least one elevator where necessary for route.

(2) "Substantially meets" with regard to seismic safety will be determined by the Government based upon the Offeror's evaluation by a registered structural engineer that specifically describes all exceptions to full compliance with the Model Building Code Seismic Design Provisions above. The offeror is to evaluate using NISTIR 5382 and identify all deficiencies. Based upon the evaluation, the Contracting Officer will make an award to the offer which best meets the Model Building Code Seismic Design Provisions and the other requirements of this solicitation.

(d) LESS THAN SUBSTANTIAL COMPLIANCE: In accordance with ADAAG and UFAS, if no offer is received which either fully or substantially meets the accessibility requirements of new construction, consideration will be given only to offers which meet the following minimum requirements:

(1) At least one accessible route shall be provided from an accessible entrance to the leased space and all required accessible areas. At least one interior means of vertical access shall be provided. Elevators shall have complying Controls and Signage.

(2) If parking is provided, then accessible spaces shall be included.

(3) Accessible toilet rooms shall be provided as follows:

(i) Where more than one toilet room for each sex is provided on a floor on which the Government leases space, at least one toilet room for each sex on that floor shall be accessible.

(ii) Where only one toilet room for each sex is provided on a floor on which the Government leases space, either one unisex toilet room or one toilet room for each sex on that floor shall be accessible.

(iii) Where only one toilet room is provided in a building where the Government leases space, one unisex toilet room shall be accessible.

(iv) In a qualified historic building where the Advisory Council on Historic Preservation determines that providing the above minimum accessible toilet facilities would threaten or destroy the historic integrity of the space, unisex toilet room(s) in the building shall be accessible.

(e) If no offer is received which meets the minimum accessibility requirements described above, offers will not be considered unless a waiver of accessibility requirements is requested by the Contracting Officer and granted by the GSA Public Buildings Service Commissioner.

SEISMIC SAFETY FOR NEW CONSTRUCTION (JAN 1997)

(a) If an Offeror proposes to satisfy the requirements of this solicitation through the construction of a new building or the construction of an addition to an existing building, then such new building or addition shall fully meet seismic safety standards, as described below.

(b) For those buildings or additions to buildings described in (a) above, the Offeror shall provide a written certification from a licensed structural engineer that the building(s) conforms to the seismic standards for new construction of the current (as of the date of this solicitation) edition of the ICBO Uniform Building Code, the BOCA National Building Code, or the SBCCI Standard Building Code.

ENERGY COST SAVINGS (JAN 1997)

(a) All offerors are encouraged to contact an energy service company qualified under the Energy Policy Act to perform Energy Savings Performance Contracts (ESPC) to determine whether opportunities for cost effective energy improvements to the space are available.

(b) A list of energy service companies qualified under the Energy Policy Act to perform ESPCs, as well as additional information on cost effective energy efficiency, renewables, and water conservation may be obtained by writing to: US Department of Energy, Federal Energy Management Program, EE-90, Washington, DC 20585 or by calling the FEMP HELP DESK at 1-800-566-2877 and asking for the ESPC qualified list.

V. Procedure after Lease is Signed

V.
PROCEDURE AFTER LEASE IS SIGNED

V. PROCEDURE AFTER LEASE IS SIGNED

A. IMPLEMENTING DESIGN PLUS

1. Lease Contents

The lease will contain timeframes for DOE submission of approved design intent layouts and the lessor's submission of working drawings for DOE approval. Since DOE's occupancy depends upon the lessor's completion of the space, it is important to monitor these submissions to assure that the timeframes are met. Missing these dates could cause many complications, including liquidated damages and paying rent before the space is ready.

2. Sequence of Events

The sequence of events should be as follows:

- DOE submits approved design intent to the lessor within the specified timeframe stated in the lease.
- Lessor prepares working drawings and submits them to DOE prior to beginning construction.
- DOE reviews drawings and final fire safety report.
- Real estate contracting officer approves final layouts and sends them to lessor by letter. The letter should instruct lessor not to proceed with any above standard items without specific written approval of the real estate contracting officer. Paint colors and carpet selections are negotiated and will be included with final plans.
- Leasing specialists, when authorized, negotiates above-standard items and formalizes price by supplemental agreement for a lump-sum amount, after justifying by an independent estimate.

3. Electrical and Phone Outlet Layouts

The real estate contacting officer accepts or rejects only layouts of partitioning and placement of electrical and phone outlets. They do not sign-off on lighting, mechanical, electrical or plumbing plans.

4. Inspection Before Acceptance

The complete work, both standard and above-standard, should be inspected by a qualified engineer or expert before acceptance.

B. ALTERATIONS AND GENERAL CONDITIONS

1. Alterations or Other Construction Work

The lease or a separate agreement should cover the responsibilities of the lessor in performing alterations or other construction work necessary to prepare the space for occupancy. The agreement should contain at least the following obligations:

- The lessor is responsible for inspecting the site to determine the quantity of work involved, comparing the specifications with the work, and keeping informed on all conditions affecting the work.

- If the contract allows any work after occupancy, the lessor must schedule the work so as to minimize any interference with the activities of the lessee; the lessor should ascertain the hours that are best for this purpose when preparing the offer.

- The lessor is responsible for fire and accident prevention, which may include restricting or direction flow of pedestrians or vehicles around work areas, using appropriate safety equipment, providing proper waste containers, and keeping paint containers sealed when not in use.

- The lessor will furnish all supplies, materials, and equipment for performance of the work, which shall be of a quality conforming with applicable Federal standards.

- The lessor will comply with all applicable laws, ordinances, and regulations (Federal, State, County, or other), including those covering alien employees.

- The lessor must indemnify the Government against any and all liability claims for injury, death, or property damage arising out of the work performance that may result in whole or part from negligent acts or omissions of the lessors.

2. Periodic Inspection by DOE

Periodic inspection by a DOE representative will be made during the progress of the work. Early visits may require only a walk-through but later visits should be more detailed as the work nears completion. The inspector should check the construction against copies of the final approved layouts and note any items that are missing, such as outlets, outlet covers, doors, locks, window coverings, etc.

C. ACCEPTANCE DATE

1. Commencement of Payment and Anniversary of Lease

Note that the acceptance date establishes the commencement of the payment of rent and the anniversary date of the lease. Smaller blocks of space are accepted in their entirety on a single date, usually the day following the final acceptance of the space--the day scheduled for the move-in.

2. Composite Date

If the lease involves a large amount of space, with a phased completion, acceptance and move-in, it may be necessary to set a composite date for commencement of rent. This can be done in two steps:

a. Divide total annual rental for all segments of twelve to get the average monthly rental.

b. Divide total actual rent paid through the day before rental is to commence on the last increment of space, by the average monthly rental from a. This will give you the correct number of months, or fraction thereof, to count back form the specific date used. For example, if the last increment is to be occupied on 9/1, the total rental paid during the period of phased occupancy form 2/1 to 8/31 was $110,000 over 40,000 = 2.75 months. (30 days x .75 = 22.5 or 23 days). The composite date would be 2 months and 23 days back from 8/31 or 6/7.

Composite dates should be avoided if possible, it is preferable to wait for a single move-in date if operations permit.

D. ACCEPTANCE INSPECTION

1. Who Should Participate

If possible, the acceptance inspection should be made jointly by the real estate contracting officer or his designee, the building manager or his representative, and the lessor. The realty specialist handling the lease should also participate, along with qualified personnel, in inspecting fire safety requirements, handicapped facilities and all other features requiring specially trained staff.

2. Inspection Checklist

Having a lease inspection checklist will be helpful, prepared in advance, covering all of the details to be checked. The list can be divided into sections such as General, Architectural Finishes, Fire and Safety, Toilet Facilities, Handicapped Facilities, etc.

On the checklist, make general notes on the overall condition of the building systems, such as exterior, HVAC, elevators, restrooms, walls, ceilings, floors, etc.

Check the placement of partitions, doors, outlets, and other fixtures against the locations called for in the approved tenants' layouts.

Verify the measurements of dividing walls, restrooms or other structures that might affect the occupiable space that have been built since your initial survey inspection. The space must be physically measured.

3. Deficiency List

From the inspection, prepare a deficiency list of items that must be corrected. Specify in the list:

- Those items that must be corrected before occupancy--those that are vital to the operation, threaten safety, or whose correction after occupancy would cause undue disruption to the operation.

- Those items whose correction can be deferred until after occupancy. For each deferred item, set a deadline for correction and make it a part of the lease--then follow-up to make sure the work is accomplished by the date set. Be sure to document the file.

Attachment V-1 is a sample "Certificate of Acceptance for Leased Property" with an attached "Condition Report."

VI. Lease Acquisition

CERTIFICATE OF ACCEPTANCE
FOR LEASED PROPERTY

Attachment V-1

This report covering the premises located at:

and consisting of _____ typewritten pages has been examined and represents a true condition of the property herein described:

Deficiencies noted herein, except those items listed below, are recorded for the protection of the Government when termination of the lease covering the premises is necessary. Those items listed below are to be corrected by the Lessor within five (5) working days unless otherwise specified. All other conditions so noted are minor and in no way render the premises unsuitable for Government occupancy.

DEFICIENCIES TO BE CORRECTED:

Date:_____ _____
Signature of Lessor or Lessor's Representative

Date:_____ _____
Signature of Government's Representative

Attachment V-1

CONDITION REPORT

Lease No.

Dated

Date of Possession

Installation and Location

Lessor

Address of Premises

Description of Leased Premises (General description including size, type of construction, age, and general condition and state of repair)

INTERIOR

Attachment V-1

Room No.
Floor No.

ITEM	DESCRIPTION (INCLUDE MATERIAL & FINISH)	CONDITION
FLOOR		
BASEBOARDS		
WALLS		
CEILING		
TRIM		
WINDOWS		
DOORS		
LIGHT FIXTURES		
SECURITY		
SAFETY (FIRE ALARMS, SPRINKLERS, ETC)		
MISC.		

Attachment V-1

INTERIOR

Room No.
Floor No.

ITEM	DESCRIPTION (INCLUDE MATERIAL & FINISH)	CONDITION
FLOOR		
BASEBOARDS		
WALLS		
CEILING		
TRIM		
WINDOWS		
DOORS		
LIGHT FIXTURES		
SECURITY		
SAFETY (FIRE ALARMS, SPRINKLERS, ETC)		
MISC.		

Page ____ of ____

REMARKS

Attachment V-1

GENERAL

EXTERIOR

INTERIOR

VI.
LEASE ADMINISTRATION

VI. LEASE ADMINISTRATION

A. CHANGE OF OWNERSHIP

1. Stop Payment of Rent

If a change in ownership of the leased premises occurs during the term of the lease, stopping payments of rent is essential until all questions concerning the change can be resolved.

2. Request Full Information

Upon receiving notice of an ownership change, you should send a letter to the old and/or new owner requesting full information on the new owner and an assignment of the lease.

- A sample letter follows, with enclosure: Lease Assumption Agreement. It is the responsibility of the old and new owners to complete this or a similar form and return it to the lessee.

- Note that if the change in ownership is the result of the death of an individual owner, a copy of the will or letters of administration showing the new owner is required.

3. Use Careful Wording and Consult with Counsel

It is very important that the lease assignment and assumption agreement be worded so as not to release the original owner/lessor from responsibility for obligations under the lease. The wording of the document should be checked with legal counsel before sending it to the lessors.

B. RENTAL DEDUCTIONS

1. Cure Letter

If the lessor fails to correct a performance deficiency after an oral request (which should be documented), it may be necessary for the Government to exercise its right to correct the deficiency and deduct the cost of the correction from the rental payment. Prior to doing this, the real estate contracting officer should send a "cure" letter to the lessor, notifying the lessor of the failure to correct and setting a date for inspection to see whether or not the work has been completed. The letter should state that unless the correction is made by the date, the Government will exercise its right, pursuant to Paragraph 15 of the General

Provisions of the lease, to correct the deficiency and deduct the cost from the rental payments. The letter should be sent by certified mail, return receipt requested. (Sample letter, Exhibit A, follows page VI-5).

2. "Deduction" Letter

If the "cure" letter does not result in a correction, the Government will make the correction and deduct the cost from the rent. The real estate contracting officer should send a "deduction" letter to the lessor, informing them of the work done and the cost that will be deducted. The letter also advises the lessor of appeal rights from the decision. This letter should also be sent by certified mail, return receipt requested. (Sample letter, Exhibit B, follows Exhibit A).

3. Emergency Situations

If the correction need creates an emergency, in which lives or Government property are endangered, the "cure" letter can be omitted and the Government can have the necessary work done and send a "deduction" letter as soon as the lessor fails to take action after an oral request. In this event, the oral request should be fully documented and the opening paragraphs of the "deduction" letter should be modified to include:

- An explanation of why the performance failure constituted an emergency requiring immediate corrective action.
- A summary of the verbal requests made to lessor or unsuccessful attempts to contact lessor to make the request.

C. RENTAL ADJUSTMENTS

Adjustments in rental payments for any reason must be based upon a provision of the lease or a supplemental agreement that describes the conditions under which an adjustment can be made and how the adjustment is to be calculated. In every case, be sure to follow the procedure agreed to in the lease provision exactly.

1. Increase in Operating Costs

On of the most common adjustments in rentals is an increase to allow the lessor to maintain net income in the face of increased operating costs, such as cleaning service, supplies, utilities, and maintenance. This adjustment is based upon an escalation clause in the lease. The clause will also provide for a corresponding decrease in rental if operating expenses should decrease.

(1) Consumer Price Index Used

The escalation clause in a lease uses the Consumer Price Index figure published by the U.S. Department of Labor to determine the change in the cost of living index that will trigger a rental increase or decrease. The percentage of change in the index is applied to the base operating costs to determine the new rental payment. The base operating costs must be established prior to award and be stated in the lease; they include all services and utilities furnished by the lessor.

(2) Adjustment Effective on Anniversary Date

Rental payment adjustments under the escalation clause will be effective on the anniversary date of the lease, beginning with the second year of the lease and for each year thereafter.

(3) Adjustments for Operating Costs

The rental adjustments for operating costs will be based upon the index figure published for the month prior to the lease commencement as compared to the index published for the month prior to the anniversary date. For example, for a lease that commenced in July 1987, you would compare the index published for June of 1987 with the index published for June of 1988, June of 1989, etc. to determine the percentage change. The new adjustment rental rate will be effective on the anniversary date of the lease and will be reflected in the next monthly payment.

2. Tax Adjustments

If there is a tax adjustment clause in the lease, the Government will pay additional rent for its share of tax increases or have the rent reduced by its share of any tax decreases.

The Government's share of any tax change will be based upon the percentage of rental building space that it occupies. This percentage should be established prior to award to preclude disagreements; it represents the ratio between the square feet occupied by the Government to the total rentable square feet in the building.

The adjustment will be calculated on the difference between taxes paid for the calendar year in which the lease commences (base year) and the current year. The share will be paid in a lump-sum that becomes due on the first work day of the month after tax receipts for both years are presented or on the anniversary date of the lease, whichever is later. If there is no full tax assessment during the lease commencement year, the base year will be the first year of full assessment. In any event, be sure to use the most recent base date for calculating the change.

3. Assignment of Rents

During the term of the lease, the lessor may ask the right to receive rental payments under the lease to a third person or to a financial institution. The assignment of this right does not affect the obligations of the lessor under the lease or change the relationship of the parties except the purely administrative change in the location and/or name of the payee. The assignment is made for the convenience of the lessor and should impose no additional burden or expense on the Government.

The Government should not make any change in the method, place, or recipient of rental payments until the lessor has executed a written assignment authorizing and directing the Government to make rental payments to the designated person or entity, in lieu of making payments to the lessor. Be sure that the assignment is executed by a properly authorized officer if the lessor is a corporation and that the payee's name and the location of the payments are clear and unambiguous. If there is any confusion about these matters, withhold payments until it is clarified.

D. DISPUTES

1. Poor Performance or Non-Performance

Disputes that arise under the lease regarding performance or non-performance by either party are resolved according to the procedures set forth in the Disputes Clause of the lease. These procedures are prescribed by the Contract Disputes Act of 1978 (41 USC 601-613). The clause basically requires that claims be in writing and that the real estate contracting Officer render a written decision that is final unless the contractor appeals or files a suit.

2. No Oral Commitments Can Be Honored

In attempting to resolve any disputed, remember that no oral commitments made during discussions of the dispute or during any stage of the lease negotiations can be honored. Only those terms contained in a written agreement are binding on either party.

E. PROMPT PAYMENT ACT

The most important obligation of the Government under a lease is to pay the rent. The Prompt Payment Act (Public Law 97-177) applies to payment of rent under leases.

48CFR 452.232-71(g) dated April 10, 1985, requires that the following clause appear in all leases: "Payment under this contract will be due on the 5th workday of the month following that in which payment accrued." The law allows a 15-day grace period following the due date, after which interest will be added to the amount due.

Contracting and paying offices should be careful to meet the requirement dates for all rental payments to avoid unnecessary charges.

TRANSMITTAL LETTER TO OLD/NEW LESSOR

Name
Address

With reference to Lease No._____

for_____(Address)_____, we have been advised of the impending sale of the_____
property. Enclose is a form which sets forth the information required from both the present and new owner.

The Government will make the necessary changes in contract and payment records after all of the information and documentation is submitted. It is therefore important to respond expeditiously for a prompt change in destination of rental checks.

Sincerely,

Contracting Officer

enclosures

EXHIBIT A

NEW OWNER INFORMATION SHEET

1. (a) Attach certified copy of Deed transferring title and/or a fully signed and certified copy of agreement of sale.

   (b) In the vent of change of ownership due to death of owner, please submit a copy of the will or letters of administration.

2. (a) If a partnership, list all partners, general partners, limited partners, and addresses.

   (b) If a corporation, list all corporation officers, titles, and addresses (attach a copy of corporate resolution authorizing ownership and designating who may act or sign on behalf of the corporation).

3. IRS Identification Number:_____

4. Name of Payee and address for rental payments:

5. Manager or day-to-day contact person.

   Name:
   Address:

   Phone Number:

_____
Authorized Signature (Owner)

_____
Date

EXHIBIT B

LEASE ASSUMPTION AGREEMENT

THIS AGREEMENT entered into by and between_____
_____Hereinafter called "Transferor",
_____
hereinafter called "Transferee", and the United State of America, acting by and through the Secretary of energy, hereinafter called the "Government",

WITNESSETH:

WHEREAS, the Tranferor and the Government have heretofore entered into a certain lease, Number_____, Dated_____, as amended by the following: supplemental Agreement No._____, dated_____, etc., whereby the Transferor leases to the Government certain real property more particularly described as follows:

which lease as amended is hereinafer referred to as the "Lease"; and

WHEREAS, the Transferor has sold the leased property to the Transferee and has assigned to the Transferee all the Transferor's rights under the Lease; and

WHEREAS, the Transferee has assumed all the Transferor's obligations under the Lease; and

WHEREAS, evidence of the transfer of the property and the assignment have been furnished to the Government.

NOW, therefore, in consideration of the promises, the parties hereto mutually agree as follows:

1. The Transferor hereby confirms said assignment, conveyance and transfer to the Transferee, and does hereby release and discharge the Government form, and does hereby waive, and claims, demands and rights against the Government which it now has or may hereafter have in connection with the lease.

2. The Transferee hereby assumes, agrees to be bound by, and undertakes to perform each and every one of the terms, covenants, and conditions contained in the Lease. The Transferee further assumes all obilgations and liabilities of, and all claims and demands against the Transferor under the Lease, in all respects as if the Transferee were the original party to the Lease.

3. The Transferee hereby ratifies and confirms all actions heretofore taken by the Transferor with respect to the Lease with the same force and effect as if the action had been taken by the Transferee.

4. The Government hereby recognizes the Transferee as the Transferor's successor in interest in and to the Lease. The Transferee hereby becomes entitled to all rights, title, and interest of the Transferor in and to the Lease in all respects as if the Transferee were the orinigal party to the Lease. The term "lessor" as used in the Lease shall be deemed to refer to the Transferee rather than the Transferor.

5. Except as expressly provided therein, nothing in this Agreement shall be construed as a waiver of any rights of the Government against the Transferor.

6. Notwithstanding the foregoing provisions, all payments and reimbursements heretofore made by the Government to the Transferor and all other

action heretofore taken by the Govenrment, pursuant to its obligations under the Lease, shall be deemed to have discharged *pro tanto* the Government's obligations under the Lease. All payments and reimbursements made by the Government after the effective date of this Agreement in the name of or to the Transferor shall have the same force and effects as if made to said Transferee and shall constitute a complete discharge of the Government's obligations under the Lease to the extent of the amounts so paid or reimbursed.

7. The Transferor hereby guarantees payment of all liabilities and the performance of all obligations which the Transferee (1) assumes under this Agreement, or (2) may hereafter undertake under the Lease as they may hereafter be amended or modified; and the Transferor hereby waives notice of and consents to any such amendments or modificaitons.

8. Exept as herein modified, the Lease shall remain in full force and effect:

IN WITNESS WHEREOF, each of the parties hereto have executed this Agreement effective_____.

Payee's
Name and Address:

_____

_____

_____

Telephone Number:

_____

Social Security or Employee
ID Number:

_____

UNITED STATES OF AMERICA
Department of Energy

By_____

_____
(Signature) TRANSFEROR

_____
(Signature) TRANSFEREE

_____

_____

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Date
Lessor's Name
Lessor's Address

Dear _____:

This is in reference to deficiencies in the property leased from you by DOE in the _____ Building located at _____, under lease number _____. These deficiencies are:

(1) _____
Paragraph _____ of the lease requires _____
_____

(2) _____
Paragraph _____ of the lease requires _____
_____

_____, our field office manager verbally notified(you/_____ of your staff) on (August 10, 1997), that these deficiencies must be remedied. (Field office manager or tenant) informed me that the necessary work has not been (performed/completed) to date.

It is my determination that if you have not taken action to correct deficiencies by (September 11, 1997), the Government will exercise its right to correct the deficiencies and deduct the cost from rental payments, pursuant to Paragraph 15 of the General Provisions of the lease. The premises will be reinspected immediately after (September 11, 1997), and I will be informed whether the work has been completed.

No extensions will be granted from the (Septemeber 11, 1997), deadline unless I receive adequate justification, and an acceptable completion target date from you by (close of business) September 10, 1997. If you file an extension request, you must:

1. *Obtain a receipt for the request either by mailing it "Certified Mail-Return Receipt Requested" or by having it hand delivered to me.*

2. *Have my **WRITTEN** approval of the extended completion deadline in hand before commencing work.*

Proceeding with the work after the deadline without taking the above precautions, will result in your liability for expenses the Government incurs preparing for the work.

Any questions regarding the above, may be referred to me on (phone number) between _____ a.m. and _____ p.m.

Sincerely,

Contracting Officer

EXHIBIT D

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Date
Lessor's Name
Lessor's Address

Dear _____:

By letter of August 20, 1987 (copy enclosed), you were advised that unless you took action to correct deficiencies in the space leased by DOE in the _____ _____ Building (lease number _____) by September 11, 1997, the Government would exercise its right to correct the deficiencies and deduct the cost from rental payments, pursuant to Paragraph 15 of the General Provisions of the lease.

The premises were inspected on September 12, 1997, and the deficiency had not been corrected. I have taken the necessary action at a total cost of $_____. A breakdown of these costs is attached. Therefore, I have authorized the deduction of that amount from a future rental check.

This is a final decision of the Contracting Officer:

Under the Contract Disputes Act of 1978, this decision of the Contracting Officer shall be final and conclusive unless appealed or action is brought in the U.S. Claims Court as indicated herein. This decision may be appealed to the Services Administration's Board of Contract Appeals, Washington, D.C. 20405. If you decide to make such an appeal, you must or otherwise furnish written notice thereof to the Board of Contract Appeals within ninety (90) days from the date you receive this decision. A copy thereof shall be furnished to the Contracting Officer from whose decision the appeal is taken. The Notice of Appeal, which is to be signed by you as the contractor or by an attorney acting on your behalf and which must be in letter form, should indicate that an appeal is intended, should refer to this decision and should identify the contract and item by number. The Notice of Appeal should include a statement of the reasons why the decision is considered to be erroneous. In lieu of appealing to the cognizant Board of Contract Appeals, you may bring an action directly to the U.S. Claims Court, within twelve (12) months of the date you receive this decision.

You are advised that you may, at your sole election, proceed under the small claims procedure where the amount of dispute resulting from the final decision is $10,000 or less. In like manner and at your sole election, an accelerated procedure is available before the Board of Contract Appeals where the amount in dispute resulting from the final decision is $50,000 or less.

Sincerely,

Contracting Officer

EXHIBIT E

Appendix A

APPENDIX A

REQUEST FOR SPACE

SF-81

REQUEST FOR SPACE (See instructions on reverse)

1. DATE	2. AGENCY REQUEST NUMBER	3. LOCAL AGENCY CONTACT (Name)	PHONE NO.	4. AGENCY MARKET SURVEY REPRESENTATIVE (Name)	PHONE NO.

5. TO: GENERAL SERVICES ADMINISTRATION
PUBLIC BUILDINGS SERVICE
NO., STREET ▶
CITY & STATE ▶
ZIP CODE

6. FROM
AGENCY ▶
NO., STREET ▶
CITY & STATE ▶
ZIP CODE

7. FOR:
AGENCY
ADDRESS
ZIP CODE
BUREAU CODE

8. TYPE OF REQUEST
☐ INITIAL ☐ CONTINUING REQUIREMENTS
☐ EXPANSION ☐ REDUCTION

9a. GEOGRAPHIC SERVICE AREA

9b. DELINEATED AREA

10. TERM OF OCCUPANCY
FROM (mo. & yr.) | TO (mo. & yr.)

NO. OF YEARS FIRM TERM

11. TOTAL NO. OF PERSONNEL TO BE HOUSED

12. SPACE REQUIREMENTS

		TYPE OF SPACE	NO. OF PERSONNEL	SQ. FT. PER PERSON	SQ. FT.	TOTALS
OFFICE	a.	PRIMARY OFFICE AREA				
		OFFICE SUPPORT AREA				
		OFFICE SPACE SUBTOTAL				
STORAGE	b.	ST 1 GENERAL STORAGE				
	c.	ST 3 WAREHOUSE STORAGE				
	d.	STORAGE SUBTOTAL (Lines b, c)				
SPECIAL	e.	SP 1 LABORATORY & CLINIC				
	f.	SP 2 FOOD SERVICE AREA				
	g.	SP 3 STRUCTURALLY CHANGED				
	h.	SP 4 AUTOMATED DATA PROCESSING				
	i.	SP 5 CONFERENCE & TRAINING				
	j.	SP 6 LIGHT INDUSTRIAL				
	k.	SP 7 QUARTERS/RESIDENTIAL HOUSING				
	l.	SPECIAL SUBTOTAL (Lines e-k)				
	m.	TOTAL SPACE REQUIRED (Lines a, d, & l)				
	n.	OPEN LAND (Total acres)				
	o.	ST 2 INSIDE PARKING (No. of spaces)				
	p.	OUTSIDE PARKING (No. of spaces)				
	q.	TOTAL PARKING SPACES (Lines o, p)				

13. SPECIAL REQUIREMENTS AND SERVICES (see attached)
☐ ATTACHMENT(S)

14. AGENCY CERTIFICATION
I certify that this request is accurate and complete; is for the minimum amount of space required; is in compliance with FPMR 101-17, including all laws and executive orders governing the location of space; and that funds are available for payment of rent, moving expenses, telecommunication expenses, and any related reimbursable costs.

SIGNATURE	PHONE NO.	DATE

PRINT NAME AND TITLE

15. FOR GSA USE ONLY
(Action by Authorized GSA Official)

☐ GOV'T CONTROLLED SPACE TO BE ASSIGNED
☐ NO GOV'T SPACE AVAILABLE LEASING ACTION PLANNED
☐ UNIQUE AGENCY SPACE DETERMINED - SEE ATTACHED
☐ AGENCY AUTHORIZED TO ACQUIRE SPACE UNDER ITS OWN AUTHORITY
☐ COMMENTS ATTACHED

SIGNATURE OF AUTHORIZED GSA OFFICIAL	PRINT NAME AND TITLE

SPACE REQUEST NO.	DATE RECEIVED

NAME OF GSA REGIONAL CONTACT	PHONE NO.

NSN 7540-00-634-4030
Previous edition not usable.

81-107

STANDARD FORM 81 (REV. 2-80)
Prescribed by GSA - FPMR (41 CFR) 101-17

INSTRUCTIONS

Submitting the SF-81

Submit the SF-81 in triplicate, accompanied by a completed SF-81A, Space Requirements Worksheet, Space Requirements Questionnaire and any additional documentation to fully support the agency's space needs. Failure to provide complete and accurate information will delay processing and may result in return of the SF-81 for correction, update, and resubmission.

The SF-81 must be submitted by the office which has authority to obligate funds to reimburse GSA for all applicable costs associated with the delivery of space. Agency field components which do not have delegated authority to obligate funds must coordinate submission and approval of the SF-81 with offices which have this authority. A GSA Form 2957, Reimbursable Work Authorization, should be submitted when applicable.

Item 1. Date form is prepared.

Item 2. Agency established request number.

Item 3. Name and phone number of the local agency official who is knowledgeable of the request and will serve as the agency's point of contact for this project.

Item 4. Name and phone number of agency representative who will work with GSA if a market survey is conducted. This individual must have the authority to determine acceptability of the building and/or sites and their location.

Item 6. GSA regional office which has jurisdiction for geographical area where space is required.

Item 6. Name and address of organization making the request.

Item 7. Name of agency, and bureau code of the organization which will occupy the space (e.g. regional office, district office, field office) if different than information provided in block 6. City and state where the space is requested.

Item 8. Type of request. Initial: A request for new space that is not associated with an existing assignment. Expansion: A request for additional space associated with an existing assignment. Continuing requirements: A space action required for a lease renewal, succeeding lease, lease extension or move. Reduction: A space action that requires regional Real Estate Division effort to effect the partial or total termination of an assignment.

Items 9a. and b. Geographic/Delineated area that the agency will service. The geographic area (State, city, county, zip code, etc.) for which an agency/bureau has operational responsibility as well as the specific delineated area as identified and justified by the requesting agency. GSA review of the delineated area shall be limited to ensuring that the delineated area will provide adequate competition and the maximum use of existing Government controlled space (see Item 14 Agency Certification).

Item 10. Period of time the organization will use the space and the suggested number of years for a firm term period. This time period must be representative of the longest period for which the agency can commit. "Indefinite" and "ASAP" are not acceptable responses.

Item 11. Total number of personnel to occupy the requested space. ("Personnel" means the peak number of persons to be housed, regardless of how many workstations are provided for them. In addition to permanent employees of the agency, personnel includes temporaries, part-time, seasonal, contractual employees and budgeted vacancies.)

Item 12. This portion of the SF-81 is used to identify agency's square footage requirements by type of space. All information should be supported by a detailed explanation on the Space Requirements Questionnaire and SF-81A.

Item 12, line a. This line identifies the Office Space Subtotal. The Office Space Subtotal is determined by entering the amount of space required for the primary office area and adding this to the amount required for the office support area. "Primary Office Area" is the primary people occupied area in which an activity's normal operational functions are performed.

"Office Support Area" refers to the areas constructed as office space and used to meet needs outside the agency's primary work area requirements (e.g. reception, conference, file, libraries, hearing, interview, and secondary work areas). Office support areas should be clearly identified on the attached SF-81A and Space Requirements Questionnaire.

Item 12, lines b, c. Amount of general and warehouse storage space required. (See item 12, line o for ST 2 inside parking).

Item 12, line d. Total amount of storage space required (add lines b and c).

Item 12, lines e-k. Amount of special space required.

Item 12, line l. Total amount of special space required (add lines e through k).

Item 12, line m. Total amount of Office, Storage and Special space required. (add lines a, d, and l).

Item 12, line n. Total acres needed. For amounts less than 1 acre, 1 acre equals 43,560 square feet.

Item 12, line o, p. Agency's inside and outside parking requirement. Certification that the parking is necessary for the efficient operation of the agency mission is required. One parking space equals 300 square feet. Please indicate the number of spaces.

Item 12, line q. Total parking spaces required. (Add lines o and p).

Item 13. This item refers to the specific architectural, mechanical, electrical, structural, and other special requirements related to each of the types of space requested in Item 12. These include security; electrical; HVAC; floor loading; sound conditioning; fire and safety; and the need for after hours building access, utilities, and cleaning services. Such requirements must be fully defined by area, including computer rooms, laboratories, conference rooms, etc. These requirements must be specified in detail on the Space Requirements Questionnaire and SF-81A. Check box in Item 13 to indicate if this information is attached.

Agency Certification

Item 14. The certification must be signed by an authorized agency official.

Item 15. GSA will evaluate the request in terms of the space available in its inventory and determine the appropriate action. If GSA determines that space requested is unique agency space, GSA will take no action until the agency has concurred with that designation. GSA will assign a space request number which will be used to track the request until it is satisfied.

Name and phone number of the GSA regional official who is knowledgeable of the request and will serve as GSA's point of contact.

STANDARD FORM 81 BACK (REV. 2-89)

(b) Page 2 of Standard Form 81

SPACE REQUIREMENTS WORKSHEET ▶ *This form must accompany SF-81, Request for Space.* ◀ PAGE OF

DEPT./BUREAU	PREPARED BY	CITY AND STATE
AGENCY/OFFICE	TITLE	ORGANIZATIONAL UNIT DESCRIBED ON THIS PAGE
DIVISION	DATE	

(SEE INSTRUCTIONS, STANDARDS, AND SYMBOLS ON REVERSE.)

STANDARD WORKSPACE CODE	EMPLOYEE NAME OR SUPPORT SPACE / FUNCTIONAL TITLE	GRADE	SPACE TYPE	ENCLOSURE TYPE	SQUARE FEET REQUIRED	DESKS (D, CD, TDL, UDL, TDR, UDR)	CR or MTU	C / LC	TABLES (TConf, T, TS, TM, TR-36, TR-42, TR-54)	STORAGE UNITS (F, LF, LAT, ST, BC, LS, SS)	COSTUMER (CM-6, CM-12)	MISC. EQUIPMENT (DI, DB-5, SF, DB-6, TH, MC, TE)	FOOTNOTE FOR REMARKS

◀ PERSONS – TOTALS – SPACE ▶

REMARKS:

GSA USE ONLY

STANDARD FORM 81-A (10-83)
Prescribed by GSA
FPMR (41 CFR) 101-17.101

NSN 7540-01-140-5537

Federal Property Management Regulations
(Amendment D-
)

SECTION 1 INSTRUCTIONS, STANDARDS AND SYMBOLS

DESKS

D	Standard Desk 60x30
TDL or TDR	Typist Desk 60x34 w/Left or Right Typing Bed
UDL or UDR	Unitized Desk 60x30 w/Left or Right L-unit Return 36x18
CD	Conference Desk 72x36

STORAGE UNITS

F	File, Letter 15x28 (7)
LF	File, Legal 18x28 (8)
LAT	Lateral File 36x18 (9)
BC	Bookcase 34x14 (6)

TABLES

TConf.	Table, Conference 72x36
T	Standard Table 60x34
TM	Table, Medium 45x34
TS	Table, Small 36x24
MTU	Modular Table Unit 66x18
TR-54	Table, Round 54"
TR-42	Table, Round 42"
TR-36	Table, Round 36"
TH	Table, Host 42x18
TE	Table, End 18x24

DIVAN

DI	Divan or Sofa 72x40

CHAIR

C LC	Guest Chair Lounge Chair

MISCELLANEOUS

ST	Storage Cabinet 2-Door 36x18 (12)
SS	Steel Shelving 36x18 (10)
LS	Library Shelving 36x15
DB-6 (S)	Drawing Boards DB-5 60x40 DB-6 72x45 S: Stool
MC	Map Cabinet 54x42
CM-12	Costumer 12-Hanger 51x20 (14)
CM-6	Costumer 6-Hanger 30x20 (8)
CR	Credenza 66x18

SPACE TYPE SYMBOLS:	
O	Open Area
P	Private Area
SP	Semi-Private Area

ENCLOSURE TYPE SYMBOLS:	
CH	Ceiling-High Partition
PS	Privacy Screen
O	Open

SECTION 2 PROGRAMMING INSTRUCTIONS

(1) Organize the data supporting your request by functional work groups. When one work group has been described begin the next work group on a new page.

(2) The requesting agency is responsible for describing the following workspace elements of the *Space Requirements Program*.

- **Workstations** are indicated by employee name, functional title and grade for each *authorized and budgeted position. If the authorized position is vacant, so indicate.* Square feet required are determined by layout design on SF-81A, Part 2.
- **Common Function** spaces are indicated by the appropriate name of the workspace (conference, reception, etc.) and the symbol C/F in the grade column. Square feet required are determine by layout design on SF-81A, Part 2.
- **Administrative Support** spaces are either *centralized files* or miscellaneous equipment (i.e., costumers, an extra bookcase) not appropriately contained within other workspaces. Indicate A/S in the grade column. Square feet required may be determined by multiples of the allowance indicated in ( ) in Section 1 above.

(3) Develop the space requirements program in the following manner:

Step 1: List all workspace elements described in (2) above in an order determined by adjacency relationships.

Step 2: As necessary, prepare a standard workspace design on SF-81A, Part 2 for each workstation or common function workspace element. Indicate the dimensions of the workspace and calculate the square feet required.

Step 3: Use the symbols shown within the illustrations above in Section 1 to itemize furnishings and equipment on SF-81A. DO NOT LIST EXCESS. Itemized listings need not be shown for line items previously standardized. Simply code the line entry appropriately.

Step 4: Complete the line item entry by indicating space and enclosure type, square feet required and workspace code No.

(4) Describe, in *Remarks*, all special needs such as: weight of heavy items, special utilities, service access requirements, supplemental HVAC, etc. Develop a separate specification sheet if necessary.

(5) The information provided on these worksheets is to be summarized on SF-81, Request for Space, and submitted attached thereto.

* GPO 1984 O - 420-498 (12)

STANDARD FORM 81-A (10-83) BACK

(b) Page 2 of Standard Form 81A

STANDARD WORKSPACE DESIGN NO.

WORKSPACE DESCRIPTION ▼	GRADE	SPACE TYPE	ENCLOSURE	SQUARE FEET	DESKS	CREDENZAS	CHAIRS	TABLES	FILES	BC	ST	SS OR LS	MISC.

WORKSPACE DESIGN: (SCALE 1/4" = 1'0")

* GPO : 1983 O - 420-498 (12)

STANDARD FORM 81-A PART 2 (10-83)

(Page 3 of Standard Form 81A

Appendix B

APPENDIX B

SOLICITATION FOR OFFERS (STANDARD)

SOLICITATION FOR OFFERS

THE GENERAL SERVICES ADMINISTRATION

_____

_____

_____

NAME: _____

TITLE: _____

The information collection requirements contained in this Solicitation/Contract, that are not required by the regulation, have been approved by the Office of Management and Budget pursuant to the Paperwork Reduction Act and assigned the OMB Control No. 3090-0163.

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1.0 SUMMARY

1.1. AMOUNT AND TYPE OF SPACE (JAN 1997)

(a) The General Services Administration (GSA) is interested in leasing approximately _____ Rentable square feet of space. The Rentable space must yield a minimum of _____ BOMA Usable Square Feet (as defined elsewhere in this solicitation) to a maximum of _____ BOMA Usable Square Feet, available for use by Tenant for personnel, furnishings, and equipment.

(b) Offers must be for space located in a quality building of sound and substantial construction as described in this solicitation for offers, have a potential for efficient layout. For purposes of this solicitation, the definition of BOMA Usable Square Feet is in the paragraph entitled "BOMA Usable Square Feet" in the Miscellaneous section of this solicitation.

(c) To demonstrate potential for efficient layout, offerors may be requested to provide test fit layouts when the space offered contains certain features like:

- narrow column spacing
- atriums, light wells or other areas interrupting contiguous spaces
- extremely long, narrow runs of space
- irregular space configurations, or
- other unusual building features.

The Government will advise the offeror if the test fit layout demonstrates that the Government's requirement cannot be accommodated within the space offered. The offeror will have the option of increasing the BOMA Usable square footage offered provided that it does not exceed the maximum BOMA Usable square footage in the solicitation. If the offeror is already providing the maximum BOMA Usable square footage and cannot house the Government's space requirements, then the Government will advise the offeror that the offer is unacceptable.

(d) Unless otherwise noted, all references in this solicitation to square feet shall mean BOMA Usable Square Feet.

1.2. AREA OF CONSIDERATION

_____

1.3. LOCATION: INSIDE OR OUTSIDE CITY CENTER (JAN 1997)

(a) CITY CENTER NEIGHBORHOOD:
Space must be located in a prime commercial office district with attractive, prestigious, professional surroundings with a prevalence of modern design and/or tasteful rehabilitation in modern use. Streets and public sidewalks should be well maintained.

(1) PARKING AND TRANSPORTATION:
The parking to square foot ratio available on-site must at least meet current local code requirements or in the absence of a local code requirement, on-site parking must be available at a ratio of 1 space for every _____ rentable square feet of Government leased space.

(2) LOCATION AMENITIES:
A variety of inexpensive and moderately priced fast food and/or eat-in restaurants must be located within _____ and other employee services such as retail shops, cleaners, banks, etc., should be located within _____.

(b) OUTSIDE OF CITY CENTER NEIGHBORHOOD:
Space must be located in an office, research, technology, or business park that is modern in design with a campus-like atmosphere, or on an attractively landscaped site containing one or more modern office buildings that are professional and prestigious in appearance with surrounding development well-maintained and in consonance with a professional image.

(1) PARKING AND TRANSPORTATION:
The parking to square foot ratio available on-site must at least meet current local code requirements or in the absence of a local code requirement, on-site parking must be available at a ratio of 1 space for every _____ rentable square feet of Government leased space.

(2) LOCATION AMENITIES:
Adequate eating facilities are to be located within _____ and other employee services, such as retail shops, cleaners, banks, etc. should be located within _____.

1.4. LOCATION: OUTSIDE CITY CENTER (JUN 1994)

(a) NEIGHBORHOOD:
Space must be located in an office, research, technology or business park that is modern in design with a campus-like atmosphere, or on an attractively landscaped site containing one or more modern office buildings that are professional and prestigious in appearance with surrounding development well-maintained and in consonance with a professional image.

(b) PARKING:
The parking to square foot ratio available on-site must at least meet current local code requirements or in the absence of a local code requirement, on-site parking must be available at a ratio of 1 space for every _____ rentable square feet of Government leased space.

(c) LOCATION AMENITIES:
Adequate eating facilities are to be located within _____ and other employee services such as retail shops, cleaners, banks, etc., should be located within _____.

1.5. LOCATION: CITY CENTER (JUN 1994)

(a) NEIGHBORHOOD:
Space must be located in a prime commercial office district with attractive, prestigious, professional surroundings with a prevalence of modern design and/or tasteful rehabilitation in modern use. Streets and public sidewalks should be well maintained.

(b) PARKING AND TRANSPORTATION:
The parking to square foot ratio available on-site must at least meet current local code requirements or in the absence of a local code requirement, on-site parking must be available at a ratio of 1 space for every _____ rentable square feet of Government leased space.

(c) LOCATION AMENITIES:
A variety of inexpensive and moderately priced fast food and/or eat-in restaurants must be located within _____ and other employee services such as retail shops, cleaners, banks, etc., should be located within _____.

1.6. UNIQUE REQUIREMENTS

_____
_____
_____

1.7. LEASE TERM

The lease term is for _____. GSA may terminate this lease at any time after the initial term on _____ days written notice to the lessor.

1.8. OFFER DUE DATE

Offers are due by _____, and must remain open until _____.

1.9. OCCUPANCY DATE

Occupancy is required _____.

1.10. OCCUPANCY DATE

Occupancy is required within _____ calendar days from the date of award or from receipt of plans and samples, whichever is later. GSA shall deliver layout drawings and necessary finish selection to the successful Offeror by _____.

1.11. HOW TO OFFER (JAN 1997)

(a) Offers are to be submitted to the Contracting Officer at:

_____
_____
_____
_____

(b) No later than the close of business on the offer due date the following documents, properly executed, must be submitted:

(1) _____

( ) The estimated cost to prepare the space for occupancy by the Government.

( ) The offeror's proposed amortization rate for tenant alterations.

1.12. HOW TO OFFER (JAN 1997)

(a) Offers are to be submitted to the Contracting Officer at:

_____
_____
_____
_____

(b) No later than the close of business on the offer due date the following documents, properly executed, must be submitted:

(1) GSA Form 1364, Proposal to Lease Space (enclosed) or similar form.

(2) GSA Form 1217, Lessor's Annual Cost Statement (enclosed).

(3) Representations and Certifications (enclosed).

(4) One-eighth inch (preferred) or larger scale first generation blue line plans of the space offered.

(i) Photostatic copies are not acceptable. All architectural features of the space must be accurately shown. If conversion or renovation of the building is planned, alterations to meet this solicitation must be indicated. If requested, more informative plans must be provided within _____ days.

(ii) Plans shall reflect corridors in place or the proposed corridor pattern for both a typical full (single tenant) floor and/or partial (multi-tenant) floor. The corridors in place or proposed corridors should meet local code requirements for issuance of occupancy permits.

(iii) GSA will review the corridors in place and/or proposed corridor pattern to make sure that these achieve an acceptable level of safety as well as to ensure that these corridors provide public access to all essential building elements. The offeror will be advised of any adjustments that are required to the corridors for the purpose of determining the BOMA Usable space. The required corridors may or may not be defined by ceiling high partitions. Actual corridors in the approved layout for the successful offeror's space may differ from the corridors used in determining the BOMA Usable square footage for the lease award.

(5) A list of unit costs for adjustments (see paragraph entitled "Alterations Costing $100,000 or Less").

(6) An hourly overtime rate for overtime use of heating and cooling (see paragraph entitled "Overtime Usage").

(7) The estimated cost to prepare the space for occupancy by the Government.

(8) The offeror's proposed amortization rate for tenant alterations.

(c) The Offeror should also include as part of the offer, information which addresses any award factors which are listed in the solicitation paragraph entitled "Other Factors."

(d) See Solicitation Provisions for instructions. If additional information is needed, the Contracting Officer should be contacted.

(e) There will be no public opening of offers and all offers will be confidential until the lease has been awarded; however, the Government may release proposals outside the Government to a Government support contractor to assist in the evaluation of offers. Such Government contractors shall be required to protect the data from unauthorized disclosure. Offerors who desire to maximize protection of information in their offers may apply the restriction notice to their offers as prescribed in the provision entitled "52.215-12, Restriction on Disclosure and Use of Data."

1.13. PLANS WITH OFFER (JAN 1997)

All plans submitted for consideration must be Computer-Aided Design (CAD) files in the AutoCAD Release 12 (or later) .dwg format. Clean and purged files are to be submitted on 3½ inch high density diskettes, or, if approved by the Contracting Officer, on CD-ROM or QIC (¼ inch Cartridge) tape. All submissions must be accompanied with a written matrix indicating the layering standard used to ensure all information is recoverable. Plans shall include a proposed corridor pattern for typical floors and/or partial floors. All architectural features of the space must be accurately shown.

1.14. NEGOTIATIONS (JAN 1997)

(a) The Government reserves the right to award a lease pursuant to this solicitation based on initial offers. If no such award is made, negotiations will be conducted on behalf of the Government by the GSA Contracting Officer or other authorized representative. The GSA Contracting Officer is named on the cover of this solicitation. GSA will negotiate rental price for the initial term, any renewal periods, and any other aspect of the offer as deemed necessary.

(b) The Offeror shall not enter into negotiations concerning the space leased or to be leased with representatives of Federal agencies other than the Contracting Officer or designee.

(c) The Contracting Officer will conduct oral or written negotiations with all Offerors that are within the competitive range. The competitive range will be established by the Contracting Officer on the basis of cost or price and other factors (if any) that are stated in this solicitation and will include all offers that have a reasonable chance of being selected for award.

(d) Offerors will be provided a reasonable opportunity to submit any cost or price, technical, or other revisions to their offers that may result from the negotiations. Negotiations will be closed with submission of "Best and Final" offers.

1.15. PRICE EVALUATION (PRESENT VALUE) (JAN 1997)

(a) If annual CPI adjustments in operating expenses are included, Offerors are required to submit their offers with the total "gross" annual price per rentable square foot and a breakout of the "base" price per rentable square foot for services and utilities (operating expenses) to be provided by the Lessor. The "gross" price shall include the "base" price.

(b) Offerors are required to submit plans and any other information to demonstrate that the rentable space yields BOMA Usable space within the required BOMA Usable range. The Government will verify the amount of BOMA Usable square footage and convert the rentable prices offered to BOMA Usable prices, which will subsequently be used in the price evaluation.

(c) If the offer includes annual adjustments in operating expenses, the base price per BOMA Usable square foot from which adjustments are made will be the base price for the term of the lease, including any option periods.

(d) Evaluation of offers will be on the basis of the annual price per BOMA Usable square foot, including any option periods. The Government will perform present value price evaluation by reducing the prices per BOMA Usable square foot to a composite annual BOMA Usable square foot price, as follows:

(1) Parking and wareyard areas will be excluded from the total square footage, but not from the price. For different types of space, the gross annual per square foot price will be determined by dividing the total annual rental by the total square footage minus these areas.

(2) If annual adjustments in operating expenses will not be made, the gross annual per square foot price will be discounted annually at 8 percent to yield a gross present value cost (PVC) per square foot.

(3) If annual adjustments in operating expenses will be made, the annual per square foot price, minus the base cost of operating expenses, will be discounted annually at 8 percent to yield a net PVC per square foot. The operating expenses will be both escalated at 4 percent compounded annually and discounted annually at 8 percent, then added to the net PVC to yield the gross PVC.

(4) To the gross PVC will be added:

-- The cost of Government provided services not included in the rental escalated at 4 percent compounded annually and discounted annually at 8 percent.

-- The annualized (over the full term) per BOMA Usable square foot cost of any items which are to be reimbursed in a lump sum payment. (The cost of these items is present value; therefore, it will not be discounted.)

_____

_____

_____

(5) The sum of either (2) and (4) or (3) and (4), above, will be the per BOMA Usable square foot present value of the offer for price evaluation purposes.

1.16. HISTORIC PREFERENCE, GSAR 552.270-4 (JUN 1994) (VARIATION)

(a) Preference will be given to Offerors of space in buildings in, or formally listed as eligible for inclusion in the National Register of Historic Places, and to historically significant buildings in historic districts listed in the National Register. Such preference will be extended to historic buildings and will result in award if:

(1) The offer for space meets the terms and conditions of this solicitation as well as any other offer received. (It is within the discretion of the Contracting Officer to accept alternatives to certain architectural characteristics and safety features defined elsewhere in this solicitation to maintain the historical integrity of the building, such as high ceiling, wooden floors, etc.) and

(2) The rental is no more than 10 percent higher, on a total annual square foot (BOMA Usable) cost to the Government, than the lowest otherwise acceptable offer.

(b) If more than one offer of an historic building is received and they meet the above criteria, an award will then be made to the lowest priced historic property offered.

1.17. AWARD (JAN 1997)

(a) After conclusion of negotiations, the Contracting Officer will require the Offeror selected for award to execute the proposed lease prepared by GSA which reflects the proposed agreement of the parties.

(b) The proposed lease shall consist of:

(1) Standard Form 2 (or GSA Form 3626) U.S. Government Lease for Real Property,

(2) required clauses,

(3) required certifications and representations,

(4) the pertinent provisions of the offer, and

(5) the pertinent provisions of the SFO.

(c) The acceptance of the offer and award of the lease by the Government occurs upon notification of unconditional acceptance of the offer or execution of the lease by the GSA Contracting Officer and mailing or otherwise furnishing written notification or the executed lease to the successful Offeror.

1.18. ACCESSIBILITY FOR NEW CONSTRUCTION (JAN 1997)

To be considered for award, buildings to be constructed must fully meet the new construction requirements of the Americans With Disabilities Act Accessibility Guidelines (ADAAG) (36 CFR Part 36, App. A) and the Uniform Federal Accessibility Standards (UFAS) (Federal Register vol. 49, No. 153, August 7, 1984, reissued as FED. STD. 795, dated April 1, 1988, and amended by Federal Property Management Regulations Amendment D-88, 54 FR 12627, March 28, 1989). Where standards conflict, the more stringent shall apply.

1.19. SEISMIC SAFETY FOR NEW CONSTRUCTION (JAN 1997)

(a) If an Offeror proposes to satisfy the requirements of this solicitation through the construction of a new building or the construction of an addition to an existing building, then such new building or addition shall fully meet seismic safety standards, as described below.

(b) For those buildings or additions to buildings described in (a) above, the Offeror shall provide a written certification from a licensed structural engineer that the building(s) conforms to the seismic standards for new construction of the current (as of the date of this solicitation) edition of the ICBO Uniform Building Code, the BOCA National Building Code, or the SBCCI Standard Building Code.

(c) All design and engineering documents, including structural engineering calculations, must be made available for review by the Government during design development to ensure compliance with seismic safety standards.

1.20. LABOR STANDARDS (JAN 1997)

If an offeror proposes to satisfy the requirements of this Solicitation for Offers through the construction of a new building or the complete rehabilitation or reconstruction of an existing building, and the Government will be the sole or predominant tenant such that any other use of the building will be functionally or quantitatively incidental to the Government's use and occupancy, the following Federal Acquisition Regulation clauses shall apply to work performed in preparation for occupancy and use of the building by the United States:

52.222-4 Contract Work Hours and Safety Standards Act - Overtime Compensation

52.222-6 Davis-Bacon Act

52.222-7 Withholding of Funds

52.222-8 Payrolls and Basic Records

52.222-9 Apprentices and Trainees

52.222-10 Compliance with Copeland Act Requirements

52.222-11 Subcontracts (Labor Standards)

52.222-12 Contract Termination-Debarment

52.222-13 Compliance with Davis-Bacon and Related Act Regulations

52.222-14 Disputes Concerning Labor Standards

52.222-15 Certification of Eligibility

2.0 AWARD FACTORS

2.1. ACCESSIBILITY (JAN 1997)

(a) All offers received in response to this solicitation will be evaluated to determine whether the offers fully meet the accessibility requirements for new construction of the Americans With Disabilities Act Accessibility Guidelines (ADAAG) (36 CFR Part 36, App. A) and the Uniform Federal Accessibility Standards (UFAS) (Federal Register vol. 49, No. 153, August 7, 1984, reissued as FED. STD. 795, dated April 1, 1988, and amended by Federal Property Management Regulations Amendment D-88, 54 FR 12627, March 28, 1989). If any offers are received which fully meet accessibility requirements of new construction, then other offers which do not fully meet these requirements will not be considered. Where standards conflict, the more stringent shall apply.

(b) FULL COMPLIANCE:
"Fully meets" as used herein means the offer fully complies with the ADAAG and/or UFAS requirements for Parking and Loading Zones, Accessible Route, Entrance and Egress, Ramps, Stairs, Handrails, Doors, Elevators, Telephones, Controls, Signage, Alarms, Drinking Fountains, Storage Facilities, Seating and Work Stations, Assembly Areas, and Toilet Rooms.

(c) SUBSTANTIAL COMPLIANCE:
In accordance with ADAAG and UFAS, if no offer is received which fully meets accessibility requirements for new construction, but an offer(s) is received which substantially meets these requirements, then other offers which do not substantially meet these requirements will not be considered. "Substantially meets" as used herein with respect to the accessibility requirements means the offer fully complies with the ADAAG and UFAS requirements for Automobile Parking and Loading Zones, Accessible Route, Entrance and Egress, Doors, Drinking Fountains, Toilet Rooms and the space has at least one elevator where necessary for route.

(d) LESS THAN SUBSTANTIAL COMPLIANCE:
In accordance with ADAAG and UFAS, if no offer is received which either fully or substantially meets the accessibility requirements of new construction, consideration will be given only to offers which meet the following minimum requirements:

(1) At least one accessible route shall be provided from an accessible entrance to the leased space and all required accessible areas. At least one interior means of vertical access shall be provided. Elevators shall have complying Controls and Signage.

(2) If parking is provided, then accessible spaces shall be included.

(3) Accessible toilet rooms shall be provided as follows:

(i) Where more than one toilet room for each sex is provided on a floor on which the Government leases space, at least one toilet room for each sex on that floor shall be accessible.

(ii) Where only one toilet room for each sex is provided on a floor on which the Government leases space, either one unisex toilet room or one toilet room for each sex on that floor shall be accessible.

(iii) Where only one toilet room is provided in a building where the Government leases space, one unisex toilet room shall be accessible.

(iv) In a qualified historic building where the Advisory Council on Historic Preservation determines that providing the above minimum accessible toilet facilities would threaten or destroy the historic integrity of the space, unisex toilet room(s) in the building shall be accessible.

(e) If no offer is received which meets the minimum accessibility requirements described above, offers will not be considered unless a waiver of accessibility requirements is requested by the Contracting Officer and granted by the GSA Public Buildings Service Commissioner.

2.2. ACCESSIBILITY AND SEISMIC SAFETY (JAN 1997)

(a) All offers received in response to this solicitation will be evaluated to determine whether the offers fully meet one of the Model Building Seismic Design Provisions shown below and the accessibility requirements for new construction of the Americans With Disabilities Act Accessibility Guidelines (ADAAG) (36 CFR Part 36, App. A) and the Uniform Federal Accessibility Standards (UFAS) (Federal Register vol. 49, No. 153, August 7, 1984, reissued as FED. STD. 795, dated April 1, 1988, and amended by Federal Property Management Regulations Amendment D-88, 54 FR 12627, March 28, 1989). Where standards conflict, the more stringent shall apply. If any offers are received which fully meet accessibility and seismic safety requirements, then other offers which do not fully meet these requirements will not be considered.

(b) FULL COMPLIANCE:

(1) "Fully meets" as used herein with respect to accessibility means the offer fully complies with the ADAAG and UFAS requirements for Parking (Automobile and Van) and Loading Zones, Accessible Route, Entrance and Egress, Ramps, Stairs, Handrails, Doors, Elevators, Telephones, Controls, Signage, Alarms, Drinking Fountains, Storage Facilities, Seating and Work Stations, Assembly Areas, and Toilet Rooms. Where standards conflict, the more stringent shall apply.

(2) "Fully meets" with regard to seismic safety, means that the building design and construction are in compliance with the seismic requirements of one of the following Model Building Code Seismic Design Provisions as applicable in the geographical area. Compliance shall be established by a registered structural engineer's evaluation.

BUILDING TYPE	Model Building Code Seismic Design Provisions BOCA	SBCCI	UBC
Wood Frame, Wood Shear Panels	*	*	1949
Steel Moment Resisting Frame	1987	1991	1976
Steel Braced Frame	1990	1991	1988
Steel Frame w/Concrete Shear Walls	1987	1991	1976
Reinforced Concrete Moment Resisting Frame	1987	1991	1976
Reinforced Concrete Shear Walls	1987	1991	1976
Tilt-up Concrete	1987	1991	1973
Reinforced Masonry	1987	1991	1976

*Local provisions for wood construction need to be compared to the 1949 UBC to determine benchmark year.
For additional building types, see NISTIR 5382.

(c) SUBSTANTIAL COMPLIANCE:

(1) In accordance with ADAAG and UFAS, if no offer is received which fully meets accessibility requirements for new construction, but an offer(s) is received which substantially meets these requirements, then other offers which do not substantially meet these requirements will not be considered. "Substantially meets" as used herein with respect to the accessibility requirements means the offer fully complies with the ADAAG and UFAS requirements for Automobile Parking and Loading Zones, Accessible Route, Entrance and Egress, Doors, Drinking Fountains, Toilet Rooms and the space has at least one elevator where necessary for route.

(2) "Substantially meets" with regard to seismic safety will be determined by the Government based upon the Offeror's evaluation by a registered structural engineer that specifically describes all exceptions to full compliance with the Model Building Code Seismic Design Provisions above. The offeror is to evaluate using NISTIR 5382 and identify all deficiencies. Based upon the evaluation, the Contracting Officer will make an award to the offer which best meets the Model Building Code Seismic Design Provisions and the other requirements of this solicitation.

(d) LESS THAN SUBSTANTIAL COMPLIANCE: In accordance with ADAAG and UFAS, if no offer is received which either fully or substantially meets the accessibility requirements of new construction, consideration will be given only to offers which meet the following minimum requirements:

(1) At least one accessible route shall be provided from an accessible entrance to the leased space and all required accessible areas. At least one interior means of vertical access shall be provided. Elevators shall have complying Controls and Signage.

(2) If parking is provided, then accessible spaces shall be included.

(3) Accessible toilet rooms shall be provided as follows:

(i) Where more than one toilet room for each sex is provided on a floor on which the Government leases space, at least one toilet room for each sex on that floor shall be accessible.

(ii) Where only one toilet room for each sex is provided on a floor on which the Government leases space, either one unisex toilet room or one toilet room for each sex on that floor shall be accessible.

(iii) Where only one toilet room is provided in a building where the Government leases space, one unisex toilet room shall be accessible.

(iv) In a qualified historic building where the Advisory Council on Historic Preservation determines that providing the above minimum accessible toilet facilities would threaten or destroy the historic integrity of the space, unisex toilet room(s) in the building shall be accessible.

(e) If no offer is received which meets the minimum accessibility requirements described above, offers will not be considered unless a waiver of accessibility requirements is requested by the Contracting Officer and granted by the GSA Public Buildings Service Commissioner.

2.3. OTHER FACTORS (JAN 1997)

The lease will be awarded to the Offeror whose offer will be most advantageous to the Government, price and other award factors which follow considered.

The combination of factors below are _____.

The following award factor(s),

_____

_____

_____

2.4. AWARD BASED ON PRICE (DEC1996)

The lease will be awarded to the responsible Offeror whose offer conforms to the requirements of this solicitation and is the lowest priced offer submitted (see the SFO paragraph entitled "Price Evaluation (Present Value)").

3.0 MISCELLANEOUS

3.1. UNIT COSTS FOR ADJUSTMENTS

Several paragraphs in this SFO specify means for determining quantities of materials. These are Government projections to assist the Offeror in cost estimating. Actual quantities may not be determined until after the lease is awarded and the space layout completed. To enable an equitable settlement if the Government layout departs from the projection, the Offeror must list a unit cost for each of these materials. GSA will use each unit cost to make a lump sum payment or rental increase if the amount of material required by the layout is more than specified or take credit from rental if the amount is less than specified. Offerors are required to state in the offer or in an attachment:

- The cost per linear foot of office subdividing ceiling-high partitioning.
- The cost per floor mounted duplex electrical outlet.
- The cost per wall mounted duplex electrical outlet.
- The cost per floor mounted fourplex (double duplex) electrical outlet.
- The cost per wall mounted fourplex (double duplex) electrical outlet.
- The cost per dedicated clean electrical computer receptacle.
- The cost per floor mounted telephone outlet.
- The cost per wall mounted telephone outlet.
- The cost per interior door.
- _____
- _____
- _____

3.2. ALTERATIONS $100,000 OR LESS (JAN 1997)

(a) The unit prices which the Offeror is required to list will be used, upon acceptance by GSA, during the first year of the lease to price alterations costing $100,000 or less. These prices may be indexed or renegotiated to apply to subsequent years of the lease upon mutual agreement of the Lessor and Government.

(b) Where unit prices for alterations are not available, the Lessor may be requested to provide a price proposal for the alterations. Orders will be placed by issuance of a GSA Form 276, Supplemental Lease Agreement, a GSA Form 300, Order for Supplies or Services, or a tenant agency approved form. The clauses entitled "GSAR 552.232-71 Prompt Payment" and "GSAR 552.232-72 Invoice Requirements (Variation)" apply to orders for alterations. All orders are subject to the terms and conditions of this lease.

(c) Orders may be placed by the Contracting Officer, the GSA buildings manager or tenant agency officials when specifically authorized to do so by the Contracting Officer. The Contracting Officer will provide the Lessor with a list of agency officials authorized to place orders and will specify any limitations on the authority delegated to tenant agency officials. The tenant agency officials are not authorized to deal with the Lessor on any other matters.

(d) Payments for alterations ordered by tenant agencies will be made directly by the agency placing the order.

3.3. ALTERNATE PROPOSALS

This solicitation may specify certain items for which alternate proposals are required. For evaluation and negotiation, the offer shall state:

- Itemized costs for lump sum payment not to be included in the rental rate, and
- A rental rate which includes the costs of these items.

The Offeror must provide costs for both methods of evaluation on the lease proposal form in order to be considered for award. GSA may elect the option it deems most favorable.

3.4. TAX ADJUSTMENT (AUG 1992)

(a) The Government shall make annual lump sum payments to cover its share of increases in real estate taxes over taxes paid for the calendar year in which its lease commences (base year). The amount of payment shall be based upon the submission of proper invoice, including paid tax receipts/statements/bills, from the Lessor to the Contracting Officer. The due date for making payment shall be the 30th day after receipt of the invoice by the Contracting Officer or the 30th day after the anniversary date of the lease, whichever is later. If the invoice submitted does not meet the requirements of a proper invoice, it will be returned to the Lessor within 7 days of receipt. The Government will be responsible for payment only if the receipts are submitted within 60 calendar days of the date the tax payment is due. If no full tax assessment is made during the calendar year in which the Government lease commences, the base year will be the first year of a full assessment.

(b) The Government's share of the tax increase will be based on the ratio of the rentable square feet occupied by the Government to the total rentable square feet in the building. If the Government's lease terminates before the end of a calendar year, payment will be based on the percentage of the year in which the Government occupied space. The payment will not include penalties for non-payment or delay in payment. If there is any variance between the assessed value of the Government's space and other space in the building, the Government may adjust the basis for determining its share of the tax increase.

(c) The Government may contest the tax assessment by initiating legal proceedings on behalf of the Government and the Lessor or the Government alone. If the Government is precluded from taking legal action, the Lessor shall contest the assessment upon reasonable notice by the Government. The Government shall reimburse the Lessor for all costs and shall execute all documents required for the legal proceedings. The Lessor shall agree with the accuracy of the documents. The Government shall receive its share of any tax refund. If the Government elects to contest the tax assessment, payment under paragraph (a) of this clause shall become due on the first workday of the second month following conclusion of the appeal proceedings.

(d) In the event of any decreases in real estate taxes occurring during the term of occupancy under the lease to a rate below the base year, payment for taxes will be reduced accordingly. The amount of any such reductions will be determined in the same manner as increases provided under paragraph (a) of this clause.

3.5. PERCENTAGE OF OCCUPANCY

The percent of the building occupied by the Government, for purposes of tax adjustments, will be established during negotiations.

3.6. OPERATING COSTS (JUN 1985)

(a) Beginning with the second year of the lease and each year after, the Government shall pay adjusted rent for changes in costs for cleaning services, supplies, materials, maintenance, trash removal, landscaping, water, sewer charges, heating, electricity, and certain administrative expenses attributable to occupancy. Applicable costs listed on GSA Form 1217, Lessor's Annual Cost Statement, when negotiated and agreed upon, will be used to determine the base rate for operating costs adjustment.

(b) The amount of adjustment will be determined by multiplying the base rate by the percent of change in the Cost of Living Index. The percent change will be computed by comparing the index figure published for the month prior to the lease commencement date with the index figure published for the month which begins each successive 12-month period. For example, a lease which commences in June of 1985 would use the index published for May of 1985 and that figure would be compared with the index published for May of 1986, May of 1987, and so on, to determine the percent change. The Cost of Living Index will be measured by the U.S. Department of Labor revised Consumer Price Index for wage earners and clerical workers, U.S. City average, all items figure, (1982-84 = 100) published by the Bureau of Labor Statistics. Payment will be made with the monthly installment of fixed rent. Rental adjustments will be effective on the anniversary date of the lease. Payment of the adjusted rental rate will become due on the first workday of the second month following the publication of the Cost of Living Index for the month prior to the lease commencement date.

(c) If the Government exercises an option to extend the lease term at the same rate as that of the original term, the option price will be based on the adjustment during the original term. Annual adjustments will continue.

(d) In the event of any decreases in the Cost of Living Index occurring during the term of the occupancy under the lease, the rental amount will be reduced accordingly. The amount of such reductions will be determined in the same manner as increases in rent provided under this clause.

(e) The offer must clearly state whether the rental is firm throughout the term of the lease or if it is subject to annual adjustment of operating costs as indicated above. If operating costs will be subject to adjustment, it should be specified on the GSA Form 1364, Proposal to Lease Space, contained elsewhere in this solicitation.

3.7. OPERATING COSTS BASE (JAN 1997)

The base for the operating costs adjustment will be established during negotiations based upon BOMA Usable Square Feet.

3.8. RENTABLE SPACE (JUN 1994)

Rentable space is the area for which a tenant is charged rent. It is determined by the building owner and may vary by city or by building within the same city. The rentable space may include a share of building support/common areas such as elevator lobbies, building corridors, and floor service areas. Floor service areas typically include restrooms, janitor rooms, telephone closets, electrical closets, and mechanical rooms. The rentable space generally does not include vertical building penetrations and their enclosing walls, such as stairs, elevator shafts and vertical ducts.

3.9. BOMA USABLE SQUARE FEET (JAN 1997)

(a) For the purposes of this solicitation, the Government recognizes the BOMA (Building Owners and Managers Association) International standard (ANSI/BOMA Z65.1-1996) definition for Office Area, which means "the area where a tenant normally houses personnel and/or furniture, for which a measurement is to be computed."

(b) BOMA Usable Square Feet shall be computed by measuring the area enclosed by the finished surface of the room side of corridors (corridors in place as well as those required by local codes and ordinances to provide an acceptable level of safety and/or to provide access to essential building elements) and other permanent walls, the dominant portion (see Z65.1) of building exterior walls, and the center of tenant-separating partitions. Where alcoves, recessed entrances, or similar deviation from the corridor are present, BOMA Usable Square Feet shall be computed as if the deviation were not present.

3.10. COMMON AREA FACTOR (JAN 1997)

If applicable, Offerors shall provide the Common Area Factor (a conversion factor(s) determined by the building owner and applied by the owner to the BOMA Usable Square Feet to determine the rentable square feet for the offered space).

3.11. APPURTENANT AREAS

The right to use appurtenant areas and facilities is included. The Government reserves the right to post Government rules and regulations where the Government leases space.

3.12. LIQUIDATED DAMAGES, GSAR 552.270-22 (AUG 1992)

In case of failure on the part of the Lessor to complete the work within the time fixed in the lease contract or letter of award, the Lessor shall pay the Government as fixed and agreed liquidated damages, pursuant to this clause, the sum of _____ for each and every calendar day that the delivery is delayed beyond the date specified for delivery of all the space ready for occupancy by the Government. This remedy is not exclusive and is in addition to any other remedies which may be available under this lease or at law.

3.13. VENDING FACILITIES (JAN 1997)

(a) Approximately _____ square feet of the BOMA Usable space in the solicitation paragraph entitled "Amount and Type of Space" will be used for the operation of a vending facility(ies) by the blind under the provisions of the Randolph-Sheppard Act (20 USC 107 et. seq.). The Government will control the number, kind, and locations of vending facilities and will control and receive income from all automatic vending machines. The Lessor is required to provide necessary utilities and to make related alterations. The cost of the improvements will be negotiated and payment will be made by the Government either on a lump-sum basis or a rental increase.

(b) The Government will assure that the facility(ies) does not compete with other facilities having exclusive rights in the building. Offerors must advise the Government if such rights exist.

3.14. ADJUSTMENT FOR VACANT PREMISES, GSAR 552.270-25 (JUN 1994) (VARIATION)

(a) If the Government fails to occupy any portion of the leased premises or vacates the premises in whole or in part prior to expiration of the term of the lease, the rental rate will be reduced.

(b) The rate will be reduced by that portion of the costs per BOMA Usable square foot of operating expenses not required to maintain the space. Said reduction must occur after the Government gives 30 calendar days prior notice to the Lessor, and must continue in effect until the Government occupies the premises or the lease expires or is terminated.

3.15. RELOCATION ASSISTANCE ACT

If an improved site is offered and new construction will result in the displacement of individuals or businesses, the successful Offeror shall be responsible for payment of relocation costs for displaced persons in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and 49 CFR Part 24.

3.16. EVIDENCE OF CAPABILITY TO PERFORM

(a) AT THE TIME OF SUBMISSION OF OFFERS, OFFERORS SHALL SUBMIT TO THE CONTRACTING OFFICER:

(1) Satisfactory evidence of at least a conditional commitment of funds in an amount necessary to prepare the space. Such commitments must be signed by an authorized bank officer and at a minimum must state: amount of loan; term in years; annual percentage rate; length of loan commitment.

(2) The name of the proposed construction contractor, as well as evidence of his experience, competency, and performance capabilities with construction similar in scope to that which is required herein.

(3) The license or certification of the individual(s) and/or firm(s), providing architectural and engineering design services, to practice in the state where the facility is located.

(4) Compliance with local zoning laws or evidence of variances, if any, approved by the proper local authority.

(5) Evidence of ownership or control of site.

(b) AFTER AWARD:
Within _____ days after award, the successful Offeror/Lessor shall provide to the Contracting Officer evidence of:

(1) A firm commitment of funds in an amount sufficient to perform the work.

(2) Award of a construction contract with a firm completion date.

(3) Issuance of a building permit covering construction of the improvements.

3.17. CONSTRUCTION SCHEDULE

(a) Within ___ days after award of the lease contract, the successful Offeror shall submit to the Contracting Officer a tentative construction schedule giving the dates on which the various phases of construction will be completed to coincide with the Government's required occupancy date (see paragraph entitled "Occupancy Date"). The finalized schedule is to be submitted no later than _____ days after award.

(b) The schedule is to include timing for completion of design and construction milestones, including but not limited to, (1) submittal of preliminary plans and specifications, (2) submittal of other working drawings, (3) issuance of a building permit, (4) completed construction documents, (5) start of construction, (6) completion of principal categories of work, (7) phased completion, and availability for occupancy of each portion of the Government space (by floor, block, or other appropriate category), and (8) final construction completion.

3.18. PROGRESS REPORTS

After start of construction, the successful Offeror shall submit to the Contracting Officer, written progress reports at intervals of _____ days. The report shall include information as to percentage of the work completed by phase and trade, a statement as to expected completion and occupancy date, changes introduced into the work, and general remarks on such items as material shortages, strikes, weather, etc.

3.19. CONSTRUCTION INSPECTIONS

(a) Construction inspections will be made periodically by the Contracting Officer and/or designated technical representatives to review compliance with the solicitation requirements and the final working drawings.

(b) Periodic reviews, tests, and inspections by the Government are not to be interpreted as resulting in any approval of the Lessor's apparent progress toward meeting the Government's objectives, but are intended to discover any information which the Contracting Officer may be able to call to the Lessor's attention to prevent costly misdirection of effort. The Lessor will remain completely responsible for designing, constructing, operating, and maintaining the building in full accordance with the requirements of this solicitation.

3.20. MISCELLANEOUS LABOR CLAUSES (AUG 1994)

1. 52.222-4 CONTRACT WORK HOURS AND SAFETY STANDARDS ACT—OVERTIME COMPENSATION (JUL 1995)

(a) *Overtime requirements.* No Contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics (see Federal Acquisition Regulation (FAR) 22.300) shall require or permit any such laborers or mechanics in any workweek in which the individual is employed on such work to work in excess of 40 hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than 1½ times the basic rate of pay for all hours worked in excess of 40 hours in such workweek.

(b) *Violation; liability for unpaid wages; liquidated damages.* In the event of any violation of the provisions set forth in paragraph (a) of this clause, the Contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such Contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic employed in violation of the provisions set forth in paragraph (a) of this clause in the sum of $10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of 40 hours without payment of the overtime wages required by provisions set forth in paragraph (a) of this clause.

(c) *Withholding for unpaid wages and liquidated damages.* The Contracting Officer shall upon his or her own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the Contractor or subcontractor under any such contract or any other Federal contract with the same Prime Contractor, or any other Federally-assisted contract subject to the Contract Work Hours and Safety Standards Act which is held by the same Prime Contractor, such sums as may be determined to be necessary to satisfy any liabilities of such Contractor or subcontractor for unpaid wages and liquidated damages as provided in the provisions set forth in paragraph (b) of this clause.

(d) *Payrolls and basic records.*

(1) The Contractor or subcontractor shall maintain payrolls and basic payroll records during the course of contract work and shall preserve them for a period of 3 years from the completion of the contract for all laborers and mechanics working on the contract. Such records shall contain the name and address of each such employee, social security number, correct classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made, and actual wages

paid. Nothing in this paragraph shall require the duplication of records required to be maintained for construction work by Department of Labor regulations at 29 CFR 5.5(a)(3) implementing the Davis-Bacon Act.

(2) The records to be maintained under paragraph (d)(1) of this clause shall be made available by the Contractor or subcontractor for inspection, copying, or transcription by authorized representatives of the Contracting Officer or the Department of Labor. The Contractor or subcontractor shall permit such representatives to interview employees during working hours on the job.

(e) *Subcontracts.* The Contractor or subcontractor shall insert in any subcontracts exceeding $100,000 the provisions set forth in paragraphs (a) through (e) of this clause and also a clause requiring the subcontractors to include these provisions in any lower tier subcontracts. The Prime Contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the provisions set forth in paragraphs (a) through (e) of this clause.

2. 52.222-6 DAVIS-BACON ACT (FEB 1995)

(a) All laborers and mechanics employed or working upon the site of the work will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR Part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the Contractor and such laborers and mechanics. Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph (d) of this clause; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such period. Such laborers and mechanics shall be paid not less than the appropriate wage rate and fringe benefits in the wage determination for the classification of work actually performed, without regard to skill, except as provided in the clause entitled Apprentices and Trainees. Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein; provided, that the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classifications and wage rates conformed under paragraph (b) of this clause) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the Contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

(b) (1) The Contracting Officer shall require that any class of laborers or mechanics which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The Contracting Officer shall approve an additional classification and wage rate and fringe benefits therefor only when all the following criteria have been met:

(i) The work to be performed by the classification requested is not performed by a classification in the wage determination.

(ii) The classification is utilized in the area by the construction industry.

(iii) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(2) If the Contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the Contracting Officer agree on the classification and wage rate (including the amount designated for fringe benefits, where appropriate), a report of the action taken shall be sent by the Contracting Officer to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, DC 20210. The Administrator or an authorized representative will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise the Contracting Officer or will notify the Contracting Officer within the 30-day period that additional time is necessary.

(3) In the event the Contractor, the laborers or mechanics to be employed in the classification, or their representatives, and the Contracting Officer do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), the Contracting Officer shall refer the questions, including the views of all interested parties and the recommendation of the Contracting Officer, to the Administrator of the Wage and Hour Division for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise the Contracting Officer or will notify the Contracting Officer within the 30-day period that additional time is necessary.

(4) The wage rate (including fringe benefits, where appropriate) determined pursuant to subparagraphs (b)(2) and (b)(3) of this clause shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(c) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the Contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(d) If the Contractor does not make payments to a trustee or other third person, the Contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or

program; provided, that the Secretary of Labor has found, upon the written request of the Contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the Contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

3. 52.222-7 WITHHOLDING OF FUNDS (FEB 1988)
The Contracting Officer shall, upon his or her own action or upon written request of an authorized representative of the Department of Labor, withhold or cause to be withheld from the Contractor under this contract or any other Federal contract with the same Prime Contractor, or any other Federally assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same Prime Contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the Contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of the work, all or part of the wages required by the contract, the Contracting Officer may, after written notice to the Contractor, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

4. 52.222-8 PAYROLLS AND BASIC RECORDS (FEB 1988)

(a) Payrolls and basic records relating thereto shall be maintained by the Contractor during the course of the work and preserved for a period of 3 years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made, and actual wages paid. Whenever the Secretary of Labor has found, under paragraph (d) of the clause entitled Davis-Bacon Act, that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-Bacon Act, the Contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

(b) (1) The Contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to the Contracting Officer. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under paragraph (a) of this clause. This information may be submitted in any form desired. Optional Form WH-347 (Federal Stock Number 029-005-00014-1) is available for this purpose and may be purchased from the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402. The Prime Contractor is responsible for the submission of copies of payrolls by all subcontractors.

(2) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the Contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify—

(i) That the payroll for the payroll period contains the information required to be maintained under paragraph (a) of this clause and that such information is correct and complete;

(ii) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in the Regulations, 29 CFR Part 3; and

(iii) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(3) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by subparagraph (b)(2) of this clause.

(4) The falsification of any of the certifications in this clause may subject the Contractor or subcontractor to civil or criminal prosecution under Section 1001 of Title 18 and Section 3729 of Title 31 of the United States Code.

(c) The Contractor or subcontractor shall make the records required under paragraph (a) of this clause available for inspection, copying, or transcription by the Contracting Officer or authorized representatives of the Contracting Officer or the Department of Labor. The Contractor or subcontractor shall permit the Contracting Officer or representatives of the Contracting Officer or the Department of Labor to interview employees during working hours on the job. If the Contractor or subcontractor fails to submit required records or to make them available, the Contracting Officer may, after written notice to the Contractor, take such action as may be necessary to cause the suspension of any further payment. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

5. 52.222-9 APPRENTICES AND TRAINEES (FEB 1988)

(a) *Apprentices.* Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Bureau of Apprenticeship and Training, or with a State Apprenticeship Agency recognized by the Bureau, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in

such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Bureau of Apprenticeship and Training or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the Contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated in this paragraph, shall be paid not less than the applicable wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the Contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Bureau of Apprenticeship and Training, or a State Apprenticeship Agency recognized by the Bureau, withdraws approval of an apprenticeship program, the Contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(b) *Trainees*. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed in the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate in the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate in the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate in the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the Contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(c) *Equal employment opportunity*. The utilization of apprentices, trainees, and journeymen under this clause shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR Part 30.

6. 52.222-10 COMPLIANCE WITH COPELAND ACT REQUIREMENTS (FEB 1988)
The Contractor shall comply with the requirements of 29 CFR Part 3, which are hereby incorporated by reference in this contract.

7. 52.222-11 SUBCONTRACTS (LABOR STANDARDS) (FEB 1988)
(a) The Contractor or subcontractor shall insert in any subcontracts the clauses entitled *Davis-Bacon Act, Contract Work Hours and Safety Standards Act—Overtime Compensation, Apprentices and Trainees, Payrolls and Basic Records, Compliance with Copeland Act Requirements, Withholding of Funds, Subcontracts (Labor Standards), Contract Termination—Debarment, Disputes Concerning Labor Standards, Compliance with Davis-Bacon and Related Act Regulations, and Certification of Eligibility*, and such other clauses as the Contracting Officer may, by appropriate instructions, require, and also a clause requiring subcontractors to include these clauses in any lower tier subcontracts. The Prime Contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with all the contract clauses cited in this paragraph.

(b) (1) Within 14 days after award of the contract, the Contractor shall deliver to the Contracting Officer a completed Statement and Acknowledgment Form (SF 1413) for each subcontract, including the subcontractor's signed and dated acknowledgment that the clauses set forth in paragraph (a) of this clause have been included in the subcontract.

(2) Within 14 days after the award of any subsequently awarded subcontract the Contractor shall deliver to the Contracting Officer an updated completed SF 1413 for such additional subcontract.

8. 52.222-12 CONTRACT TERMINATION—DEBARMENT (FEB 1988)
A breach of the contract clauses entitled *Davis-Bacon Act, Contract Work Hours and Safety Standards Act—Overtime Compensation, Apprentices and Trainees, Payrolls and Basic Records, Compliance with Copeland Act Requirements, Subcontracts (Labor Standards), Compliance with Davis-Bacon and Related Act Regulations, or Certification of Eligibility* may be grounds for termination of the contract, and for debarment as a Contractor and subcontractor as provided in 29 CFR 5.12.

9. 52.222-13 COMPLIANCE WITH DAVIS-BACON AND RELATED ACT REGULATIONS (FEB 1988)
All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR Parts 1, 3, and 5 are hereby incorporated by reference in this contract.

10. 52.222-14 DISPUTES CONCERNING LABOR STANDARDS (FEB 1988)
The United States Department of Labor has set forth in 29 CFR Parts 5, 6, and 7 procedures for resolving disputes concerning labor standards requirements. Such disputes shall be resolved in accordance with those procedures and not the disputes clause of this

contract. Disputes within the meaning of this clause include disputes between the Contractor (or any of its subcontractors) and the contracting agency, the U.S. Department of Labor, or the employees or their representatives.

11. 52.222-15 CERTIFICATION OF ELIGIBILITY (FEB 1988)

(a) By entering into this contract, the Contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the Contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

(b) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

(c) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

4.0 GENERAL ARCHITECTURAL

4.1. QUALITY AND APPEARANCE OF BUILDING EXTERIOR

The space offered should be located in a new or modern office building with facade of stone, marble, brick, stainless steel, aluminum or other permanent materials in good condition acceptable to the Contracting Officer. The building should be compatible with its surroundings. Overall the building should project a professional and aesthetically pleasing appearance including an attractive front and entrance way. The building should have energy efficient windows or glass areas consistent with the structural integrity of the building, unless not appropriate for intended use. The facade, downspouts, roof trim and window casing are to be clean and in good condition. If not in a new or modern office building, the space offered should be in a building that has undergone, or will complete by occupancy, first class restoration or adaptive reuse for office space with modern conveniences. If the restoration work is underway or proposed, then architectural plans acceptable to the Contracting Officer must be submitted as part of the offer.

4.2. WORK PERFORMANCE

All work in performance of this lease must be done by skilled workers or mechanics and be acceptable to the Contracting Officer.

4.3. BUILDING SYSTEMS (JAN 1997)

Whenever requested, the Lessor shall furnish at no cost to GSA a report by a registered professional engineer(s) showing that the building and its systems as designed and constructed will satisfy the requirements of this lease.

4.4. SPACE EFFICIENCY

The design of the space offered must be conducive to efficient layout and good utilization.

4.5. FLOOR PLANS AFTER OCCUPANCY

Within _____ days after occupancy, 1/8-inch as-built mylar reproducible full floor plans showing the space under lease as well as corridors, stairways, and core areas must be provided to the Contracting Officer.

4.6. CAD AS-BUILT FLOOR PLANS (JAN 1997)

Computer-Aided Design (CAD) files of as-built floor plans showing the space under lease, as well as corridors, stairways, and core areas, must be provided to the Contracting Officer along with the mylar drawings required above. The plans must be in AutoCAD Release 12 (or later) .dwg format. Clean and purged files are to be submitted on 3½ inch high density diskettes, or, if approved by the Contracting Officer, on CD-ROM or QIC (¼ inch Cartridge) tape. They shall be labeled with building name, address, list of drawing(s), date of the drawing(s), and Lessor's architect and phone number. The Lessor's operator will demonstrate the submission on GSA equipment, if requested by the Contracting Officer.

4.7. FLOORS AND FLOOR LOAD (JAN 1997)

All adjoining floor areas must be of a common level, non-slip, and acceptable to the Contracting Officer. Underfloor surfaces must be smooth and level. Office areas shall have a minimum live load capacity of 50 pounds per BOMA Usable square foot plus 20 pounds per BOMA Usable square foot for moveable partitions. Storage areas shall have a minimum live load capacity of 100 pounds per BOMA Usable square foot including moveable partitions. A report showing the floor load capacity, at no cost to the Government, by a registered professional engineer may be required. Calculations and structural drawings may also be required.

4.8. EXITS AND ACCESS (SEP 1991)

Vestibules shall be provided at public entrances and exits wherever weather conditions and heat loss are important factors for consideration. In the event of negative air pressure conditions, provisions shall be made for equalizing air pressure.

4.9. WINDOWS (SEP 1991)

Office space must have windows in each exterior bay unless waived by the Contracting Officer.

All windows shall be weathertight. Opening windows must be equipped with locks. Off-street, ground level windows and those accessible from fire escapes, adjacent roofs, and other structures that can be opened shall be fitted with a sturdy locking device.

4.10. ACCESSIBILITY (JAN 1997)

The building and the leased space shall be accessible to the handicapped in accordance with the Americans With Disabilities Act Accessibility Guidelines (36 CFR Part 36, App. A) and the Uniform Federal Accessibility Standards (41 CFR 101-19.6, App. A). Where standards conflict, the more stringent shall apply.

4.11. LANDSCAPING (OCT 1996)

Where topographical conditions permit, the site shall be landscaped for low mainentance and water conservation with plants that are either native or well-adapted to local growing conditions. The Contracting Officer shall approve the landscaping to be provided.

5.0 ARCHITECTURAL FINISHES

5.1. BUILDING FINISHES
Building finishes shall be for first class, modern space.

5.2. LAYOUT AND FINISHES
All required finish selection samples must be provided within _____ days of the request for such by the Contracting Officer. GSA shall deliver layout drawings and necessary finish selections to the Lessor within _____ days after award or after receipt of plans and samples, whichever is later.

5.3. CEILINGS (SEP 1991)
Ceilings must be at least 8 feet and no more than 11 feet measured from floor to the lowest obstruction. Areas with raised flooring must maintain these ceiling height limitations above the finished raised flooring. The ceiling must have a minimum noise reduction coefficient (NRC) of 0.60 and a minimum Sound Transmission Class (STC) of 40 throughout the Government occupied space. Bulkheads and hanging or surface mounted light fixtures which impede traffic ways shall be avoided.

Ceilings must be a flat plane in each room and suspended with fluorescent recessed fixtures and finished as follows unless an alternate finish is approved by the Contracting Officer:

- Restrooms: plaster or pointed and taped gypsum board.
- Offices and Conference Rooms: mineral and acoustical tile or lay in panels with textured or patterned surface and tegular edges or equivalent quality to be approved by the Contracting Officer.
- Corridors and Eating/Galley Areas: plaster or pointed and taped gypsum board or mineral acoustical tile.

5.4. WALL COVERINGS (SEP 1991)
PHYSICAL REQUIREMENTS:
Prior to occupancy, partitioned offices and open office areas shall be covered with vinyl or polyolefin commercial wall covering weighing not less that 13 ounces per square yard as specified in FS CCC-W-408C or equivalent. The quality of finish shall be approved by the Contracting Officer.

Selected offices and conference rooms as specified below are to be covered with wood paneling or textile covering to be approved by the Contracting Officer.

_____

_____

_____

Prior to occupancy all restrooms offered to comply with the restroom fixture schedule of this solicitation must have ceramic tile in splash areas and vinyl wall covering not less than 13 ounces per square yard as specified in FS CCC-W-408C on remaining wall areas or equivalent quality as approved by the Contracting Officer, unless an alternate finish is approved by the Contracting Officer.

Prior to occupancy all elevator areas which access the Government's leased space, hallways within or accessing the Government's leased space and eating/galley areas within the Government's leased space are to be covered with vinyl wall coverings not less than 22 ounces per square yard as specified in FS CCC-W-408C, or equivalent quality as approved by the Contracting Officer, unless an alternate finish is approved by the Contracting Officer.

REPLACEMENT:
All wall covering is to be maintained in "like new" condition for the life of the lease. Wall covering must be replaced or repaired at the Lessor's expense, including moving and replacing furnishings, (except where wall covering has been damaged due to the negligence of the Government), anytime during the occupancy by the Government if it is torn, peeling or permanently stained; the ceramic tile in the restrooms must be replaced or repaired if it is loose, chipped, broken or permanently discolored. All repair and replacement work is to be done after working hours.

SAMPLES:
The Lessor is to provide at least _____ samples of each type of wall covering to be installed for selection by the Contracting Officer.

PAINTING:
Prior to occupancy all surfaces designated by GSA for painting must be newly painted in colors acceptable to GSA. All painted surfaces, including any partitioning installed by the Government or the Lessor after Government occupancy, must be repainted after working hours at Lessor expense at least every 5 years. This includes moving and return of furniture. Public areas must be painted at least every 3 years.

5.5. PAINTING
Prior to occupancy all surfaces designated by GSA for painting must be newly painted in colors acceptable to GSA. All painted surfaces, including any partitioning installed by the Government or Lessor after Government occupancy, must be repainted after working hours at Lessor expense at least every 5 years. This includes moving and return of furniture. Public areas must be painted at least every 3 years.

5.6. DOORS: EXTERIOR (DEC 1992)

Exterior doors must be heavy duty, full flush, hollow steel construction, solid core wood, or insulated tempered glass. Wood doors shall be at least 1¾ inches thick. Exterior doors shall be weather-tight and open outward. Hinges, pivots, and pins shall be installed in a manner which prevents removal when the door is closed and locked.

5.7. DOORS: INTERIOR (SEP 1991)

Doors must have a minimum clear opening of 32 inches by 80 inches. Hollow core wood doors are not acceptable. They must be flush, solid-core natural wood, veneer faced or equivalent finish as approved by the Contracting Officer. They will be provided at a ratio of _____.

5.8. DOORS: HARDWARE (DEC 1992)

Doors shall have door handles or door pulls with heavy weight hinges. All doors shall have corresponding door stops (wall or floor mounted). All public use doors and toilet room doors shall be equipped with kick plates. All door entrances from public corridors and exterior doors shall have automatic door closers. All door entrances from public corridors, exterior doors and other doors designated by the Government shall be equipped with 5-pin, tumbler cylinder locks and strike plates. All locks shall be master keyed. The Government shall be furnished with at least two master keys for each lock.

5.9. DOORS: IDENTIFICATION

Door identification shall be installed in approved locations adjacent to office entrances. The form of door identification must be approved by the Contracting Officer.

5.10. PARTITIONS: GENERAL

Partitions and dividers must be provided as outlined below. Partitioning requirements may be met with existing partitions if they meet the Government's standards and layout requirements.

5.11. PARTITIONS: PERMANENT (SEP 1991)

Permanent partitions must be provided as necessary to surround stairs, corridors, elevator shafts, toilet rooms, janitor closets, and the Government-occupied premises from other tenants on the floor.

5.12. PARTITIONS: SUBDIVIDING (JAN 1997)

(a) Office subdividing partitions shall comply with local requirements. Partitioning must be designed to provide a Sound Transmission Class (STC) of 40. Partitioning shall be installed by the Lessor at locations to be determined by the Government. The partitioning shall extend from the finished floor to the finished ceiling. Any demolition of existing improvements which is necessary to satisfy the Government's layout shall be done at the Lessor's expense. Partitioning shall be provided at a ratio of 1 linear foot for each _____ BOMA Usable Square Feet of space provided. Partitioning over interior office doors is included in the measurement. Permanent partitioning and partitioning which surrounds exterior walls will not be included in unit cost adjustments but should be included as part of the annual rental rate.

(b) Partitions may be prefinished or taped and painted. HVAC must be rebalanced and lighting repositioned, as appropriate, after installation of partitions.

5.13. FLOOR COVERING AND PERIMETERS (DEC 1991)

Floor covering shall be either resilient flooring or carpet, except as otherwise specified in this solicitation. Floor perimeters at partitions must have wood, rubber, vinyl, or carpet base. Exceptions must be approved by the Contracting Officer.

OFFICE AREAS:
Prior to occupancy, carpet or carpet tiles must cover all office areas partitioned or unpartitioned, including interior hallways and conference rooms. The use of existing carpet may be approved by the Contracting Officer; however, existing carpet must be shampooed before occupancy and must meet the static buildup requirement for new carpet.

SPECIALTY AREAS:
Resilient flooring is to be used in reproduction rooms, storage, file and other specialty rooms. The Offeror shall provide the Government with a minimum of _____ different color samples. The sample and color must be approved by GSA prior to installation. No substitutes may be made by the Offeror after sample selection.

TOILET AND SERVICE AREAS:
Terrazzo, unglazed ceramic tile, and/or quarry tile shall be used in all toilet and service areas unless another covering is approved by the Contracting Officer.

CARPET - SAMPLES:
When carpet must be newly installed or changed, the Offeror shall provide the Government with a minimum of _____ different color samples. The sample and color must be approved by GSA prior to installation. No substitutes may be made by the Offeror after sample selection.

CARPET - INSTALLATION:
Carpet must be installed in accordance with manufacturing instructions to lay smoothly and evenly.

CARPET - REPLACEMENT:
Carpet shall be replaced at least every 10 years during Government occupancy or any time during the lease when:

- Backing or underlayment is exposed.
- There are noticeable variations in surface color or texture.

Replacement includes moving and return of furniture.

RESILIENT FLOORING - REPLACEMENT:
The flooring shall be replaced by the Lessor at no cost to the Government prior to or during Government occupancy when it has:

- Curls, upturned edges, or other noticeable variations in texture.

5.14. CARPET: BROADLOOM (SEP 1991)
Approximately _____ percent of the space shall be carpeted with broadloom carpet.

Any carpet to be newly installed must meet the following specifications:

- Pile Yarn Content: staple filament or continuous filament branded by a fiber producer (Allied, Dupont, Monsanto, BASF, woolblend), soil-hiding nylon or wool nylon blends.
- Carpet pile construction: level loop, textured loop, level cut pile, or level cut/uncut pile.
- Pile weight: 26 ounces per square yard is the minimum for level-loop or textured-loop construction. 32 ounces per square yard is the minimum for level-cut/uncut construction.
- Secondary back: jute or synthetic fiber for glue-down installation.
- Density: 100 percent nylon (loop and cut pile) -- minimum of 4000; other fibers, including blends and combinations -- minimum of 4500.

5.15. CARPET TILE (SEP 1991)
Approximately _____ percent of the space shall be carpeted with carpet tile.

Any carpet to be newly installed must meet the following specifications:

- Pile Yarn Content: staple filament or continuous filament branded by a fiber producer (Allied, Dupont, Monsanto, BASF), soil-hiding nylon.
- Carpet pile construction: tufted level loop, level cut pile, or level cut/uncut pile.
- Pile weight: 26 ounces per square yard is the minimum for level loop and cut pile. 32 ounces per square yard is the minimum for plush and twist.
- Secondary back: PVC, EVA (ethylene vinyl acetate), polyurethane, polyethylene, bitumen or olefinic hardback reinforced with fiberglass.
- Total weight: minimum of 130 ounces per square yard.
- Density: 100 percent nylon (loop and cut pile) -- minimum of 4000; other fibers, including blends and combinations -- minimum of 4500.
- Pile height: minimum of 1/8 inch.
- Static buildup: maximum of 3.5 KV, when tested in accordance with AATCC-134.
- Carpet construction: minimum of 64 tufts per square inch.

5.16. RESILIENT FLOORING (SEP 1991)
In addition to reproduction, file, and storage rooms, resilient flooring shall be used in the specialty rooms listed below:

_____

5.17. ACOUSTICAL REQUIREMENTS (JAN 1997)

REVERBERATION CONTROL:
Ceilings in carpeted space shall have a Noise Reduction Coefficient (NRC) of not less than 0.55 In accordance with ASTM C-423. Ceilings in offices, conference rooms, and corridors having resilient flooring shall have an NRC of not less than 0.65.

AMBIENT NOISE CONTROL:
Ambient noise from mechanical equipment shall not exceed Noise Criteria curve (NC) 35 in accordance with the ASHRAE Handbook in offices and conference rooms; NC 40 in corridors, cafeterias, lobbies, and toilets; NC 50 in other spaces.

NOISE ISOLATION:
Rooms separated from adjacent spaces by ceiling-high partitions (not including doors) shall not be less than the following Noise Isolation Class (NIC) Standards when tested in accordance with ASTM E-336:

conference rooms:	NIC-40
offices:	NIC-35

TESTING:
The Contracting Officer may require at no cost to the Government test reports by a qualified acoustical consultant showing that acoustical requirements have been met.

The requirements of this Acoustical Requirements paragraph shall take precedence over any additional specifications in this solicitation if there is a conflict.

5.18. WINDOW COVERINGS (SEP 1991)

WINDOW BLINDS:
All exterior windows shall be equipped with window blinds. The blinds may be aluminum or plastic vertical blinds or horizontal blinds with aluminum slats of 1 inch width or less. The use of any other material must be approved by the Contracting Officer. The window blinds must have non-corroding mechanisms and synthetic tapes. Color selection will be made by the Contracting Officer.

DRAPERIES:
Draperies will be provided in all conference rooms and in the following office areas:

_____

Fabrics shall be lined with either white or off-white plain lining fabric suited to the drapery fabric weight. Draperies shall be either floor-, apron-, or sill-length, as specified by the Government, and shall be wide enough to cover window and trim. Draperies shall be hung with drapery hooks on well-anchored heavy duty traverse rods. Traverse rods shall draw from either the center, right or left side.

CONSTRUCTION:
Any draperies to be newly installed, must be made as follows:

- 100 percent fullness, including overlap, side hems, and necessary returns.
- 4-inch double headings turned over a 4-inch permanently finished stiffener.
- 1½-inch doubled side hems; 4-inch doubled and blind stitched bottom hems.
- Three-fold pinch pleats.
- Safety stitched intermediate seams.
- Matched patterns.
- Tacked corners.
- No raw edges or exposed seams.

Use of existing draperies must be approved by the Contracting Officer.

SAMPLES:
A minimum of _____ patterns and colors shall be made available to the Government for selection; shading of sample fabric shall not vary markedly from that of the final product.

5.19. BUILDING DIRECTORY

A tamper proof directory with lock shall be provided in the building lobby listing all Government agencies. It must be acceptable to the Contracting Officer.

5.20. FLAG POLE

If the Government is the sole occupant of the building, a flagpole shall be provided at a location to be approved by the Contracting Officer. The flag will be provided by the Government. This requirement may be waived if determined inappropriate by GSA.

6.0 MECHANICAL, ELECTRICAL, PLUMBING

6.1. MECHANICAL, ELECTRICAL, PLUMBING: GENERAL

The Lessor shall provide and operate all building equipment and systems in accordance with applicable technical publications, manuals, and standard procedures. Mains, lines, and meters for utilities shall be provided by the Lessor. Exposed ducts, piping, and conduits are not permitted in office space.

6.2. ENERGY COST SAVINGS (JAN 1997)

(a) All offerors are encouraged to contact an energy service company qualified under the Energy Policy Act to perform Energy Savings Performance Contracts (ESPC) to determine whether opportunities for cost effective energy improvements to the space are available.

(b) A list of energy service companies qualified under the Energy Policy Act to perform ESPCs, as well as additional information on cost effective energy efficiency, renewables, and water conservation may be obtained by writing to: US Department of Energy, Federal Energy Management Program, EE-90, Washington, DC 20585 or by calling the FEMP HELP DESK at 1-800-566-2877 and asking for the ESPC qualified list.

6.3. DRINKING FOUNTAINS

The Lessor shall provide, on each floor of office space, a minimum of one chilled drinking fountain within every 150 feet of travel distance.

6.4. TOILET ROOMS (JAN 1997)

(a) Separate toilet facilities for men and women shall be provided on each floor occupied by the Government in the building. The facilities must be located so that employees will not be required to travel more than 200 feet on one floor to reach the toilets. Each toilet room shall have sufficient water closets enclosed with modern stall partitions and doors, urinals (in men's room), and hot (set at 105°F, if practical) and cold water. Water closets and urinals shall not be visible when the exterior door is open.

(b) Each main toilet room shall contain the following equipment:

(1) A mirror above the lavatory.

(2) A toilet paper dispenser in each water closet stall, that will hold at least two rolls and allow easy, unrestricted dispensing.

(3) A coat hook on inside face of door to each water closet stall and on several wall locations by lavatories.

(4) At least one modern paper towel dispenser, soap dispenser and waste receptacle for every two lavatories.

(5) A coin operated sanitary napkin dispenser in women's toilet rooms with waste receptacle for each water closet stall.

(6) Ceramic tile or comparable wainscot from the floor to a minimum height of 4 feet 6 inches.

(7) A disposable toilet seat cover dispenser.

(8) A counter area of at least 2 feet in length, exclusive of the lavatories (however, it may be attached to the lavatories) with a mirror above and a ground fault interrupt type convenience outlet located adjacent to the counter area.

6.5. TOILET ROOMS: FIXTURE SCHEDULE (OCT 1996)

(a) The toilet fixture schedules specified below shall be applied to each full floor based on one person for each 135 BOMA Usable Square Feet of office space in a ratio of _____ percent men and _____ percent women:

(b) Refer to the schedule separately for each sex.

NUMBER OF MEN*/WOMEN	WATER CLOSETS	LAVATORIES
1 - 15	1	1
16 - 35	2	2
36 - 55	3	3
56 - 60	4	3
61 - 80	4	4
81 - 90	5	4
91 - 110	5	5
111 - 125	6	5
126 - 150	6	**
> 150	***	

* In men's facilities, urinals may be substituted for 1/3 of the water closets specified.

** Add one lavatory for each 45 additional employees over 125.

*** Add one water closet for each 40 additional employees over 150.

(c) For new installations:

(1) Water closets shall not use more than 1.6 gallons per flush.

(2) Urinals shall not use more than 1.0 gallons per flush.

(3) Faucets shall not use more than 2.5 gallons per minute at a flowing water pressure of 80 psi.

6.6. JANITOR CLOSETS

Janitor closets with service sink, hot and cold water, and ample storage for cleaning equipment, materials, and supplies shall be provided on all floors. Janitor closets shall have door(s) fitted with an automatic deadlocking latch bolt with a minimum throw of ½ inch.

6.7. HVAC (JUL 1994)

Temperatures shall conform to local commercial equivalent temperature levels and operating practices in order to maximize tenant satisfaction. These temperatures must be maintained throughout the leased premises and service areas, regardless of outside temperatures, during the hours of operation specified in the lease.

6.8. HEATING AND AIR CONDITIONING (JAN 1997)

(a) Temperatures shall conform to local commercial equivalent temperature levels and operating practices in order to maximize tenant satisfaction. These temperatures must be maintained throughout the leased premises and service areas, regardless of outside temperatures, during the hours of operation specified in the lease.

(b) During non-working hours, heating temperatures shall be set no higher than 55°F and air conditioning will not be provided except as necessary to return space temperatures to a suitable level for the beginning of working hours. Thermostats shall be secured from manual operation by key or locked cage. A key shall be provided to the GSA Field Office Manager.

(c) Simultaneous heating and cooling are not permitted.

(d) Areas having excessive heat gain or heat loss, or affected by solar radiation at different times of the day, shall be independently controlled.

(e) ZONE CONTROL:

Individual thermostat control shall be provided for office space with control areas not to exceed 2000 BOMA Usable Square Feet. Areas which routinely have extended hours of operation shall be environmentally controlled through dedicated heating and air-conditioning equipment. Special purpose areas (such as photocopy centers, large conference rooms, computer rooms, etc.) with an internal cooling load in excess of 5 tons shall be independently controlled. Concealed package air-conditioning equipment shall be provided to meet localized spot cooling of tenant special equipment. Portable space heaters are prohibited from use.

(f) EQUIPMENT PERFORMANCE:
Temperature control for office spaces shall be assured by concealed central heating and air-conditioning equipment. The equipment shall maintain space temperature control over a range of internal load fluctuations of plus 0.5 Watt/sq.ft. to minus 1.5 Watts/sq.ft. from initial design requirements of the tenant.

6.9. VENTILATION (OCT 1996)
During working hours in periods of heating and cooling, ventilation shall be provided in accordance with ASHRAE Standard 62, Ventilation for Acceptable Indoor Air Quality.

6.10. VENTILATION (OCT 1996)
(a) During working hours in periods of heating and cooling, ventilation shall be provided in accordance with ASHRAE Standard 62, Ventilation for Acceptable Indoor Air Quality.

(b) Conference rooms of _____ BOMA Usable Square Feet or greater shall be provided with a dedicated source of ventilation or be fitted with air handling equipment with smoke/odor removing filters.

(c) Where the Lessor proposes that the Government should pay utilities:

(1) An automatic air or water economizer cycle must be provided to all air handling equipment, where practicable.

(2) The building shall have a fully functional building automation system (BAS) capable of control, regulation, and monitoring of all environmental conditioning equipment. The BAS shall be fully supported by a service and maintenance contract.

6.11. VENTILATION: TOILET ROOMS (DEC 1993)
Toilet rooms shall be properly exhausted, with a minimum of 10 air changes per hour.

6.12. ELECTRICAL: GENERAL (JAN 1997)
The Lessor shall be responsible for meeting the applicable requirements of local codes and ordinances. When codes conflict, the more stringent standard shall apply.

6.13. ELECTRICAL: GENERAL (SEP 1991)
The Lessor shall be responsible for meeting the applicable requirements of local codes and ordinances. When codes conflict, the more stringent standard shall apply. Main service facilities will be enclosed. The enclosure may not be used for storage or other purposes and shall have door(s) fitted with an automatic deadlocking latch bolt with a minimum throw of ½ inch. Distribution panels must be circuit breaker type with 10 percent spare power load and circuits.

6.14. ELECTRICAL: DISTRIBUTION (JAN 1997)
(a) Duplex floor or wall outlets shall be provided on the basis of 1 per _____ BOMA Usable Square Feet. Convenience outlets shall be installed on the basis of a maximum of 8 outlets per 20-amp circuit.

(b) Each workstation shall contain at least 1 orange-bodied or other specially designed receptacle with isolated-ground capability. Such receptacles shall not exceed in number 4 per 20-amp. circuit, and shall be installed in accordance with the September 21, 1983 edition of Federal Information Processing Standards pub. 94.

(c) The Lessor shall ensure that electrical outlets and associated wiring are concealed by a method acceptable to the Contracting Officer. Raceways and outlets shall be concealed except when surface-mounting is approved by the Contracting Officer.

(d) At the discretion of the Contracting Officer, stand-alone power poles (or, in the case of systems furniture, systems-furniture power poles) may be used to provide electrical service to work stations.

(e) All floors shall have 120/208-volt, 3-phase, 4-wire with bond, 60-hertz electrical service available. Duplex outlets shall be circuited separately from the lighting. All branch-circuit wiring shall consist of copper conductors. Conductors for branch circuits shall be sized to prevent voltage drop exceeding 3 percent at the farthest receptacle.

6.15. ELECTRICAL: DISTRIBUTION COMBINATION (JAN 1997)
(a) Duplex floor or wall outlets shall be provided on the basis of 1 per _____ BOMA Usable Square Feet.

(b) Fourplex (double duplex) floor or wall outlets shall be provided on the basis of 1 per _____ BOMA Usable Square Feet.

(c) Convenience outlets shall be installed on the basis of a maximum of 8 outlets per 20-amp. circuit.

(d) Each work station shall contain at least 1 orange-bodied or other similarly designed receptacle with isolated-ground capability. Said receptacles shall not exceed in number 4 per 20-amp. circuit, and shall be installed in accordance with the September 21, 1983, edition of Federal Information Processing Standards pub. 94.

(e) Dedicated special electrical receptacles shall be provided on the basis of 1 per 10,000 BOMA Usable Square Feet. Duplex outlets corresponding to said receptacles shall be colored differently from the standard duplex and fourplex outlets, and shall be used only for office copiers and special equipment. One dedicated or special electrical outlet shall be provided in space of less than 10,000 BOMA

Usable Square Feet. The Lessor shall ensure that the outlets and associated wiring designated to workstations will be concealed in a manner acceptable to the Contracting Officer. Cable shall not be exposed on the finished floor surface.

(f) All floors shall have 120/208-volt, 3-phase, 4-wire with bond, 60-hertz electric service available. Duplex outlets shall be circuited separately from the lighting. All branch-circuit wiring shall consist of copper conductors. Conductors for branch circuits shall be sized to prevent voltage drop exceeding 3 percent at the farthest receptacle.

(g) At the discretion of the Contracting Officer, stand-alone power poles (or, in the case of systems furniture, systems-furniture power poles) may be offered in lieu of electrical and telephone floor outlets. Where power poles are substituted for floor outlets, each power pole shall consist of two duplex electric outlets and two telephone outlets. For the purposes of determining unit costs for adjustment, Offerors are required to state, either in their offer or in an attachment, the cost of wiring and installation for each power pole, both as a stand-alone and as furnished by others with systems furniture.

6.16. ELECTRICAL: ADDITIONAL DISTRIBUTION SPECIFICATIONS

If the Offeror proposes that building maintenance will be the responsibility of the Government, the Lessor shall provide duplex utility outlets in toilets, corridors, and dispensing areas for maintenance purposes at no cost to the Government. Fuses and circuit breakers shall be plainly marked or labelled to identify circuits or equipment supplied through them.

6.17. TELEPHONE: DISTRIBUTION AND EQUIPMENT (JAN 1997)

(a) Telephone floor or wall outlets shall be provided on the basis of 1 per _____ BOMA Usable Square Feet. The Lessor shall ensure that all outlets and associated wiring used to transmit telecommunication (voice) service to the workstation will be safely concealed in floor ducts, walls, or columns. Wall outlets shall be provided with rings and pull strings to facilitate the installation of cable.

(b) The Government reserves the right to provide its own telecommunication (voice) service in the space to be leased. The Government may contract with another party to have inside wiring and telephone equipment installed. Telecommunication switchrooms, wire closets, and related spaces shall be enclosed. The enclosure shall not be used for storage or other purposes and shall have door(s) fitted with an automatic deadlocking latch bolt with a minimum throw of ½ inch.

6.18. DATA DISTRIBUTION (JAN 1997)

Floor or wall outlets shall be provided on the basis of 1 per _____ BOMA Usable Square Feet. The Lessor shall ensure that data outlets and the associated wiring used to transmit data to workstations will be safely concealed in floor ducts, walls, columns, or below access flooring. Wall-mounted outlets shall be provided with rings and pull strings to facilitate the installation of the data cable. The Government shall at its expense be responsible for purchasing and installing said cable. When cable consists of multiple runs, the Lessor shall provide cable trays to insure that Government-provided cable does not come into contact with suspended ceilings. Cable trays shall be ladder-type, and shall form a loop around the perimeter of the Government-occupied space such that the horizontal distance between individual drops does not exceed 30 feet.

6.19. ELECTRICAL, TELEPHONE, DATA FOR SYSTEMS FURNITURE (JAN 1997)

(a) The Lessor shall provide separate data, telephone, and electric junction boxes for the base feed connections to Government-provided modular or systems furniture, when such feeds are supplied via wall outlets or floor penetrations. When overhead feeds are used, junction boxes shall be installed for electrical connections. Raceways will be provided throughout the furniture panels to distribute the electrical, telephone, and data cable. The Lessor shall provide all electrical service wiring and connections to the furniture at designated junction points. Cluster groups at floor or wall locations shall be provided on the basis of 1 per _____ BOMA Usable Square Feet. A set consisting of 1 data junction box, 1 telephone junction box, and 1 electrical junction box shall comprise a cluster group. Each electrical junction shall contain an 8-wire feed consisting of 3 general-purpose 120-volt circuits with 1 neutral and 1 ground wire, and a 120-volt isolated-ground circuit with 1 neutral and 1 isolated-ground wire. A 20-amp. circuit shall have no more than 8 general-purpose receptacles or 4 isolated-ground "computer" receptacles. The isolated-ground "computer" circuits shall be installed in accordance with the September 21, 1983 edition of Federal Information Processing Standards pub. 94.

(b) The Government shall be responsible for providing data and telecommunications cable. Said cable shall be installed and connected to systems furniture by the Lessor/contractor with the assistance and/or advice of the Government or computer vendor. The Lessor shall provide wall-mounted data and telephone junction boxes, which shall include rings and pull strings designed to facilitate the installation of cable. The Lessor shall provide a means of distributing the cable via a system of ladder-type cable trays which shall form a loop around the perimeter of the Government-occupied space. Said ladder trays shall provide access to both telecommunications data closets and telephone closets, and shall be located such that they are within a 30-foot horizontal distance of any single drop.

6.20. LIGHTING: INTERIOR (JAN 1997)

(a) Modern, diffused fluorescent fixtures using no more than 2.0 watts/BOMA Usable square foot shall be provided. Such fixtures shall be capable of producing and maintaining a uniform light level of 50 foot-candles at working surface height throughout the space. Tubes shall then be removed to provide 30 foot-candles in portions of work areas other than work surfaces and 1-10 foot-candles or minimum levels sufficient to ensure safety in non-working areas. Exceptions may be granted by the GSA buildings manager. When the space is not in use by the Government, interior and exterior lighting, except that essential for safety and security purposes, shall be turned off.

(b) Building entrances and parking areas must be lighted. Ballasts are to be rapid-start, thermally protected, voltage regulating type, UL listed and ETL approved.

6.21. LIGHTING: INTERIOR (JAN 1997)

(a) Modern low brightness, parabolic type 2' x 4' or 2' x 2' fluorescent fixtures using no more than 2.0 watts/BOMA Usable square foot shall be provided. Such fixtures shall be capable of producing and maintaining a uniform lighting level of 50 foot-candles at working surface height throughout the space. A lighting level of at least 20 foot-candles at foot level should be maintained in corridors providing ingress and egress to the Government leased space. One to 10 foot-candles or minimum levels sufficient to ensure safety should be maintained in other non-working areas. When the space is not in use by the Government, interior and exterior lighting, except that essential for safety and security purposes, shall be turned off.

(b) Building entrances and parking areas must be lighted. Ballasts are to be rapid-start, thermally protected, voltage regulating type, UL listed and ETL approved.

(c) Outdoor parking areas shall have a minimum of 1 foot-candle of illumination. Indoor parking areas shall have a minimum of 10 foot-candles level illumination.

6.22. SWITCHES (JAN 1997)

Switches shall be located on columns or walls by door openings in accordance with the "Controls" subparagraph of the paragraph entitled "Handicapped Accessibility" in the "General Architectural" section of this solicitation. No more than 1000 BOMA Usable Square Feet of open space shall be controlled by one light switch.

6.23. ADDITIONAL ELECTRICAL CONTROLS

If the Offeror proposes that the Government pay separately for electricity, no more than 500 square feet of office may be controlled by one switch or automatic light control and must be provided to all space on the Government meter, either through a building automation system, time clock, occupant sensor, or other comparable system acceptable to the Contracting Officer.

6.24. ELEVATORS (JAN 1997)

(a) The Lessor shall provide suitable passenger and freight elevator service to all GSA-leased space not having ground level access.

(b) CODE:

Elevators shall conform to the current editions of the American National Standard A17.1, Safety Code for Elevators and Escalators, except that elevator cabs are not required to have a visual or audible signal to notify passengers during automatic recall. The elevator shall be inspected and maintained in accordance with the current requirements of the American National Standard A17.2, Inspector's Manual for Elevators.

7.0 SERVICES, UTILITIES, MAINTENANCE

7.1. SERVICES, UTILITIES, MAINTENANCE: GENERAL
Services, utilities, and maintenance shall be provided by the Lessor as part of the rental consideration. The Lessor must have a building superintendent or a locally designated representative available to promptly correct deficiencies.

7.2. NORMAL HOURS
Services, utilities, and maintenance will be provided daily, extending _____ except Saturdays, Sundays, and Federal holidays.

7.3. OVERTIME USAGE (JAN 1997)
(a) The Government shall have access to the leased space at all times without additional payment, including the use, during other than normal hours, of necessary services and utilities such as elevators, toilets, lights, and electric power.

(b) Reimbursement to the Lessor for overtime heating or cooling will be at the hourly rate established in the contract.

7.4. OVERTIME USAGE (JAN 1997)
(a) The Government shall have access to the leased space at all times without additional payment, including the use, during other than normal hours, of necessary services and utilities such as elevators, toilets, lights, and electric power.

(b) If heating or cooling is required on an overtime basis, such services will be ordered orally or in writing by the Contracting Officer or Buildings Manager. When ordered, services shall be provided at the hourly rate established in the contract. Costs for personal services shall only be included as authorized by the Government.

(c) When the cost of service is $2,000 or less, the service may be ordered orally. An invoice shall be submitted to the official placing the order for certification and payment. Orders for services costing more than $2,000 will be placed using a Form 300, Order for Supplies or Services. The clauses entitled "GSAR 552.232-71 Prompt Payment" and "GSAR 552.232-72 Invoice Requirements (Variation)" apply to all orders for overtime services.

(d) All orders are subject to the terms and conditions of this lease. In the event of a conflict between an order and this lease, the lease shall control.

7.5. UTILITIES
The Lessor shall ensure that utilities necessary for operation are provided and all associated costs are included as a part of the established rental rate.

7.6. UTILITIES: SEPARATE FROM RENTAL (JAN 1997)
(a) The Offeror must specify which utilities, if any, are excluded from the rental consideration. If any such utilities are excluded, the Offeror must obtain a statement from a registered professional engineer stating that all heating, ventilation, air conditioning, plumbing, and other energy intensive building systems can operate under the control conditions stated in this SFO. The statement must also identify all building systems which do not conform to the system performance values, including the "recommended" or "suggested" values of ASHRAE Standard 90.1, Energy Efficient Design of New Buildings Except Low-Rise Residential Buildings, or more restrictive local/state codes.

(b) The Lessor shall provide separate meters for utilities to be paid for by the Government. The Lessor shall furnish in writing to the Contracting Officer, prior to occupancy by the Government, a record of the meter numbers and verification that the meters measure Government usage only. Proration is not permissible. In addition, an automatic control system shall be provided to assure compliance with heating and air conditioning requirements (see "Mechanical, Electrical, Plumbing" section of this solicitation).

7.7. JANITORIAL SERVICES (JAN 1997)
The Lessor shall provide janitorial services for the leased space, public areas, entrances, and all other common areas and provide replacement of supplies.

7.8. JANITORIAL SERVICES (JAN 1997)
Cleaning is to be performed after tenant working hours unless daytime cleaning is specified as a special requirement elsewhere in this solicitation.

The Lessor shall maintain the leased premises, including outside areas in a clean condition and shall provide supplies and equipment. The following schedule describes the level of services intended. Performance will be based on the Contracting Officer's evaluation of results, not the frequency or method of performance.

DAILY:
Empty trash receptacles and clean ashtrays. Sweep entrances, lobbies and corridors. Spot sweep floors and spot vacuum carpets. Clean drinking fountains. Sweep and damp mop or scrub toilet rooms. Clean all toilet fixtures and replenish toilet supplies. Dispose of all trash and garbage generated in or about the building. Wash inside and out or steam clean cans used for collection of food remnants from snack bars and vending machines. Dust horizontal surfaces that are readily available and visibly require dusting. Spray buff resilient floors in main corridors, entrances and lobbies, clean elevators and escalators, remove carpet stains. Police sidewalks, parking areas and driveways. Sweep loading dock areas and platforms.

THREE TIMES A WEEK:
Sweep or vacuum stairs.

WEEKLY:
Damp mop and spray buff all resilient floors in toilets and health units. Sweep sidewalks, parking areas and driveways (weather permitting).

EVERY TWO WEEKS:
Spray buff resilient floors in secondary corridors, entrance and lobbies. Damp mop and spray buff hard and resilient floors in office space.

MONTHLY:
Thoroughly dust furniture. Completely sweep and/or vacuum carpets. Sweep storage space. Spot clean all wall surfaces within 70 inches of the floor.

EVERY TWO MONTHS:
Damp wipe toilet wastepaper receptacles, stall partitions, doors, window sills and frames. Shampoo entrance and elevator carpets.

THREE TIMES A YEAR:
Dust wall surfaces within 70 inches of the floor, vertical surfaces and under surfaces. Clean metal and marble surfaces in lobbies. Wet mop or scrub garages.

TWICE A YEAR:
Wash all interior and exterior windows and other glass surfaces. Strip and apply four coats of finish to resilient floors in toilets. Strip and refinish main corridors and other heavy traffic areas.

ANNUALLY:
Wash all venetian blinds and dust 6 months from washing. Vacuum or dust all surfaces in the building of 70 inches from the floor, including light fixtures. Vacuum all drapes in place. Strip and refinish floors in offices and secondary lobbies and corridors. Shampoo carpets in corridors and lobbies. Clean balconies, ledges, courts, areaways and flat roofs.

EVERY TWO YEARS:
Shampoo carpets in all offices and other non-public areas.

EVERY FIVE YEARS:
Dry clean or wash (as appropriate) all drapes.

AS REQUIRED:
Properly maintain plants and lawns, remove snow and ice from entrances, exterior walks and parking lots of the building. Provide initial supply, installation and replacement of light bulbs, tubes, ballasts and starters. Replace worn floor coverings (this includes moving and return of furniture). Control pests as appropriate, using Integrated Pest Management techniques.

7.9. SCHEDULE OF PERIODIC SERVICES

Within 60 days after occupancy by the Government, the Lessor shall provide the Contracting Officer with a detailed written schedule of all periodic services and maintenance to be performed other than daily, weekly or monthly.

7.10. MAINTENANCE AND TESTING OF SYSTEMS (OCT 1996)

(a) The Lessor is responsible for the total maintenance and repair of the leased premises. Such maintenance and repairs include site and private access roads. All equipment and systems shall be maintained to provide reliable, energy efficient service without unusual interruption, disturbing noises, exposure to fire or safety hazards, uncomfortable drafts, excessive air velocities, or unusual emissions of dirt. The Lessor's maintenance responsibility includes initial supply and replacement of all supplies, materials, and equipment necessary for such maintenance. Maintenance, testing, and inspection of appropriate equipment and systems must be done in accordance with applicable codes, and inspection certificates must be displayed as appropriate. Copies of all records in this regard shall be forwarded to the Field Office Manager or a designated representative.

(b) Without any additional charge, the Government reserves the right to require documentation of proper operations or testing prior to occupancy of such systems as fire alarm, sprinkler, emergency generator, etc. to ensure proper operation. These tests shall be witnessed by a representative of the Contracting Officer.

7.11. FLAG DISPLAY

The Lessor shall be responsible for flag display on all workdays and Federal holidays. The Government will provide instructions when flags must be flown at half-staff.

7.12. SECURITY

The Lessor shall provide a level of security which reasonably deters unauthorized entry to the space leased during non-duty hours and deters loitering or disruptive acts in and around the space leased during duty hours.

7.13. SECURITY: ADDITIONAL REQUIREMENTS

The Government reserves the right to require the Lessor to submit completed fingerprint charts and personal history statements for each employee of the Lessor as well as employees of the Lessor's contractor's or subcontractors who will provide building operating services of a continuing nature for the property in which the leased space is located. The Government may also require this information for employees of the Lessor, his contractors, or subcontractors who will be engaged to perform alterations or emergency repairs for the property.

If required, the Contracting Officer will furnish the Lessor with form FD-258, "Fingerprint Chart" and Form 176, "Statement of Personal History" to be completed for each employee and returned by the Lessor to the Contracting Officer or his designated representative within 10 working days from the date of the written request to do so. Based on the information furnished, the Government will conduct security checks of the employees. The Contracting Officer will advise the Lessor in writing if an employee is found to be unsuitable or unfit for his assigned duties. Effective immediately, such an employee cannot work or be assigned to work on the property in which the leased space is located. The Lessor will be required to provide the same data within 10 working days from the addition of new employee(s) to the work force. In the event the Lessor's contractor/subcontractor is subsequently replaced, the new contractor/subcontractor is not required to submit another set of these forms for employees who were cleared through this process while employed by the former contractor/subcontractor. The Contracting Officer may require the Lessor to submit Form FD-258 and Form 176 for every employee covered by this clause on a 3-year basis.

7.14. BUILDING OPERATING PLAN

If the cost of utilities is not included as part of the rental consideration, Offerors shall submit a building operating plan with the offer. Such plan shall include a schedule of start-up and shutdown times for operation of each building system, such as lighting, heating, cooling, ventilation, and plumbing which is necessary for the operation of the building. Such plan shall be in operation on the effective date of the lease.

7.15. LANDSCAPE MAINTENANCE

Performance will be based on the Contracting Officer's evaluation of results and not the frequency or the method of performance. Landscape maintenance is to be performed during the growing season on a weekly cycle and will consist of watering, mowing, and policing area to keep it free of debris. Pruning and fertilization are to be done on an as needed basis. In addition, dead or dying plants are to be replaced.

8.0 SAFETY AND ENVIRONMENTAL MANAGEMENT

8.1. OCCUPANCY PERMIT (OCT 1996)

The Lessor shall provide a valid Occupancy Permit for the intended use of the Government and shall maintain and operate the building in conformance with current local codes and ordinances. If the local jurisdiction does not issue occupancy permits, Offerors should consult the contracting officer to determine if other documentation may be needed.

8.2. FIRE AND LIFE SAFETY (OCT 1996)

(a) Below-grade space to be occupied by Government and all areas in a building referred to as "hazardous areas" in National Fire Protection Association Standard 101, known as the "Life Safety Code," or any successor standard thereto, must be protected by an automatic sprinkler system or an equivalent level of safety.

(b) If offered space is 3 stories or more above grade, the Lessor shall provide written documentation that the building meets egress and fire alarm requirements as established by NFPA Standard No. 101 or equivalent. However, if 1) offered space is 5 stories or less above grade, 2) the total Government leased space in the building (all leases combined) will be less than 35,000 square feet, and 3) the building is sprinklered, this documentation is not required.

(c) If offered space is 6 stories or more above grade, additional fire and life safety requirements may apply. Therefore, the offeror must advise GSA in its offer whether or not the offered space, or any part thereof, is on or above the sixth floor of the offered building.

8.3. SPRINKLER SYSTEM (OCT 1996)

(a) If any portion of the offered space is on or above the 6th floor, and lease of the offered space will result, either individually or in combination with other Government leases in the offered building, in the Government leasing more than 35,000 BOMA Usable Square Feet of space in the offered building, then the entire building must be protected by an automatic sprinkler system or an equivalent level of safety.

(b) If an offeror proposes to satisfy any requirement of this clause by providing an equivalent level of safety, the offeror must submit, for Government review and approval, a fire protection engineering analysis, performed by a qualified fire protection engineer, demonstrating that an equivalent level of safety for the offered building exists. Offerors should contact the Contracting Officer for further information regarding Government review and approval of "equivalent level of safety" analyses. (See 41 CFR 101-6.6 for guidance on conducting an equivalent level of safety analysis.)

(c) Definition: "Equivalent level of safety" means an alternative design or system (which may include automatic sprinkler systems), based upon fire protection engineering analysis, which achieves a level of safety equal to or greater than that provided by automatic sprinkler systems.

8.4. MANUAL FIRE ALARM SYSTEMS (OCT 1996)

Manual fire alarm systems shall be provided in accordance with NFPA Standard 101 (current as of the date of this solicitation). Systems shall be maintained and tested by the Lessor in accordance with NFPA Standard 72. The fire alarm system wiring and equipment must be electrically supervised and automatically notify the local fire department (NFPA Standard No. 72) or approved central station. Emergency power must be provided in accordance with NFPA Standards No. 70 and 72.

8.5. OSHA REQUIREMENTS (OCT 1996)

The Lessor shall maintain buildings and space in a safe and healthful condition according to the Occupational Safety and Health Administration (OSHA) standards.

8.6. ASBESTOS (OCT 1996)

The leased space shall be free of all asbestos containing materials, except undamaged asbestos flooring in the space or undamaged boiler or pipe insulation outside the space, in which case an asbestos management program conforming to Environmental Protection Agency guidance shall be implemented.

8.7. ASBESTOS (OCT 1996)

(a) Offers are requested for space with no asbestos-containing materials (ACM), or with ACM in a stable, solid matrix (e.g., asbestos flooring or asbestos cement panels) which is not damaged or subject to damage by routine operations. For purposes of this "Asbestos" paragraph, "space" includes the space offered for lease, common building areas and ventilation systems and zones serving the space offered, and the area above suspended ceilings and engineering space in the same ventilation zone as the space offered. If no offers are received for such space, the Government may consider space with thermal system insulation ACM (e.g., wrapped pipe or boiler lagging) which is not damaged or subject to damage by routine operations.

(b) Definition. ACM is defined as any materials with a concentration of greater than 1 percent by dry weight of asbestos.

(c) Space with ACM of any type or condition may be upgraded by the offeror to meet the conditions described in subparagraph (a) by abatement (removal, enclosure, encapsulation, or repair) of ACM not meeting those conditions. If an offer involving abatement of ACM is accepted by the Government, the Lessor shall, prior to occupancy, successfully complete the abatement in accordance with Occupational Safety and Health Administration (OSHA), Environmental Protection Agency (EPA), Department of Transportation (DOT), State, and local regulations and guidance.

(e) Management plan. If space is offered which contains ACM, the offeror must submit an asbestos-related management plan for acceptance by the Government prior to lease award. This plan must conform to EPA guidance, be implemented prior to occupancy, and be revised promptly when conditions affecting the plan change. If asbestos abatement work is to be performed in the space after occupancy, the Lessor shall submit to the Contracting Officer the occupant safety plan and a description of the methods of abatement and reoccupancy clearance, in accordance with OSHA, EPA, DOT, State, and local regulations and guidance, at least 4 weeks prior to the abatement work.

8.8. INDOOR AIR QUALITY (OCT 1996)

(a) The Lessor shall control contaminants at the source and/or operate the space in such a manner that the GSA indicator levels for carbon monoxide (CO), carbon dioxide (CO_2), and formaldehyde (HCHO) are not exceeded. The indicator levels for office areas shall be: CO - 9 parts per million (ppm) time-weighted average (TWA - 8-hour sample); CO_2 - 1000 ppm (TWA); formaldehyde - 0.1 ppm (TWA).

(b) The Lessor shall make a reasonable attempt to apply insecticides (except traps), paints, glues, adhesives, and heating, ventilating and air conditioning (HVAC) system cleaning compounds with highly volatile or irritating organic compounds, outside of working hours. The Lessor shall provide advance notice to the tenant before applying noxious chemicals in occupied spaces, and adequate ventilation in those spaces during working hours during and after application.

(c) The Lessor shall, at all times, supply adequate ventilation to the leased premises with air having contaminants below OSHA or EPA action levels and permissible exposure limits, and without noxious odors or dusts. The Lessor shall conduct HVAC system balancing after all HVAC system alterations; and make a reasonable attempt to schedule major construction outside of office hours.

(d) The Lessor shall promptly investigate indoor air quality (IAQ) complaints and shall implement controls, including alteration of building operating procedures (e.g., adjusting air intakes, adjusting air distribution, cleaning and maintaining HVAC systems, etc.), to address such complaints.

(e) The Government reserves the right to conduct independent IAQ assessments and detailed studies in space it occupies, as well as in space serving the Government-leased space (e.g., common use areas, mechanical rooms, HVAC systems, etc.). The Lessor shall assist the Government in its assessments and detailed studies by making available information on building operations and Lessor activities, and providing access to space for assessment and testing, if required, and implement corrective measures required by the Contracting Officer.

8.9. RADON IN AIR (OCT 1996)

If space planned for occupancy by the Government is on the second floor above grade or lower, the Lessor shall, prior to occupancy, test the leased space for 2-3 days using charcoal cannisters or Electret Ion Chambers to ensure radon in air levels are below the Environmental Protection Agency's action concentration of 4 picoCuries/liter. After the initial testing, a followup test for a minimum of 90 days using Alpha Track Detectors or Electret Ion Chambers must be completed.

8.10. RADON IN AIR (OCT 1996)

(a) The radon concentration in the air of space leased to the Government shall be less than the Environmental Protection Agency (EPA) action concentration for homes of 4 picoCuries per liter (pCi/L), herein called the "EPA action concentration."

(b) Initial testing:

(1) The Lessor shall test for radon that portion of space planned for occupancy by the Government in ground contact or closest to the ground up to and including the second floor above grade (space on the third or higher floor above grade need not be measured), report the results to the Contracting Officer upon award, and promptly carry out a corrective action program for any radon concentration which equals or exceeds the EPA action level.

(2) Testing sequence: The Lessor shall measure radon by the Standard Test in subparagraph (d)(1), completing the Test not later than 150 days after award, unless the Contracting Officer decides that there is not enough time to complete the Test before Government occupancy, in which case the Lessor shall perform the Short Test in subparagraph (d)(2).

(3) If the space offered for lease to the Government is in a building under construction or proposed for construction, the Lessor shall, if possible, perform the Standard Test during buildout before Government occupancy of the space. If the Contracting Officer decides that it is not possible to complete the Standard Test before occupancy, the Lessor shall complete the Short Test before occupancy, and the Standard Test not later than 150 days after occupancy.

(c) Corrective action program:

(1) Program initiation and procedures:

(i) If the Government or the Lessor detects radon at or above the EPA action level at any time before Government occupancy, the Lessor shall carry out a corrective action program which reduces the concentration to below the EPA action level before Government occupancy.

(ii) If the Government or the Lessor detects a radon concentration at or above the EPA action level at any time after Government occupancy, the Lessor shall promptly carry out a corrective action program which reduces the concentration to below the EPA action level.

(iii) If the Government or the Lessor detects a radon concentration at or above the EPA residential occupancy concentration of 200 pCi/L at any time after Government occupancy, the Lessor shall promptly restrict the use of the affected area, and provide comparable temporary space for the tenants, as agreed to by the Government, until the Lessor carries out a prompt corrective action program which reduces the concentration to below the EPA action level and certifies the space for reoccupancy.

(iv) The Lessor shall provide the Government with prior written notice of any proposed corrective action or tenant relocation. The Lessor shall promptly revise the corrective action program upon any change in building condition or operation which would affect the program or increase the radon concentration to or above the EPA action level.

(2) The Lessor shall perform the Standard Test in subparagraph (d)(1) to assess the effectiveness of a corrective action program. The Lessor may also perform the Short Test in subparagraph (d)(2) to determine whether the space may be occupied, but shall begin the Standard Test concurrently with the Short Test.

(3) All measures to accommodate delay of occupancy, corrective action, tenant relocation, tenant reoccupancy, or follow-up measurement, shall be provided by the Lessor at no additional cost to the Government.

(4) If the Lessor fails to exercise due diligence, or is otherwise unable to reduce the radon concentration promptly to below the EPA action level, the Government may implement a corrective action program and deduct its costs from the rent.

(d) Testing procedures:

(1) Standard Test: Place Alpha Track Detectors or Electret Ion Chambers throughout the required area for 91 or more days so that each covers no more than 2,000 square feet of usable space. Use only devices listed in the EPA Radon Measurement Proficiency (RMP) Program Application Device Checklists. Use a laboratory rated proficient in the EPA Program to analyze the devices. Submit the results and supporting data (sample location, device type, duration, radon measurements, laboratory proficiency certification number, and the signature of a responsible laboratory official) within 30 days after the measurement.

(2) Short Test: Place Alpha Track Detectors for at least 14 days, or Electret Ion Chambers or charcoal canisters for 2 to 3 days, throughout the required area so that each covers no more than 2,000 square feet of usable space, starting not later than 7 days after award. Use only devices listed in the EPA RMP Program Application Device Checklists. Use a laboratory rated proficient in the EPA Program to analyze the devices, and submit the results and supporting data within 30 days after the measurement. In addition, complete the Standard Test not later than 150 days after Government occupancy.

8.11. RADON IN WATER (SEP 1991)

(a) Two water samples constituting a sampling pair shall be taken from the same location for quality control. They shall be obtained inside the building and as near the non-public water source as is practical, in accordance with EPA's "Radon In Water Sampling Program Manual." Analysis of water samples for radon must be performed by a laboratory that uses the analytical procedures as described in EPA's "Two Test Procedures For Radon In Drinking Water."

(b) The Lessor shall perform the necessary radon testing and submit a certification to the Contracting Officer before the Government occupies the space.

(c) If the EPA action level is reached or exceeded, the Lessor shall institute abatement methods, such as aeration, which reduce the radon to below the EPA action level prior to occupancy by the Government, and are promptly revised when building conditions which would or do affect the program change.

8.12. HAZARDOUS MATERIALS (OCT 1996)

The leased space shall be free of hazardous materials according to applicable Federal, State, and local environmental regulations.

8.13. RECYCLING (OCT 1996)

Where State and/or local law, code or ordinance require recycling programs for the space to be provided pursuant to this solicitation, the successful offeror shall comply with such State and/or local law, code or ordinance in accordance with the paragraph of the General Clauses entitled "Compliance with Applicable Law." In all other cases, the successful offeror shall establish a recycling program in the leased space where local markets for recovered materials exist. The Lessor agrees, upon request, to provide the Government with additional information concerning recycling programs maintained in the building and the leased space.

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APPENDIX B

SOLICITATION FOR OFFERS

(MINIMUM REQUIREMENTS)

SOLICITATION FOR OFFERS

THE GENERAL SERVICES ADMINISTRATION

_____

_____

_____

NAME: _____

TITLE: _____

The information collection requirements contained in this Solicitation/Contract, that are not required by the regulation, have been approved by the Office of Management and Budget pursuant to the Paperwork Reduction Act and assigned the OMB Control No. 3090-0163.

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1.0 SUMMARY

1.1. AMOUNT AND TYPE OF SPACE (JAN 1997)

(a) The General Services Administration (GSA) is interested in leasing approximately _____ Rentable square feet of space. The Rentable space must yield a minimum of _____ BOMA Usable Square Feet (as defined elsewhere in this solicitation) to a maximum of _____ BOMA Usable Square Feet, available for use by Tenant for personnel, furnishings, and equipment.

(b) Offers must be for space located in a quality building of sound and substantial construction as described in this solicitation for offers, have a potential for efficient layout. For purposes of this solicitation, the definition of BOMA Usable Square Feet is in the paragraph entitled "BOMA Usable Square Feet" in the Miscellaneous section of this solicitation.

(c) To demonstrate potential for efficient layout, offerors may be requested to provide test fit layouts when the space offered contains certain features like:

- narrow column spacing
- atriums, light wells or other areas interrupting contiguous spaces
- extremely long, narrow runs of space
- irregular space configurations, or
- other unusual building features.

The Government will advise the offeror if the test fit layout demonstrates that the Government's requirement cannot be accommodated within the space offered. The offeror will have the option of increasing the BOMA Usable square footage offered provided that it does not exceed the maximum BOMA Usable square footage in the solicitation. If the offeror is already providing the maximum BOMA Usable square footage and cannot house the Government's space requirements, then the Government will advise the offeror that the offer is unacceptable.

(d) Unless otherwise noted, all references in this solicitation to square feet shall mean BOMA Usable Square Feet.

1.2. AREA OF CONSIDERATION

_____

1.3. LEASE TERM

The lease term is for _____. GSA may terminate this lease at any time after the initial term on _____ days written notice to the lessor.

1.4. OFFER DUE DATE

Offers are due by _____, and must remain open until _____.

1.5. OCCUPANCY DATE

Occupancy is required _____.

1.6. HOW TO OFFER (JAN 1997)

(a) Offers are to be submitted to the Contracting Officer at:

_____
_____
_____
_____

(b) No later than the close of business on the offer due date the following documents, properly executed, must be submitted:

(1) _____

( ) The estimated cost to prepare the space for occupancy by the Government.

( ) The offeror's proposed amortization rate for tenant alterations.

1.7. NEGOTIATIONS (JAN 1997)

(a) The Government reserves the right to award a lease pursuant to this solicitation based on initial offers. If no such award is made, negotiations will be conducted on behalf of the Government by the GSA Contracting Officer or other authorized representative. The GSA Contracting Officer is named on the cover of this solicitation. GSA will negotiate rental price for the initial term, any renewal periods, and any other aspect of the offer as deemed necessary.

(b) The Offeror shall not enter into negotiations concerning the space leased or to be leased with representatives of Federal agencies other than the Contracting Officer or designee.

(c) The Contracting Officer will conduct oral or written negotiations with all Offerors that are within the competitive range. The competitive range will be established by the Contracting Officer on the basis of cost or price and other factors (if any) that are stated in this solicitation and will include all offers that have a reasonable chance of being selected for award.

(d) Offerors will be provided a reasonable opportunity to submit any cost or price, technical, or other revisions to their offers that may result from the negotiations. Negotiations will be closed with submission of "Best and Final" offers.

1.8. **PRICE EVALUATION (PRESENT VALUE) (JAN 1997)**

(a) If annual CPI adjustments in operating expenses are included, Offerors are required to submit their offers with the total "gross" annual price per rentable square foot and a breakout of the "base" price per rentable square foot for services and utilities (operating expenses) to be provided by the Lessor. The "gross" price shall include the "base" price.

(b) Offerors are required to submit plans and any other information to demonstrate that the rentable space yields BOMA Usable space within the required BOMA Usable range. The Government will verify the amount of BOMA Usable square footage and convert the rentable prices offered to BOMA Usable prices, which will subsequently be used in the price evaluation.

(c) If the offer includes annual adjustments in operating expenses, the base price per BOMA Usable square foot from which adjustments are made will be the base price for the term of the lease, including any option periods.

(d) Evaluation of offers will be on the basis of the annual price per BOMA Usable square foot, including any option periods. The Government will perform present value price evaluation by reducing the prices per BOMA Usable square foot to a composite annual BOMA Usable square foot price, as follows:

(1) Parking and wareyard areas will be excluded from the total square footage, but not from the price. For different types of space, the gross annual per square foot price will be determined by dividing the total annual rental by the total square footage minus these areas.

(2) If annual adjustments in operating expenses will not be made, the gross annual per square foot price will be discounted annually at 8 percent to yield a gross present value cost (PVC) per square foot.

(3) If annual adjustments in operating expenses will be made, the annual per square foot price, minus the base cost of operating expenses, will be discounted annually at 8 percent to yield a net PVC per square foot. The operating expenses will be both escalated at 4 percent compounded annually and discounted annually at 8 percent, then added to the net PVC to yield the gross PVC.

(4) To the gross PVC will be added:

- The cost of Government provided services not included in the rental escalated at 4 percent compounded annually and discounted annually at 8 percent.

- The annualized (over the full term) per BOMA Usable square foot cost of any items which are to be reimbursed in a lump sum payment. (The cost of these items is present value; therefore, it will not be discounted.)

(5) The sum of either (2) and (4) or (3) and (4), above, will be the per BOMA Usable square foot present value of the offer for price evaluation purposes.

1.9. **AWARD (JAN 1997)**

(a) After conclusion of negotiations, the Contracting Officer will require the Offeror selected for award to execute the proposed lease prepared by GSA which reflects the proposed agreement of the parties.

(b) The proposed lease shall consist of:

(1) Standard Form 2 (or GSA Form 3626) U.S. Government Lease for Real Property,

(2) required clauses,

(3) required certifications and representations,

(4) the pertinent provisions of the offer, and

(5) the pertinent provisions of the SFO.

(c) The acceptance of the offer and award of the lease by the Government occurs upon notification of unconditional acceptance of the offer or execution of the lease by the GSA Contracting Officer and mailing or otherwise furnishing written notification or the executed lease to the successful Offeror.

2.0 AWARD FACTORS

2.1. ACCESSIBILITY AND SEISMIC SAFETY (JAN 1997)

(a) All offers received in response to this solicitation will be evaluated to determine whether the offers fully meet one of the Model Building Seismic Design Provisions shown below and the accessibility requirements for new construction of the Americans With Disabilities Act Accessibility Guidelines (ADAAG) (36 CFR Part 36, App. A) and the Uniform Federal Accessibility Standards (UFAS) (Federal Register vol. 49, No. 153, August 7, 1984, reissued as FED. STD. 795, dated April 1, 1988, and amended by Federal Property Management Regulations Amendment D-88, 54 FR 12627, March 28, 1989). Where standards conflict, the more stringent shall apply. If any offers are received which fully meet accessibility and seismic safety requirements, then other offers which do not fully meet these requirements will not be considered.

(b) FULL COMPLIANCE:

(1) "Fully meets" as used herein with respect to accessibility means the offer fully complies with the ADAAG and UFAS requirements for Parking (Automobile and Van) and Loading Zones, Accessible Route, Entrance and Egress, Ramps, Stairs, Handrails, Doors, Elevators, Telephones, Controls, Signage, Alarms, Drinking Fountains, Storage Facilities, Seating and Work Stations, Assembly Areas, and Toilet Rooms. Where standards conflict, the more stringent shall apply.

(2) "Fully meets" with regard to seismic safety, means that the building design and construction are in compliance with the seismic requirements of one of the following Model Building Code Seismic Design Provisions as applicable in the geographical area. Compliance shall be established by a registered structural engineer's evaluation.

	Model Building Code Seismic Design Provisions		
BUILDING TYPE	BOCA	SBCCI	UBC
Wood Frame, Wood Shear Panels	*	*	1949
Steel Moment Resisting Frame	1987	1991	1976
Steel Braced Frame	1990	1991	1988
Steel Frame w/Concrete Shear Walls	1987	1991	1976
Reinforced Concrete Moment Resisting Frame	1987	1991	1976
Reinforced Concrete Shear Walls	1987	1991	1976
Tilt-up Concrete	1987	1991	1973
Reinforced Masonry	1987	1991	1976

*Local provisions for wood construction need to be compared to the 1949 UBC to determine benchmark year.
For additional building types, see NISTIR 5382.

(c) SUBSTANTIAL COMPLIANCE:

(1) In accordance with ADAAG and UFAS, if no offer is received which fully meets accessibility requirements for new construction, but an offer(s) is received which substantially meets these requirements, then other offers which do not substantially meet these requirements will not be considered. "Substantially meets" as used herein with respect to the accessibility requirements means the offer fully complies with the ADAAG and UFAS requirements for Automobile Parking and Loading Zones, Accessible Route, Entrance and Egress, Doors, Drinking Fountains, Toilet Rooms and the space has at least one elevator where necessary for route.

(2) "Substantially meets" with regard to seismic safety will be determined by the Government based upon the Offeror's evaluation by a registered structural engineer that specifically describes all exceptions to full compliance with the Model Building Code Seismic Design Provisions above. The offeror is to evaluate using NISTIR 5382 and identify all deficiencies. Based upon the evaluation, the Contracting Officer will make an award to the offer which best meets the Model Building Code Seismic Design Provisions and the other requirements of this solicitation.

(d) LESS THAN SUBSTANTIAL COMPLIANCE: In accordance with ADAAG and UFAS, if no offer is received which either fully or substantially meets the accessibility requirements of new construction, consideration will be given only to offers which meet the following minimum requirements:

(1) At least one accessible route shall be provided from an accessible entrance to the leased space and all required accessible areas. At least one interior means of vertical access shall be provided. Elevators shall have complying Controls and Signage.

(2) If parking is provided, then accessible spaces shall be included.

(3) Accessible toilet rooms shall be provided as follows:

(i) Where more than one toilet room for each sex is provided on a floor on which the Government leases space, at least one toilet room for each sex on that floor shall be accessible.

(ii) Where only one toilet room for each sex is provided on a floor on which the Government leases space, either one unisex toilet room or one toilet room for each sex on that floor shall be accessible.

(iii) Where only one toilet room is provided in a building where the Government leases space, one unisex toilet room shall be accessible.

(iv) In a qualified historic building where the Advisory Council on Historic Preservation determines that providing the above minimum accessible toilet facilities would threaten or destroy the historic integrity of the space, unisex toilet room(s) in the building shall be accessible.

(e) If no offer is received which meets the minimum accessibility requirements described above, offers will not be considered unless a waiver of accessibility requirements is requested by the Contracting Officer and granted by the GSA Public Buildings Service Commissioner.

2.2. OTHER FACTORS (JAN 1997)
The lease will be awarded to the Offeror whose offer will be most advantageous to the Government, price and other award factors which follow considered.

The combination of factors below are _____.

The following award factor(s),

_____

_____

_____

3.0 MISCELLANEOUS

3.1. RENTABLE SPACE (JUN 1994)
Rentable space is the area for which a tenant is charged rent. It is determined by the building owner and may vary by city or by building within the same city. The rentable space may include a share of building support/common areas such as elevator lobbies, building corridors, and floor service areas. Floor service areas typically include restrooms, janitor rooms, telephone closets, electrical closets, and mechanical rooms. The rentable space generally does not include vertical building penetrations and their enclosing walls, such as stairs, elevator shafts and vertical ducts.

3.2. BOMA USABLE SQUARE FEET (JAN 1997)
(a) For the purposes of this solicitation, the Government recognizes the BOMA (Building Owners and Managers Association) International standard (ANSI/BOMA Z65.1-1996) definition for Office Area, which means "the area where a tenant normally houses personnel and/or furniture, for which a measurement is to be computed."

(b) BOMA Usable Square Feet shall be computed by measuring the area enclosed by the finished surface of the room side of corridors (corridors in place as well as those required by local codes and ordinances to provide an acceptable level of safety and/or to provide access to essential building elements) and other permanent walls, the dominant portion (see Z65.1) of building exterior walls, and the center of tenant-separating partitions. Where alcoves, recessed entrances, or similar deviation from the corridor are present, BOMA Usable Square Feet shall be computed as if the deviation were not present.

3.3. COMMON AREA FACTOR (JAN 1997)
If applicable, Offerors shall provide the Common Area Factor (a conversion factor(s) determined by the building owner and applied by the owner to the BOMA Usable Square Feet to determine the rentable square feet for the offered space).

4.0 GENERAL ARCHITECTURAL

4.1. ACCESSIBILITY (JAN 1997)
The building and the leased space shall be accessible to the handicapped in accordance with the Americans With Disabilities Act Accessibility Guidelines (36 CFR Part 36, App. A) and the Uniform Federal Accessibility Standards (41 CFR 101-19.6, App. A). Where standards conflict, the more stringent shall apply.

5.0 ARCHITECTURAL FINISHES

5.1. BUILDING FINISHES
Building finishes shall be for first class, modern space.

6.0 MECHANICAL, ELECTRICAL, PLUMBING

6.1. HVAC (JUL 1994)
Temperatures shall conform to local commercial equivalent temperature levels and operating practices in order to maximize tenant satisfaction. These temperatures must be maintained throughout the leased premises and service areas, regardless of outside temperatures, during the hours of operation specified in the lease.

6.2. VENTILATION (OCT 1996)
During working hours in periods of heating and cooling, ventilation shall be provided in accordance with ASHRAE Standard 62, Ventilation for Acceptable Indoor Air Quality.

6.3. ELECTRICAL: GENERAL (JAN 1997)
The Lessor shall be responsible for meeting the applicable requirements of local codes and ordinances. When codes conflict, the more stringent standard shall apply.

6.4. ELEVATORS (JAN 1997)
(a) The Lessor shall provide suitable passenger and freight elevator service to all GSA-leased space not having ground level access.

(b) CODE:
Elevators shall conform to the current editions of the American National Standard A17.1, Safety Code for Elevators and Escalators, except that elevator cabs are not required to have a visual or audible signal to notify passengers during automatic recall. The elevator shall be inspected and maintained in accordance with the current requirements of the American National Standard A17.2, Inspector's Manual for Elevators.

7.0 SERVICES, UTILITIES, MAINTENANCE

7.1. SERVICES, UTILITIES, MAINTENANCE: GENERAL
Services, utilities, and maintenance shall be provided by the Lessor as part of the rental consideration. The Lessor must have a building superintendent or a locally designated representative available to promptly correct deficiencies.

7.2. NORMAL HOURS
Services, utilities, and maintenance will be provided daily, extending _____ except Saturdays, Sundays, and Federal holidays.

7.3. OVERTIME USAGE (JAN 1997)
(a) The Government shall have access to the leased space at all times without additional payment, including the use, during other than normal hours, of necessary services and utilities such as elevators, toilets, lights, and electric power.

(b) Reimbursement to the Lessor for overtime heating or cooling will be at the hourly rate established in the contract.

7.4. UTILITIES
The Lessor shall ensure that utilities necessary for operation are provided and all associated costs are included as a part of the established rental rate.

7.5. JANITORIAL SERVICES (JAN 1997)
The Lessor shall provide janitorial services for the leased space, public areas, entrances, and all other common areas and provide replacement of supplies.

7.6. MAINTENANCE AND TESTING OF SYSTEMS (OCT 1996)
(a) The Lessor is responsible for the total maintenance and repair of the leased premises. Such maintenance and repairs include site and private access roads. All equipment and systems shall be maintained to provide reliable, energy efficient service without unusual interruption, disturbing noises, exposure to fire or safety hazards, uncomfortable drafts, excessive air velocities, or unusual emissions of dirt. The Lessor's maintenance responsibility includes initial supply and replacement of all supplies, materials, and equipment necessary for such maintenance. Maintenance, testing, and inspection of appropriate equipment and systems must be done in accordance with applicable codes, and inspection certificates must be displayed as appropriate. Copies of all records in this regard shall be forwarded to the Field Office Manager or a designated representative.

(b) Without any additional charge, the Government reserves the right to require documentation of proper operations or testing prior to occupancy of such systems as fire alarm, sprinkler, emergency generator, etc. to ensure proper operation. These tests shall be witnessed by a representative of the Contracting Officer.

8.0 SAFETY AND ENVIRONMENTAL MANAGEMENT

8.1. OCCUPANCY PERMIT (OCT 1996)
The Lessor shall provide a valid Occupancy Permit for the intended use of the Government and shall maintain and operate the building in conformance with current local codes and ordinances. If the local jurisdiction does not issue occupancy permits, Offerors should consult the contracting officer to determine if other documentation may be needed.

8.2. FIRE AND LIFE SAFETY (OCT 1996)
(a) Below-grade space to be occupied by Government and all areas in a building referred to as "hazardous areas" in National Fire Protection Association Standard 101, known as the "Life Safety Code," or any successor standard thereto, must be protected by an automatic sprinkler system or an equivalent level of safety.

(b) If offered space is 3 stories or more above grade, the Lessor shall provide written documentation that the building meets egress and fire alarm requirements as established by NFPA Standard No. 101 or equivalent. However, if 1) offered space is 5 stories or less above grade, 2) the total Government leased space in the building (all leases combined) will be less than 35,000 square feet, and 3) the building is sprinklered, this documentation is not required.

(c) If offered space is 6 stories or more above grade, additional fire and life safety requirements may apply. Therefore, the offeror must advise GSA in its offer whether or not the offered space, or any part thereof, is on or above the sixth floor of the offered building.

8.3. **OSHA REQUIREMENTS (OCT 1996)**
The Lessor shall maintain buildings and space in a safe and healthful condition according to the Occupational Safety and Health Administration (OSHA) standards.

8.4. **ASBESTOS (OCT 1996)**
The leased space shall be free of all asbestos containing materials, except undamaged asbestos flooring in the space or undamaged boiler or pipe insulation outside the space, in which case an asbestos management program conforming to Environmental Protection Agency guidance shall be implemented.

8.5. **RADON IN AIR (OCT 1996)**
If space planned for occupancy by the Government is on the second floor above grade or lower, the Lessor shall, prior to occupancy, test the leased space for 2-3 days using charcoal cannisters or Electret Ion Chambers to ensure radon in air levels are below the Environmental Protection Agency's action concentration of 4 picoCuries/liter. After the initial testing, a followup test for a minimum of 90 days using Alpha Track Detectors or Electret Ion Chambers must be completed.

8.6. **HAZARDOUS MATERIALS (OCT 1996)**
The leased space shall be free of hazardous materials according to applicable Federal, State, and local environmental regulations.

9.0 SPECIAL REQUIREMENTS

APPENDIX C

LEASE SF-2

STANDARD FORM 2
FEBRUARY 1965 EDITION
GENERAL SERVICES
ADMINISTRATION
FPR (41CFR) 1-16.601

US GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE	LEASE NO.

THIS LEASE, made and entered into this date by and between

whose address is

and whose interest in the property hereinafter described is that of

hereinafter called the Lessor, and the UNITED STATES OF AMERICA, hereinafter called the Government:

WITNESSETH: The parties hereto for the considerations hereinafter mentioned, covenant and agree as follows:

1. The Lessor hereby leases to the Government the following described premises:

to be used for

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on

_____through _____, subject to termination and renewal rights as may be hereinafter set forth.

3. The Government shall pay the Lessor annual rent of $ _____

at the rate of $ _____per _____in arrears. Rent for a lesser period shall be prorated. Rent checks shall be made payable to:

4. The Government may terminate this lease at any time by giving at least _____ days' notice in writing to the Lessor and no rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.

5. This lease may be renewed at the option of the Government, for the following terms and at the following rentals:

provided notice be given in writing to the Lessor at least _____ days before the end of the original lease term or any renewal term; all other terms and conditions of this lease shall remain the same during any renewal term. Said notice shall be computed commencing with the day after the date of mailing.

6. The Lessor shall furnish to the Government, as part of the rental consideration, the following:

7. The following are attached and made a part hereof:
~~The General Provisions and Instructions (Standard Form 2-A, _____ edition).~~

8. The following changes were made in this lease prior to its execution:

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.

LESSOR

BY _____ _____
(Signature) (Signature)

IN THE PRESENCE OF:

_____ _____
(Signature) *(Address)*

UNITED STATES OF AMERICA

BY _____ _____
(Signature) *(Official title)*

STANDARD FORM 2
FEBRUARY 1965 EDITION

Appendix C

APPENDIX C

LEASE SHORT FORM

GSA FORM 3626

U.S. GOVERNMENT LEASE FOR REAL PROPERTY
(*Short Form*)

1. LEASE NUMBER

PART I - SOLICITATION/DESCRIPTION OF REQUIREMENTS (To be completed by Government)

A. REQUIREMENTS

The Government of the United States of America is seeking to lease approximately _____ rentable square feet of _____ space located in _____ for occupancy not later than _____ (date) for a term of _____. Rentable space must yield _____ BOMA Usable square feet for use by Tenant for personnel, furnishing, and equipment.
INITIAL OFFERS ARE DUE ON OR BEFORE CLOSE OF BUSINESS _____.

B. STANDARD CONDITIONS AND REQUIREMENTS

The following standard conditions and requirements shall apply to any premises offered for lease to the UNITED STATES OF AMERICA (hereinafter called the GOVERNMENT):

Space offered must be in a quality building of sound and substantial construction, either a new, modern building or one that has undergone restoration or rehabilitation for the intended use.

The Lessor shall provide a valid Occupancy Permit for the intended use of the Government and shall maintain and operate the building in conformance with all applicable current (as of the date of this solicitation) codes and ordinances. Below-grade space to be occupied by the Government and all areas in a building referred to as "hazardous areas" in National Fire Protection Association Standard 101, or any successor standard thereto, must be protected by an automatic sprinkler system or an equivalent level of safety. A minimum of two separate stairways shall be provided for each floor of Government occupancy. Scissor stairs will be counted as one stairway. If offered space is 3 or more stories above grade, additional egress and fire alarm requirements may apply.

The Building and the leased space shall be accessible to the handicapped in accordance with the Americans With Disabilities Act Accessibility Guidelines (36 CFR Part 36, App. A) and the Uniform Federal Accessibility Standards (41 CFR 101-19.6, App. A). Where standards conflict, the more stringent shall apply.

The leased space shall be free of all asbestos containing materials, except undamaged asbestos flooring in the space or undamaged boiler or pipe insulation outside the space, in which case an asbestos management program conforming to Environmental Protection Agency guidance shall be implemented. The space shall be free of other hazardous materials according to applicable Federal, State, and local environmental regulations.

Services, utilities, and maintenance will be provided daily, extending from _____ a.m. to _____ p.m. except Saturday, Sunday, and Federal holidays. The Government shall have access to the leased space at all times, including the use of electrical services, toilets, lights, elevators, and Government office machines without additional payment.

The Lessor shall complete any necessary alterations within _____ days after receipt of approved layout drawings.

2. SERVICES AND UTILITIES (To be provided by Lessor as part of rent)

☐ HEAT	☐ TRASH REMOVAL	☐ ELEVATOR SERVICE	☐ INITIAL & REPLACEMENT LAMPS, TUBES & BALLASTS	☐ OTHER (Specify below)
☐ ELECTRICITY	☐ CHILLED DRINKING WATER	☐ WINDOW WASHING Frequency _____	☐ PAINTING FREQUENCY	
☐ POWER (Special Equip.)	☐ AIR CONDITIONING		Space _____	
☐ WATER (Hot & Cold)	☐ TOILET SUPPLIES	☐ CARPET CLEANING	Public Areas _____	
☐ SNOW REMOVAL	☐ JANITORIAL SERV. & SUPP	Frequency _____		

3. OTHER REQUIREMENTS

Offerors should also include the following with their offers:

The estimated cost to prepare the space for occupancy by the Government and the offeror's proposed amortization rate for tenant alterations.

NOTE: All offers are subject to the terms and conditions outlined above, and elsewhere in this solicitation, including the Government's General Clauses and Representations and Certifications.

4. BASIS OF AWARD

☐ THE ACCEPTABLE OFFER WITH THE LOWEST PRICE PER SQUARE FOOT, ACCORDING TO THE ANSI/BOMA Z65.1-1996 DEFINITION FOR BOMA USABLE OFFICE AREA, WHICH MEANS "THE AREA WHERE A TENANT NORMALLY HOUSES PERSONNEL AND/OR FURNITURE, FOR WHICH A MEASUREMENT IS TO BE COMPUTED."

☐ OFFER MOST ADVANTAGEOUS TO THE GOVERNMENT, WITH THE FOLLOWING EVALUATION FACTORS BEING ☐ SIGNIFICANTLY MORE IMPORTANT THAN PRICE ☐ APPROXIMATELY EQUAL TO PRICE ☐ SIGNIFICANTLY LESS IMPORTANT THAN PRICE (Listed in descending order, unless stated otherwise):

PART II - OFFER *(To be completed by Offeror/Owner)*

A. LOCATION AND DESCRIPTION OF PREMISES OFFERED FOR LEASE BY GOVERNMENT

5 NAME AND ADDRESS OF BUILDING *(Include ZIP Code)*	6. LOCATION(S) IN BUILDING	
	a. FLOOR(S)	b. ROOM NUMBER(S)
	c. RENTABLE SQ. FT.	d. TYPE ☐ GENERAL OFFICE ☐ OTHER *(Specify)* ☐ WAREHOUSE

B. TERM

To have and to hold, for the term commencing on _____ and continuing through _____ inclusive. The Government may terminate this lease at any time on or after _____, by giving at least _____ days notice in writing to the Lessor. No rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.

C. RENTAL

Rent shall be payable in arrears and will be due on the first workday of each month. When the date for commencement of the lease falls after the 15th day of the month, the initial rental payment shall be due on the first workday of the second month following the commencement date. Rent for a period of less than a month shall be prorated.

7 AMOUNT OF ANNUAL RENT	9. MAKE CHECKS PAYABLE TO *(Name and address)*
8. RATE PER MONTH	

10a. NAME AND ADDRESS OF OWNER *(Include ZIP code. If requested by the Government and the owner is a partnership or joint venture, list all General Partners, using a separate sheet, if necessary.)*

10b. TELEPHONE NUMBER OF OWNER	11. TYPE OF INTEREST IN PROPERTY OF PERSON SIGNING ☐ OWNER ☐ AUTHORIZED AGENT ☐ OTHER *(Specify)*
12 NAME OF OWNER OR AUTHORIZED AGENT	13. TITLE OF PERSON SIGNING

14 SIGNATURE OF OWNER OR AUTHORIZED AGENT	15. DATE	16. OFFER REMAINS OPEN UNTIL 4:30 P.M. *(Date)*

PART III - AWARD *(To be completed by Government)*

Your offer is hereby accepted. This award consummates the lease which consists of the following documents: (a) this GSA Form 3626, (b) Representations and Certifications, (c) the Government's General Clauses, and (d) the following changes or additions made or agreed to by you:

THIS DOCUMENT IS NOT BINDING ON THE GOVERNMENT OF THE UNITED STATES OF AMERICA UNLESS SIGNED BELOW BY AUTHORIZED CONTRACTING OFFICER.

17a. NAME OF CONTRACTING OFFICER *(Type or Print)*	17b. SIGNATURE OF CONTRACTING OFFICER	17c. DATE

Appendix D

APPENDIX D

SOLICITATIONS PROVISIONS

GSA FORM 3516 (SHORT VERSION)

SOLICITATION PROVISIONS
(Acquisition of Leasehold Interests in Real Property)

1. 52.252-1 - SOLICITATION PROVISIONS INCORPORATED BY REFERENCE (VARIATION) (JUN 1988)

   This solicitation incorporates one or more provisions by reference, with the same force and effect as if they were given in full text. Upon request the Contracting Officer will make their full text available or the full text may be found on the Internet at http://www.gsa.gov/pbs/pe/standcla/standcla.htm.

2. The following provisions are incorporated by reference:

   GSAR 552.270-1 - PREPARATION OF OFFERS (APR 1985)

   GSAR 552.270-2 - EXPLANATION TO PROSPECTIVE OFFERORS (JUNE 1985)

   GSAR 552.270-3 - LATE SUBMISSIONS, MODIFICATIONS, AND WITHDRAWALS OF OFFERS (AUG 1995)

   552.203-71 - PROHIBITED CONDUCT (SEP 1990)

   FAR 52.215-12 - RESTRICTION ON DISCLOSURE AND USE OF DATA (APR 1984)

   FAR 52.222-24 - PREAWARD EQUAL OPPORTUNITY COMPLIANCE REVIEW (APR 1984)

   GSAR 552.270-5 - LEASE AWARD (JUN 1985)

   GSAR 552.270-6 - PARTIES TO EXECUTE LEASE (AUG 1992)

   FAR 52.233-2 - SERVICE OF PROTEST (AUG 1996)

3. FLOOD PLAINS AND WETLANDS (APR 1984)

   An award of contract will not be made for a property located within a base flood plain or wetland unless the Government has determined it to be the only practicable alternative.

APPENDIX D

SOLICITATIONS PROVISIONS

GSA FORM 3516A (FULL TEXT)

SOLICITATION PROVISIONS
(Acquisition of Leasehold Interests in Real Property)

1. 552.270-1 - PREPARATION OF OFFERS (APR 1985)

   (a) Offerors are expected to read all parts of this solicitation.

   (b) Offers must be (1) submitted on the forms prescribed and furnished by the Government as a part of this solicitation or on copies of those forms, and (2) signed. The person signing an offer must initial each erasure or change appearing on any offer form. If the offeror is a partnership, the names of the partners composing the firm must be included with the offer.

   (c) Offers will be construed to be in full and complete compliance with this solicitation unless the offer describes any deviation in the offer.

2. 552.270-2 - EXPLANATION TO PROSPECTIVE OFFERORS (JUNE 1985)

   Any prospective offeror desiring an explanation or interpretation of the solicitation should request it in writing. Oral explanations or instructions given to a prospective offeror will not be binding. Any information given to a prospective offeror concerning a solicitation will be furnished promptly to all other prospective offerors, if that information is necessary in submitting offers or if the lack of it would be prejudicial to any other prospective offeror.

3. 552.270-3 - LATE SUBMISSIONS, MODIFICATIONS, AND WITHDRAWALS OF OFFERS (AUG 1995)

   (a) Any offer received at the office designated in the solicitation after the exact time specified for receipt of initial offers will not be considered unless it is received before award is made and it -

      (1) Was sent by registered or certified mail not later than the fifth calendar day before the date specified for receipt of offers (e.g., an offer submitted in response to a solicitation requiring receipt of offers by the 20th of the month must have been mailed by the 15th);

      (2) Was sent by mail or, if authorized by the solicitation, was sent by telegram or via facsimile and it is determined by the Government that the late receipt was due solely to mishandling by the Government after receipt at the Government installation;

      (3) Was sent by U.S. Postal Service Express Mail Next Day Service-Post Office to Addressee not later than 5:00 p.m. at the place of mailing two working days prior to the date specified for receipt of offers. The term "working days" excludes weekends and U.S. Federal holidays; or

      (4) Is the only offer received.

   (b) A modification resulting from the Contracting Officer's request for "best and final" offers received after the date and time specified in the request will not be considered unless received before award and the late receipt is due solely to mishandling by the Government after timely receipt at the Government installation.

   (c) The only acceptable evidence to establish the date of mailing of a late offer or modification sent either by U.S. Postal Service registered or certified mail is the U.S. or Canadian Postal Service postmark both on the envelope or wrapper and on the original receipt from the U.S. or Canadian Postal Service. Both postmarks must show a legible date or the offer or modification shall be processed as if mailed late. "Postmark" means a printed, stamped, or otherwise placed impression (exclusive of a postage meter machine impression) that is readily identifiable without further action as having been supplied and affixed by employees of the U.S. or Canadian Postal Service on the date of mailing. Therefore, offerors should request the postal clerk to place a legible hand cancellation bull's eye postmark on both the receipt and the envelope or wrapper.

   (d) The only acceptable evidence to establish the time of receipt at the Government installation is the time/date stamp of that installation on the offer wrapper or other documentary evidence of receipt maintained by the installation.

   (e) The only acceptable evidence to establish the date of mailing of a late offer, modification, or withdrawal sent by Express Mail Next Day Service-Post Office to Addressee is the date entered by the post office receiving clerk on the "Express Mail Next Day Service-Post Office to Addressee" label and the postmark on both the envelope or wrapper and on the original receipt from the U.S. Postal Service. "Postmark" has the same meaning as defined in paragraph (c) of this provision, excluding postmarks of the Canadian Postal Service. Therefore, offerors should request the postal clerk to place a legible hand cancellation bull's eye postmark on both the receipt and the envelope or wrapper.

   (f) Notwithstanding paragraph (a) of this provision, a late modification of an otherwise successful offer that makes its terms more favorable to the Government will be considered at any time it is received and may be accepted.

   (g) Offers may be withdrawn by written notice or telegram (including mailgram) received at any time before award. If the solicitation authorizes facsimile offers, offers may be withdrawn via facsimile received at any time before award,

subject to the conditions specified in the provision entitled "Facsimile Proposals." Offers may be withdrawn in person by an offeror or an authorized representative, if the representative's identity is made known and the representative signs a receipt for the offer before award.

4. 552.203-71 - PROHIBITED CONDUCT (SEP 1990)

(a) Prohibited conduct. The Office of Federal Procurement Policy Act, as amended (41 U.S.C. 423), provides that during the conduct of any Federal agency procurement of property or services, no competing contractor or officer, employee, representative, agent, or consultant of competing contractor shall knowingly --

(1) Make, directly or indirectly, any offer or promise of future employment or business opportunity to, or engage, directly or indirectly, in any discussion of future employment or business opportunity with, any procurement official of the agency, except as provided in FAR 3.104-6(b);

(2) Offer, give, or promise to offer or give, directly or indirectly, any money, gratuity, or other thing of value to any procurement official of the agency; or

(3) Solicit or obtain, directly or indirectly, from any officer or employee of the agency, prior to the award of a contract any proprietary or source selection information regarding the procurement.

(b) Penalties. Civil penalties for violation of these prohibitions are up to $100,000 for an individual or $1,000,000 for an Offeror or prospective Offeror other than an individual. Criminal penalties are up to 5 years imprisonment and/or a fine in accordance with Title 18, United States Code.

5. 52.215-12 - RESTRICTION ON DISCLOSURE AND USE OF DATA (APR 1984)

(Applies to leases which exceed $100,000 average net annual rental, including option periods.)

Offerors or quoters who include in their proposals or quotations data that they do not want disclosed to the public for any purpose or used by the Government except for evaluation purposes, shall -

(a) Mark the title page with the following legend: "This proposal or quotation includes data that shall not be disclosed outside the Government and shall not be duplicated, used, or disclosed--in whole or in part--for any purpose other than to evaluate this proposal or quotation. If, however, a contract is awarded to this offeror or quoter as a result of--or in connection with--the submission of this data, the Government shall have the right to duplicate, use, or disclose the data to the extent provided in the resulting contract. This restriction does not limit the Government's right to use information contained in this data if it is obtained from another source without restriction. The data subject to this restriction are contained in sheets [insert numbers or other identification of sheets]"; and

(b) Mark each sheet of data it wishes to restrict with the following legend: "Use or disclosure of data contained on this sheet is subject to the restriction on the title page of this proposal or quotation."

6. 52.222-24 - PREAWARD EQUAL OPPORTUNITY COMPLIANCE REVIEW (APR 1984)

An award in the amount of $1 million or more will not be made under this solicitation unless the offeror and each of its known first-tier subcontractors (to whom it intends to award a subcontract of $1 million or more) are found, on the basis of a compliance review, to be able to comply with the provisions of the Equal Opportunity clause of this solicitation.

7. 552.270-5 - LEASE AWARD (JUN 1985)

(a) The Government will award a lease resulting from this solicitation to the responsible offeror whose offer conforming to the solicitation, will be most advantageous to the Government, price and other factors, specified elsewhere in this solicitation, considered.

(b) The Government may (1) reject any or all offers, (2) accept other than the lowest priced offer, and (3) waive informalities and minor irregularities in offers received.

(c) Negotiations conducted after receipt of an offer do not constitute a rejection or counteroffer by the Government.

(d) The unconditional acceptance of an offer establishes a valid contract.

8. 552.270-6 - PARTIES TO EXECUTE LEASE (AUG 1992)

(a) If the lease is executed by an attorney, agent, or trustee on behalf of the Lessor, an authenticated copy of his power of attorney, or other evidence to act on behalf of the Lessor, must accompany the lease.

(b) If the Lessor is a partnership, the lease must be signed with the partnership name, followed by the name of the legally authorized partner signing the same, and, if requested by the Government, a copy of either the partnership agreement or current Certificate of Limited Partnership shall accompany the lease.

(c) If the Lessor is a corporation, the lease must be signed with the corporate name, followed by the signature and title of the officer or other person signing the lease on its behalf, duly attested, and, if requested by the Government, evidence of this authority so to act shall be furnished.

9. 52.233-2 - SERVICE OF PROTEST (AUG 1996) (VARIATION)

(Applies to leases which exceed $100,000 average net annual rental, including option periods.)

(a) Protests, as defined in section 33.101 of the Federal Acquisition Regulation, that are filed directly with an agency, and copies of any protests that are filed with the General Accounting Office (GAO), shall be served on the Contracting Officer by obtaining written and dated acknowledgment of receipt from the Contracting Officer at the address shown elsewhere in this solicitation.

(b) The copy of any protest shall be received in the office designated above within one day of filing a protest with the GAO.

10. FLOOD PLAINS AND WETLANDS (APR 1984)

An award of contract will not be made for a property located within a base flood plain or wetland unless the Government has determined it to be the only practicable alternative.

Appendix E

APPENDIX E

GENERAL CLAUSES

GSA FORM 3517

GENERAL CLAUSES
(Acquisition of Leasehold Interests in Real Property)

1. 52.252-2 CLAUSES INCORPORATED BY REFERENCE (Variation) (JUNE 1988)

   This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make the full text available or the full text may be found on the Internet at http://www.gsa.gov/pbs/pe/standcla/standcla.htm.

2. The following clauses are incorporated by reference:

CATEGORY	Clause No.	48 CFR Ref.	Clause Title
DEFINITIONS	1	552.270-10	Definitions (AUG 1992)
GENERAL	2	552.270-11	Subletting and Assignment (AUG 1992)
	3	552.270-18	Successors Bound (AUG 1992)
	4	552.270-34	Subordination, Nondisturbance and Attornment (AUG 1992)
	5	552.270-35	Statement of Lease (AUG 1992)
	6	552.270-36	Substitution of Tenant Agency (AUG 1992)
	7	552.270-37	No Waiver (AUG 1992)
	8	552.270-38	Integrated Agreement (AUG 1992)
	9	552.270-39	Mutuality of Obligation (AUG 1992)
PERFORMANCE	10	552.270-27	Delivery and Condition (AUG 1992)
	11	552.270-28	Default in Delivery - Time Extensions (JUN 1994)
	12	552.270-30	Progressive Occupancy (AUG 1992)
	13	552.270-32	Effect of Acceptance and Occupancy (AUG 1992)
	14	552.270-12	Maintenance of Building and Premises-Right of Entry (AUG 1992)
	15	552.270-17	Failure in Performance (AUG 1992)
	16	552.270-33	Default by Lessor During the Term (AUG 1992)
	17	552.270-13	Fire and Casualty Damage (AUG 1992)
	18	552.270-15	Compliance with Applicable Law (AUG 1992)
	19	552.270-19	Alterations (JUN 1985)
	20	552.270-41	Acceptance of Space (AUG 1994)
INSPECTION	21	552.270-16	Inspection-Right of Entry (AUG 1992)
PAYMENT	22	552.232-71	Prompt Payment (APR 1989)
	23	552.232-73	Electronic Funds Transfer Payment (AUG 1992)
	24	552.232-72	Invoice Requirements (APR 1989)
	25	52.232-23	Assignment of Claims (JAN 1986)
	26	552.270-31	Payment (AUG 1994)
STANDARDS OF CONDUCT	27	552.203-5	Covenant Against Contingent Fees (FEB 1990)
	28	52.203-7	Anti-Kickback Procedures (JUL 1995)
	29	52.223-6	Drug-Free Workplace (JAN 1997)
ADJUSTMENTS	30	552.203-73	Price Adjustment for Illegal or Improper Activity (SEP 1990) (Applicable to leases over $100,000.)
	31	52.215-22	Price Reduction for Defective Cost or Pricing Data (OCT 1995)
	32	552.270-20	Proposals for Adjustment (APR 1995)
	33	552.270-21	Changes (JUL 1995)

AUDITS	34	552.215-70	Examination of Records (FEB 1996)
DISPUTES	35	52.233-1	Disputes (OCT 1995)
LABOR STANDARDS	36	52.222-26	Equal Opportunity (APR 1984) (Applicable to leases over $10,000.)
	37	52.222-35	Affirmative Action for Special Disabled and Vietnam Era Veterans (APR 1984) (Applicable to leases over $10,000.)
	38	52.222-36	Affirmative Action for Handicapped Workers (APR 1984) (Applicable to leases over $2,500.)
	39	52.222-37	Employment Reports on Special Disabled Veterans and Veterans of the Vietnam Era (JAN 1988) (Applicable to leases over $10,000.)
SUBCONTRACTING	40	52.209-6	Protecting the Government's Interest When Subcontracting With Contractors Debarred, Suspended, or Proposed for Debarment (JUL 1995) (Applicable to leases over $25,000.)
	41	52.215-24	Subcontractor Cost or Pricing Data (OCT 1995)
	42	52.219-8	Utilization of Small, Small Disadvantaged and Women-Owned Small Business Concerns (OCT 1995)
	43	52.219-9	Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan (AUG 1996) (Applicable to leases over $500,000.)
	44	52.219-16	Liquidated Damages - Subcontracting Plan (OCT 1995) (Applicable to leases over $500,000.)

Note: For "occupiable square feet" in these clauses, substitute "BOMA Usable Square Feet.

The information collection requirements contained in this solicitation/contract, that are not required by regulation, have been approved by the Office of Management and Budget pursuant to the Paperwork Reduction Act and assigned the OMB Control No. 3090-0163.

APPENDIX E

GENERAL CLAUSES

GSA FORM 3517A

(SIMPLIFIED LEASES)

GENERAL CLAUSES (Simplified Leases)

(Acquisition of Leasehold Interests in Real Property for Leases Up to $100,000 Annual Rent)

1. The Government reserves the right, at any time after the lease is signed and during the term of the lease, to inspect the leased premises and all other areas of the building to which access is necessary to ensure a safe and healthy work environment for the Government tenants and the Lessor's performance under this lease.

2. If the building is partially or totally destroyed or damaged by fire or other casualty so that the leased space is untenantable as determined by the Government, the Government may terminate the lease upon 15 calendar days written notice to the Lessor and no further rental will be due.

3. The Lessor shall maintain the demised premises, including the building, building systems, and all equipment, fixtures, and appurtenances furnished by the Lessor under this lease, in good repair and tenantable condition. Upon request of the Contracting Officer, the Lessor shall provide written documentation that building systems have been maintained, tested, and are operational.

4. In the event the Lessor fails to perform any service, to provide any item, or meet any requirement of this lease, the Government may perform the service, provide the item, or meet the requirement, either directly or through a contract. The Government may deduct any costs incurred for the service or item, including administrative costs, from the rental payments.

5. 52.252-2 CLAUSES INCORPORATED BY REFERENCE (VARIATION) (JUN 1988)

   This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available or the full text may be found on the Internet at http://www.gsa.gov/pbs/pe/standcla/standcla.htm.

6. The following clauses are incorporated by reference:

GSAR 552-203-5	COVENANT AGAINST CONTINGENT FEES (FEB 1990)
GSAR 552-203-73	PRICE ADJUSTMENT FOR ILLEGAL OR IMPROPER ACTIVITY (SEP 1990) (Applicable to leases over $100,000.)
FAR 52.209-6	PROTECTING THE GOVERNMENT'S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED, OR PROPOSED FOR DEBARMENT (AUG 1995) (Applicable to leases over $25,000.)
FAR 52.219-9	SMALL, SMALL DISADVANTAGED AND WOMEN-OWNED SMALL BUSINESS SUBCONTRACTING PLAN (AUG 1996) (Applicable to leases over $500,000.)
FAR 52.219-16	LIQUIDATED DAMAGES - SMALL BUSINESS SUBCONTRACTING PLAN (OCT 1995) (Applicable to leases over $500,000.)
FAR 52.222-24	PREAWARD EQUAL OPPORTUNITY COMPLIANCE REVIEW (APR 1984) (Applicable to leases over $1 million.)
FAR 52.222-26	EQUAL OPPORTUNITY (APR 1984) (Applicable to leases over $10,000.)
FAR 52.222-35	AFFIRMATIVE ACTION FOR SPECIAL DISABLED AND VIETNAM ERA VETERANS (APR 1984) (Applicable to leases over $10,000.)
FAR 52.222-36	AFFIRMATIVE ACTION FOR HANDICAPPED WORKERS (APR 1984) (Applicable to leases over $2,500.)

FAR 52.222-37	EMPLOYMENT REPORTS ON SPECIAL DISABLED VETERANS AND VETERANS OF THE VIETNAM ERA (JAN 1988) (Applicable to leases over $10,000.)
FAR 52.232-23	ASSIGNMENT OF CLAIMS (JAN 1986)
GSAR 552.232-71	PROMPT PAYMENT (APR 1989)
FAR 52.233-1	DISPUTES (OCT 1995)

THE FOLLOWING APPLY WHEN COST OR PRICING DATA IS SUBMITTED:

FAR 52.215-22	PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA (JAN 1991) (Applicable when cost or pricing data is required for work or services exceeding $500,000.)
FAR 52.215-24	SUBCONTRACTOR COST OR PRICING DATA (OCT 1995) (Applicable when the clause 52.215-22 is applicable.)

The information collection requirements contained in this solicitation/contract, that are not required by regulation, have been approved by the Office of Management and Budget pursuant to the Paperwork Reduction Act and assigned the OMB Control No. 3090-0163.

GENERAL CLAUSES (Simplified Leases)
(Acquisition of Leasehold Interests in Real Property for Leases Up to $100,000 Annual Rent)
FULL TEXT OF CLAUSES

1. The Government reserves the right, at any time after the lease is signed and during the term of the lease, to inspect the leased premises and all other areas of the building to which access is necessary to ensure a safe and health work environment for the Government tenants and the Lessor's performance under this lease.

2. If the building is partially or totally destroyed or damaged by fire or other casualty so that the leased space is untenantable as determined by the Government, the Government may terminate the lease upon 15 calendar days written notice to the Lessor and no further rental will be due.

3. The Lessor shall maintain the demised premises, including the building, building systems, and all equipment, fixtures, and appurtenances furnished by the Lessor under the lease, in good repair and tenantable condition. Upon request of the Contracting Officer, the Lessor shall provide written documentation that building systems have been maintained, tested, and are operational.

4. In the event the Lessor fails to perform any service, to provide any item, or meet any requirement of the lease, the Government may perform the service, provide the item, or meet the requirement, either directly or through a contract. The Government may deduct any cost incurred for the service or item, including administrative costs, from rental payments.

5. 552.203-5 - COVENANT AGAINST CONTINGENT FEES (FEB 1990)

   (a) The Contractor warrants that no person or agency has been employed or retained to solicit or obtain this contract upon an agreement or understanding for a contingent fee, except a bona fide employee or agency. For breach or violation of this warranty, the Government shall have the right to annul this contract without liability or, in its discretion, to deduct from the contract price consideration, or otherwise recover the full amount of the contingent fee.

   (b) "Bona fide agency," as used in this clause, means an established commercial or selling agency (including licensed real estate agents or brokers), maintained by a Contractor for the purpose of securing business, that neither exerts nor proposes to exert improper influence to solicit or obtain Government contracts nor holds out as being able to obtain any Government contract or contracts through improper influence.

   "Bona fide employee" as used in this clause, means a person, employed by a Contractor and subject to the Contractor's supervision and control as to time, place, and manner of performance, who neither exerts nor proposes to exert improper influence to solicit or obtain Government contract or contracts through improper influence.

   "Contingent fee" as used in this clause, means any commission, percentage, brokerage, or other fee that is contingent upon the success that a person or concern has in securing a Government contract.

   "Improper influence," as used in this clause, means any influence that induces or tends to induce a Government employee or officer to give consideration or to act regarding a Government contract on any basis other than the merits of the matter.

6. 52.203-73 - PRICE ADJUSTMENT FOR ILLEGAL OR IMPROPER ACTIVITY (SEP 1990)

   (Applicable to leases over $100,000.)

   (a) If the head of the contracting activity (HCA) or his or her designee determines that there was a violation of subsection 27(a) of the Office of Federal Procurement Policy Act, as amended (41 U.S.C. 423), as implemented in the Federal Acquisition Regulation, the Government, at its election, may--

      (1) Reduce the monthly rental under this lease by 5 percent of the amount of the rental for each month of the remaining term of the lease, including any option periods, and recover 5 percent of the rental already paid;

(2) Reduce payments for alterations not included in monthly rental payments by 5 percent of the amount of the alterations agreement; or
(3) Reduce the payments for violations by a Lessor's subcontractor by an amount not to exceed the amount of profit or fee reflected in the subcontract at the time the subcontract was placed.

(b) Prior to making a determination as set forth above, the HCA or designee shall provide to the Lessor a written notice of the action being considered and the basis therefor. The Lessor shall have a period determined by the agency head or designee, but not less than 30 calendar days after receipt of such notice, to submit in person, in writing, or through a representative, information and argument in opposition to the proposed reduction. The agency head or designee may, upon good cause shown, determine to deduct less than the above amounts from payments.

(c) The rights and remedies of the Government specified herein are not exclusive, and are in addition to any other rights and remedies provided by law or under this lease.

7. 52.209-6 - PROTECTING THE GOVERNMENT'S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED, OR PROPOSED FOR DEBARMENT (AUG 1995)

(Applicable to leases over $25,000.)

(a) The Government suspends or debars Contractors to protect the Government's interest. Contractors shall not enter into any subcontract in excess of the small purchase limitation at FAR 13.000 with a Contractor that has been debarred, suspended, or proposed for debarment unless there is a compelling reason to do so.

(b) The Contractor shall require each proposed first-tier subcontractor whose subcontract will exceed. the small purchase limitation as FAR 13.000, to disclose to the Contractor, in writing, whether as of the time of award of the subcontract, the subcontractor, or its principals, is or is not debarred, suspended, or proposed for debarment by the Federal Government.

(c) A corporate officer or designee of the Contractor shall notify the Contracting Officer, in writing, before entering into a subcontract with a party that is debarred, suspended or proposed for debarment (See FAR 9.404 for information on the List of Parties Excluded from Federal Procurement and Nonprocurement Programs). The notice must include the following:

(1) The name of the subcontractor,
(2) The Contractor's knowledge of the reasons for the subcontractor being on the List of Parties Excluded from Federal Procurement and Nonprocurement Programs;
(3) The compelling reason(s) for doing business with the subcontractor notwithstanding its inclusion on the List of parties Excluded from Federal Procurement and Nonprocurement Programs;
(4) The systems and procedures the Contractor has established to ensure that it is fully protecting the Government's interest when dealing with such subcontractor in view of the specific basis for the part's debarment, suspension, or proposed debarment.

8. 52.219-9 SMALL, SMALL DISADVANTAGED AND WOMEN-OWNED SMALL BUSINESS SUBCONTRACTING PLAN (AUG 1996)

(Applicable to leases over $500,000.)

(a) This clause does not apply to small business concerns.

(b) "Commercial product," as used in this clause, means a product in regular production that is sold in substantial quantities to the general public and/or industry at established catalog or market prices. It also means a product which, in the opinion of the Contracting Officer, differs only insignificantly from the Contractor's commercial product.

"Subcontract," as used in this clause, means any agreement (other than one involving an employer-employee relationship) entered into by a Federal Government prime Contractor or subcontractor calling for supplies or services required for performance of the contract or subcontract.

(c) The Offeror, upon request by the Contracting Officer, shall submit and negotiate a subcontracting plan, where applicable, which separately addresses subcontracting with small business concerns, with small disadvantaged business concerns and with

women-owned small business concerns. If the Offeror is submitting an individual contract plan, the plan must separately address subcontracting with small business concerns, small disadvantaged business concerns, and women-owned small business concerns with a separate part for the basic contract and separate parts for each option (if any). The plan shall be included in and made a part of the resultant contract. The subcontracting plan shall be negotiated within the time specified by the Contracting Officer. Failure to submit and negotiate the subcontracting plan shall make the Offeror ineligible for award of a contract.

(d) The offer's subcontracting plan shall include the following:

(1) Goals, expressed in terms of percentages of total planned subcontracting dollars, for the use of small business concerns, small disadvantaged business concerns and women-owned small business concerns as subcontractors. The offeror shall include all subcontracts that contribute to contract performance, and may include a proportionate share of products and services that are normally allocated as indirect costs.

(2) A statement of--
(i) Total dollars planned to be subcontracted;
(ii) Total dollars planned to be subcontracted to small business concerns;
(iii) Total dollars planned to be subcontracted to small disadvantaged business concerns; and
(iv) Total dollars planned to be subcontracted to women-owned small business concerns.

(3) A description of the principal types of supplies and services to be subcontracted, and an identification of the types planned for subcontracting to (i) small business concerns, (ii) small disadvantaged business concerns and (iii) women-owned small business concerns.

(4) A description of the method used to develop the subcontracting goals in paragraph (d)(1) of this clause.

(5) A description of the method used to identify potential sources for solicitation purposes (e.g., existing company source lists, the Procurement Automated Source System (PASS) of the Small Business Administration, the National Minority Purchasing Council Vendor Information Service, the Research and Information Division of the Minority Business Development Agency in the Department of Commerce, or small, small disadvantaged and women-owned small business concerns trade associations). A firm may rely on the information contained in PASS as an accurate representation of a concern's size and ownership characteristics for purposes of maintaining a small business source list. A firm may rely on PASS as a small business source list. Use of the PASS as its source list does not relieve a firm of its responsibilities (e.g., outreach, assistance, counseling, publicizing subcontracting opportunities) in this clause.

(6) A statement as to whether or not the Offeror included indirect costs in establishing subcontracting goals, and a description of the method used to determine the proportionate share of indirect costs to be incurred with (i) small business concerns, (ii) small disadvantaged business concerns, and (iii) women-owned small business concerns.

(7) The name of the individual employed by the Offeror who will administer the offeror's subcontracting program, and a description of the duties of the individual.

(8) A description of the efforts the Offeror will make to assure that small, small disadvantaged and women-owned small business concerns have an equitable opportunity to compete for subcontracts.

(9) Assurances that the Offeror will include the clause in this contract entitled "Utilization of Small, Small Disadvantaged and Women-Owned Small Business Concerns" in all subcontracts that offer further subcontracting opportunities, and that the Offeror will require all subcontractors (except small business concerns) who receive subcontracts in excess of $500,000 ($1,000,000 for construction of any public facility) to adopt a plan similar to the plan agreed to by the Offeror.

(10) Assurances that the Offeror will (i) cooperate in any studies or surveys as may be required, (ii) submit periodic reports in order to allow the Government to determine the extent of compliance by the Offeror with the subcontracting plan, (iii) submit Standard Form (SF) 294, Subcontracting Report for Individual Contracts, and/or SF 295, Summary Subcontract Report, in accordance with the instructions on the forms, and (iv) ensure that its subcontractors agree to submit Standard Forms 294 and 295.

(11) A recitation of the types of records the Offeror will maintain to demonstrate procedures that have been adopted to comply with the requirements and goals in the plan, including establishing source lists; and a description of its efforts to locate small, small disadvantaged and women-owned small business concerns and award subcontracts to them. The records shall include at least the following (on a plant-wide or company-wide basis, unless otherwise indicated):

(i) Source lists (e.g., PASS), guides, and other data that identify small, small disadvantaged and women-owned small business concerns.
(ii) Organizations contacted in an attempt to locate sources that are small, small disadvantaged or women-owned small business concerns.
(iii) Records on each subcontract solicitation resulting in an award of more than $100,000, indicating (A) whether small business concerns were solicited and if not, why not, (B) whether small disadvantaged business concerns were solicited and if not, why not, (C) whether women-owned small business concerns were solicited and if not, why not, and (D) if applicable, the reason award was not made to a small business concern.
(iv) Records of any outreach efforts to contact (A) trade associations, (B) business development organizations, and (C) conferences and trade fairs to locate small, small disadvantaged and women-owned small business sources.
(v) Records of internal guidance and encouragement provided to buyers through (A) workshops, seminars, training, etc., and (B) monitoring performance to evaluate compliance with the program's requirements.
(vi) On a contract-by-contract basis, records to support award data submitted by the Offeror to the Government, including the name, address, and business size of each subcontractor. Contractors having company or division-wide annual plans need not comply with this requirement.

(e) In order to effectively implement this plan to the extent consistent with efficient contract performance, the Contractor shall perform the following functions:

(1) Assist small, small disadvantaged and women-owned small business concerns by arranging solicitations, time for the preparation of bids, quantities, specifications, and delivery schedules so as to facilitate the participation by such concerns. Where the Contractor's lists of potential small, small disadvantaged and women-owned small business subcontractors are excessively long, reasonable efforts shall be made to give all such small business concerns an opportunity to compete over a period of time.
(2) Provide adequate and timely consideration of the potentialities of small, small disadvantaged and women-owned small business concerns in all "make-or-buy" decisions.
(3) Counsel and discuss subcontracting opportunities with representatives of small, small disadvantaged and women-owned small business firms.
(4) Provide notice to subcontractors concerning penalties and remedies for misrepresentations of business status as small, small disadvantaged or women-owned small business for the purpose of obtaining a subcontract that is to be included as part or all of a goal contained in the Contractor's subcontracting plan.

(f) A master subcontracting plan on a plant or division-wide basis which contains all the elements required by paragraph (d) of this clause, except goals, may be incorporated by reference as a part of the subcontracting plan required of the Offeror by this clause; provided, (1) the master plan has been approved, (2) the Offeror ensures that the master plan is updated as necessary and provides copies of the approved master plan, including evidence of its approval, to the Contracting Officer, and (3) goals and any deviations from the master plan deemed necessary by the Contracting Officer to satisfy the requirements of this contract are set forth in the individual subcontracting plan.

(g) (1) If a commercial product is offered, the subcontracting plan required by this clause may relate to the offeror's production generally, for both commercial and noncommercial products, rather than solely to the Government contract. In these cases, the Offeror shall, with the concurrence of the Contracting Officer, submit one company-wide or division-wide annual plan.
(2) The annual plan shall be reviewed for approval by the agency awarding the Offeror its first prime contract requiring a subcontracting plan during the fiscal year, or by an agency satisfactory to the Contracting Officer.
(3) The approved plan shall remain in effect during the Offeror's fiscal year for all of the Offeror's commercial products.

(h) Prior compliance of the Offeror with other such subcontracting plans under previous contracts will be considered by the Contracting Officer in determining the responsibility of the Offeror for award of the contract.

(i) The failure of the Contractor or subcontractor to comply in good faith with (1) the clause of this contract entitled "Utilization of Small, Small Disadvantaged and Women-Owned Small Business Concerns," or (2) an approved plan required by this clause, shall be a material breach of the contract.

9. 52.219-16 LIQUIDATED DAMAGES--SUBCONTRACTING PLAN (OCT 1995)

(Applicable to leases over $500,000.)

(a) *Failure to make a good faith effort to comply with the subcontracting plan*, as used in this clause, means a willful or intentional failure to perform in accordance with the requirements of the subcontracting plan approved under the clause in this contract entitled "Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan," or willful or intentional action to frustrate the plan.

(b) If, at contract completion, or in the case of a commercial products plan, at the close of the fiscal year for which the plan is applicable, the Contractor has failed to meet its subcontracting goals and the Contracting Officer decides in accordance with paragraph (c) of this clause that the Contractor failed to make a good faith effort to comply with its subcontracting plan, established in accordance with the clause in this contract entitled "Small, Small Disadvantage and Women-Owned Small Business Subcontracting Plan," the Contractor shall pay the Government liquidated damages in an amount stated. The amount of probable damages attributable to the Contractor's failure to comply, shall be an amount equal to the actual dollar amount by which the Contractor failed to achieve each subcontract goal or, in the case of a commercial products plan, that portion of the dollar amount allocable to Government contracts by which the Contractor failed to achieve each subcontract goal.

(c) Before the Contracting Officer makes a final decision that the Contractor has failed to make such good faith effort, the Contracting Officer shall give the Contractor written notice specifying the failure and permitting the Contractor to demonstrate what good faith efforts have been made. Failure to respond to the notice may be taken as an admission that no valid explanation exists. If, after consideration of all the pertinent data, the Contracting Officer finds that the Contractor failed to make a good faith effort to comply with the subcontracting plan, the Contracting Officer shall issue a final decision to that effect and require that the Contractor pay the Government liquidated damages as provided in paragraph (b) of this clause.

(d) With respect to commercial products plans; i.e., company-wide or division-wide subcontracting plans approved under paragraph (g) of the clause in this contract entitled "Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan," the Contracting Officer of the agency that originally approved the plan will exercise the functions of the Contracting Officer under this clause on behalf of all agencies that awarded contracts covered by that commercial products plan.

(e) The Contractor shall have the right of appeal, under the clause in this contract entitled Disputes, from any final decision of the Contracting Officer.

(f) Liquidated damages shall be in addition to any other remedies that the Government may have.

10. 52.222-24 -- PREAWARD EQUAL OPPORTUNITY COMPLIANCE REVIEW (APR 1984)

(Applicable to leases over $1 million.)

An award in the amount of $1 million or more will not be made under this solicitation unless the Offeror and each of is known first-tier subcontractors (to whom it intends to award a subcontract of $1 million or more) are found, on the basis of a compliance review, to be able to comply with the provisions of the Equal Opportunity clause of this solicitation.

11. 52.222-26 - EQUAL OPPORTUNITY (APR 1984)

(Applicable to leases over $10,000.)

(a) If, during any 12-month period (including the 12 months preceding the award of this contract), the Contractor has been or is awarded nonexempt Federal contracts and/or subcontracts that have an aggregate value in excess of $10,000, the Contractor shall comply with subparagraphs (b)(1) through (11) below. Upon request, the Contractor shall provide information necessary to determine the applicability of this clause.

(b) During performing this contract, the Contractor agrees as follows:

(1) The Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin.

(2) The Contractor shall take affirmative action to ensure the applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. This shall include, but not be limited to, (i) employment, (ii) upgrading, (iii) demotion, (iv) transfer, (v) recruitment or recruitment advertising, (vi) layoff or termination, (vii) rates of pay or other forms of compensation, and (viii) selection for training, including apprenticeship.

(3) The Contractor shall post in conspicuous places available to employees and applicants for employment the notices to be provided by the Contracting Officer that explain this clause.

(4) The Contractor shall, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

(5) The Contractor shall send, to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, the notice to be provided by the Contracting Officer advising the labor union or workers' representative of the Contractor's commitments under this clause, and post copies of the notice in conspicuous places available to employees and applicants for employment.

(6) The Contractor shall comply with Executive Order 11246, as amended, and the rules, regulations, and orders of the Secretary of Labor.

(7) The Contractor shall furnish to the contracting agency all information required by Executive Order 11246, as amended, and by the rules, regulations, and orders of the Secretary of Labor. Standard Form 100 (EEO-1), or any successor form, is the prescribed form to be filed within 30 days following the award, unless filed within 12 months preceding the date of award.

(8) The Contractor shall permit access to its books, records, and accounts by the contracting agency or the Office of Federal Contract Compliance Programs (OFCCP) for the purpose of investigation to ascertain the Contractor's compliance with the applicable rules, regulations, and orders.

(9) If the OFCCP determines that the Contractor is not in compliance with this clause or any rule, regulation, or order of the Secretary of Labor, this contract may be canceled, terminated, or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts, under the procedures authorized in Executive Order 11246, as amended. In addition, sanctions may be imposed and remedies invoked against the Contractor as provided in Executive Order 11246, as amended, the rules, regulations, and orders of the Secretary of Labor, or as otherwise provided by law.

(10) The Contractor shall include the terms and conditions of subparagraph (b)(1) through (11) of this clause in every subcontract or purchase order that is not exempted by the rules, regulations, or orders of the Secretary of Labor issued under Executive Order 11246, as amended, so that these terms and conditions will be binding upon each subcontractor or vendor.

(11) The Contractor shall take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing these terms and conditions, including sanctions for noncompliance; provided, that if the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of any direction, the Contractor may request the United States to enter into the litigation to protect the interests of the United States.

(c) Notwithstanding any other clause in this contract, disputes relative to this clause will be governed by the procedures in 41 CFR 60-1.1.

12. 52.222-35 - AFFIRMATIVE ACTION FOR SPECIAL DISABLED AND VIETNAM ERA VETERANS (APR 1984) (DEVIATION)

(Applicable to leases over $10,000.)

(a) Definitions.

"Appropriate office of the State employment service system," as used in this clause, means the local office of the Federal-State national system of public employment offices with assigned responsibility for serving the area where the employment opening is to be filled, including the District of Columbia, Guam, Puerto Rico, and the Virgin Islands.

"Positions that will be filled from within the Contractor's organization," as used in this clause, means employment openings for which no consideration will be given to persons outside the

Contractor's organization (including any affiliates, subsidiaries, and the parent companies) and includes any openings that the Contractor proposes to fill from regularly establish "recall" lists.

"Employment openings," as used in this clause, includes full-time employment, temporary employment of over 3 days, and part-time employment, but does not include (1) executive and top management positions, (2) positions that will be filled from within the Contractor's organization or under a customary and traditional employer-union hiring arrangement, or (3) openings in an educational institution that are restricted to students of that institution.

(b) General.

(1) Regarding any position for which the employee or applicant for employment is qualified, the Contractor shall not discriminate against the individual because the individual is a special disabled or Vietnam era veteran. The Contractor agrees to take affirmative action to employ, advance in employment, and otherwise treat qualified special disabled and Vietnam era veterans without discrimination based upon their disability or veterans' status in all employment practices such as--
(i) Employment;
(ii) Upgrading;
(iii) Demotion or transfer;
(iv) Recruitment;
(v) Advertising;
(vi) Layoff or termination;
(vii) Rates of pay or other forms of compensation; and
(viii) Selection for training, including apprenticeship.

(2) The Contractor agrees to comply with the rules, regulations, and relevant orders of the Secretary of Labor (Secretary) issued under the Vietnam Era Veterans' Readjustment Assistance Act of 1972 (the Act), as amended.

(c) Listing openings.

(1) The Contractor agrees to list all employment openings existing at contract award or occurring during contract performance, at an appropriate office of the State employment service system in the locality where the opening occurs. These openings include those occurring at any contractor facility, including one not connected with performing this contract. An independent corporate affiliate is exempt from this requirement.

(2) State and local government agencies holding Federal contracts of $10,000 or more shall also list all their openings with the appropriate office of the State employment service.

(3) The listing of employment openings with the State employment service system is required at least concurrently with using any other recruitment source or effort and involves the obligations of placing a bona fide job order, including accepting referrals of veterans and nonveterans. This listing does not require hiring any particular job applicant or hiring from any particular group of job applicants and is not intended to relieve the Contractor from any requirements of Executive orders or regulations concerning nondiscrimination in employment.

(4) Whenever the Contractor becomes contractually bound to the listing terms of this clause, it shall advise the State employment service system, in each State where it has establishments, of the name and location of each hiring location in the State. As long as the Contractor is contractually bound to these terms and has so advised the State system, it need not advise the State system of subsequent contracts. The Contractor may advise the State system when it is no longer bound by this contract clause.

(5) Under the most compelling circumstances, an employment opening may not be suitable for listing, including situations when (i) the Government's needs cannot reasonably be supplied, (ii) listing would be contrary to National security, or (iii) the requirement of listing would not be in the Government's interest.

(d) Applicability.

(1) This clause does not apply to the listing of employment openings which occur and are filled outside the 50 states, the District of Columbia, the Commonwealth of Puerto Rico, Guam, and the Virgin Islands.

(2) The terms of paragraph (c) above of this clause do not apply to openings that the Contractor proposes to fill from within its own organization or under a customary and traditional employer-union hiring arrangement. This exclusion does not apply to a particular opening once an employer decides to consider applicants outside of its own organization or employer-union arrangement for that opening.

(e) Postings.

(1) The Contractor agrees to post employment notices stating (i) the Contractor's obligation under the law to take affirmative action to employ and advance in employment qualified special disabled veterans and veterans of the Vietnam era, and (ii) the rights of applicants and employees.

(2) These notices shall be posted in conspicuous places that are available to employees and applicants for employment. They shall be in a form prescribed by the Director, Office of Federal Contract Compliance Programs, Department of Labor (Director), and provided by or through the Contracting Officer.

(3) The Contractor shall notify each labor union or representative of workers with which it has a collective bargaining agreement or other contract understanding, that the Contractor is bound by the terms of the Act, and is committed to take affirmative action to employ, and advance in employment, qualified special disabled and Vietnam era veterans.

(f) Noncompliance. If the Contractor does not comply with the requirements of this clause, appropriate actions may be taken under the rules, regulations, and relevant orders of the Secretary issued pursuant to the Act.

(g) Subcontracts. The Contractor shall include the terms of this clause in every subcontract or purchase order of $10,000 or more unless exempted by rules, regulations, or orders of the Secretary. The Contractor shall act as specified by the Director to enforce the terms, including action for noncompliance.

13. 52.222-36 - AFFIRMATIVE ACTION FOR HANDICAPPED WORKERS (APR 1984)

(Applicable to lease over $2,500.)

(a) General.

(1) Regarding any position for which the employee or applicant for employment is qualified, the Contractor shall not discriminate against any employee or applicant because of physical or mental handicap. The Contractor agrees to take affirmative action to employ, advance in employment and otherwise treat qualified handicapped individuals without discrimination based upon their physical or mental handicap in all employment practices such as--

(i) Employment;
(ii) Upgrading;
(iii) Demotion or transfer;
(iv) Recruitment;
(v) Advertising;
(vi) Layoff or termination;
(vii) Rates of pay or other forms of compensation; and
(viii) Selection for training, including apprenticeship.

(2) The Contractor agrees to comply with the rules, regulations, and relevant orders of the Secretary of Labor (Secretary) issued under the Rehabilitation Act of 1973 (29 U.S.C. 793) (the Act), as amended.

(b) Postings.

(1) The Contractor agrees to post employment notices stating (i) the Contractor's obligation under the law to take affirmative action to employ and advance in employment qualified handicapped individuals and (ii) the rights of applicants and employees.

(2) These notices shall be posted in conspicuous places that are available to employees and applicants for employment. They shall be in a form prescribed by the Director, Office of Federal Contract Compliance Programs, Department of Labor (Director), and provided by or through the Contracting Officer.

(3) The Contractor shall notify each labor union or representative of workers with which it has a collective bargaining agreement or other contract understanding, that the Contractor is bound by the terms of Section 503 of the Act and is committed to take affirmative action to employ, and advance in employment, qualified physically and mentally handicapped individuals.

(c) Noncompliance. If the Contractor does not comply with the requirements of this clause, appropriate actions may be taken under the rules, regulations, and relevant orders of the Secretary issued pursuant to the Act.

(d) Subcontracts. The Contractor shall include the terms of this clause in every subcontract or purchase order in excess of $2,500 unless exempted by rules, regulations, or orders of the Secretary. The Contractor shall act as specified by the Director to enforce the terms, including action for noncompliance.

14. 52.222-37 - EMPLOYMENT REPORTS ON SPECIAL DISABLED VETERANS AND VETERANS OF THE VIETNAM ERA (JAN 1988)

(Applicable to leases over $10,000.)

(a) The Contractor shall report at least annually, as required by the Secretary of Labor, on:

(1) The number of special disabled veterans and the number of veterans of the Vietnam era in the workforce of the contractor by job category and hiring location; and
(2) The total number of new employees hired during the period covered by the report, and of that total, the number of special disabled veterans, and the number of veterans of the Vietnam era.

(b) The above items shall be reported by completing the form entitled "Federal Contractor Veterans' Employment Report VETS-100."

(c) Reports shall be submitted no later than March 31 of each year beginning March 31, 1988.

(d) The employment activity report required by paragraph (a)(2) of this clause shall reflect total hires during the most recent 12-month period as of the ending date selected for the employment profile report required by paragraph (a)(1) of this clause. Contractors may select an ending date: (1) As of the end of any pay period during the period January through March 1 of the year the report is due, or (2) as of December 31, if the Contractor has previous written approval from the Equal Employment Opportunity Commission to do so for purposes of submitting the Employer Information Report EEO-1 (Standard Form 100).

(e) The count of veterans reported according to paragraph (a) of this clause shall be based on voluntary disclosure. Each Contractor subject to the reporting requirements at 38 U.S.C. 2012(d) shall invite all special disabled veterans and veterans of the Vietnam era who wish to benefit under the affirmative action program at 38 U.S.C. 2012 to identify themselves to the Contractor. The invitation shall state that the information is voluntarily provided, that the information will be kept confidential, that disclosure or refusal to provide the information will not subject the applicant or employee to any adverse treatment, and that the information will be used only in accordance with the regulations promulgated under 38 U.S.C. 2012.

(f) Subcontracts. The Contractor shall include the terms of this clause in every subcontract or purchase order of $10,000 or more unless exempted by rules, regulations, or orders of the Secretary.

15. 52.232-23 - ASSIGNMENT OF CLAIMS (JAN 1986)

(a) The Contractor, under the Assignment of Claims Act, as amended, 31 U.S.C. 3727, 41 U.S.C. 15 (hereafter referred to as "the Act"), may assign its right to be paid amounts due or to become due as a result of the performance by contract to a bank, trust company, or other financing institution, including any Federal lending agency. The assignee under such an assignment may thereafter further assign or reassign or reassign its right under the original assignment to any type of financing institution described in the preceding sentence.

(b) Any assignment or reassignment authorized under the Act and this clause shall cover all unpaid amounts payable under this contract, and shall not be made to more than one party, except that an assignment or reassignment may be made to one party as agent or trustee for two or more parties participating in the financing of this contract.

(c) The Contractor shall not furnish or disclose to any assignee under this contract any classified document (including this contract) or information related to work under this contract until the Contracting Officer authorizes such in writing.

16. 552.232-71 - PROMPT PAYMENT (APR 1989)

The Government will make payments under the terms and conditions specified in this clause. Payment shall be considered as being made on the day a check is dated or an electronic funds transfer is made. All days referred to in this clause are calendar days, unless otherwise specified.

(a) Payment due date.

(1) Rental payments. Rent shall be paid monthly in arrears and will be due on the first workday of each month, and only as provided for by the lease.
  (i) When the date for commencement of rent falls on the 15th day of the month or earlier, the initial monthly rental payment under this contract shall become due on the first workday of the month following the month in which the commencement of the rent is effective.
  (ii) When the date for commencement of rent falls after the 15th day of the month, the initial monthly rental payment under this contract shall become due on the first workday of the second month following the month in which the commencement of the rent is effective.

(2) Other payments. The due date for making payments other than rent shall be the later of the following two events:
  (i) The 30th day after the designated billing office has received a proper invoice from the Contractor.
  (ii) The 30th day after Government acceptance of the work or service. However, if the designated billing office fails to annotate the invoice with the actual date of receipt, the invoice payment due date shall be deemed to be the 30th day after the Contractor's invoice is dated, provided a proper invoice is received and there is no disagreement over quantity, quality, or Contractor compliance with contract requirements.

(b) Invoice and inspection requirements for payments other than rent.

(1) The Contractor shall prepare and submit an invoice to the designated billing office after completion of the work. A proper invoice shall include the following items:
  (i) Name and address of the Contractor.
  (ii) Invoice date.
  (iii) Lease number.
  (iv) Government's order number or other authorization.
  (v) Description, price, and quantity of work or services delivered.
  (vi) Name and address of Contractor official to whom payment is to be sent (must be the same as that in the remittance address in the lease or the order.)
  (vii) Name (where practicable), title, phone number, and mailing address of person to be notified in the event of a defective invoice.

(2) The Government will inspect and determine the acceptability of the work performed or services delivered within 7 days after the receipt of a proper invoice or notification of completion of the work or services unless a different period is specified at the time the order is placed. If actual acceptance occurs later, for the purpose of determining the payment due date and calculation of interest, acceptance will be deemed to occur on the last day of the 7-day inspection period. If the work or service is rejected for failure to conform to the technical requirements of the contract, the 7 days will be counted beginning with receipt of a new invoice or notification. In either case, the Contractor is not entitled to any payment or interest unless actual acceptance by the Government occurs.

(c) Interest Penalty.

(1) An interest penalty shall be paid automatically by the Government, without request from the Contractor, if payment is not made by the due date.

(2) The interest penalty shall be at the rate established by the Secretary of the Treasury under Section 12 of the Contract Disputes Act of 1978 (41 U.S.C. 611) that is in effect on the day after the due date. This rate is referred to as the "Renegotiation Board Interest Rate," and it is published in the Federal Register semiannually on or about January 1 and July 1. The interest penalty shall accrue daily on the payment amount approved by the Government and be compounded in 30-day increments inclusive from the first day after the due date through the payment date.

(3) Interest penalties will not continue to accrue after the filing of a claim for such penalties under the clause at 52.233-1, Disputes, or for more than 1 year. Interest penalties of less than $1.00 need not be paid.

(4) Interest penalties are not required on payment delays due to disagreement between the Government and Contractor over the payment amount or other issues involving contract compliance or on amounts temporarily withheld or retained in accordance with the terms of the contract. Claims involving disputes, and any interest that may be payable, will be resolved in accordance with the clause at 52.233-1, Disputes.

17. 52.233-1 - DISPUTES (OCT 1995)

(a) This contract is subject to the Contract Disputes Act of 1978, as amended (41 U.S.C. 601-613).

(b) Except as provided in the Act, all disputes arising under or relating to this contract shall be resolved under this clause.

(c) "Claim," as used in this clause, means a written demand or written assertion by one of the contracting parties seeking, as a matter of right, the payment of money in a sum certain, the adjustment or interpretation of contract terms, or other relief arising under or relating to this contract. A claim arising under a contract, unlike a claim relating to that contract, is a claim that can be resolved under a contract clause that provides for the relief sought by the claimant. However, a written demand or written assertion by the Contractor seeking the payment of money exceeding $100,000 is not a claim under the Act until certified as required by subparagraph (d)(2) of this clause. A voucher, invoice, or other routine request for payment that is not in dispute when submitted is not a claim under the Act. The submission may be converted to a claim under the Act, by complying with the submission and certification requirements of this clause, if it is disputed either as to liability or amount or is not acted upon in a reasonable time.

(d) (1) A claim by the Contractor shall be made in writing and, unless otherwise stated in this contract, submitted within 6 years after accrual of the claim to the Contracting Officer for a written decision. A claim by the Government against the Contractor shall be subject to a written decision by the Contracting Officer.

(2) (i) Contractors shall provide the certification specified in subparagraph (d)(2)(iii) of this clause when submitting any claim–

(A) Exceeding $100,000; or

(B) Regardless of the amount claimed, when using--

(*1*) Arbitration conducted pursuant to 5 U.S.C. 575-580; or

(*2*) Any other alternative means of dispute resolution (ADR) technique that the agency elects to handle in accordance with the Administrative Dispute Resolution Act (ADRA).

(ii) The certification requirement does not apply to issues in controversy that have not been submitted as all or part of a claim.

(iii) The certification shall state as follows: "I certify that the claim is made in good faith; that the supporting data are accurate and complete to the best of my knowledge and belief; that the amount requested accurately reflects the contract adjustment for which the Contractor believes the Government is liable; and that I am duly authorized to certify the claim on behalf of the Contractor."

(3) The certification may be executed by any person duly authorized to bind the Contractor with respect to the claim.

(e) For Contractor claims of $100,000 or less, the Contracting Officer must, if requested in writing by the Contractor, render a decision within 60 days of the request. For Contractor-certified claims over $100,000, the Contracting Officer must, within 60 days, decide the claim or notify the Contractor of the date by which the decision will be made.

(f) The Contracting Officer's decision shall be final unless the Contractor appeals or files a suit as provided in the Act.

(g) If the claim by the Contractor is submitted to the Contracting Officer or a claim by the Government is presented to the Contractor, the parties, by mutual consent, may agree to use ADR. If the Contractor refuses an offer for alternative disputes resolution, the Contractor shall inform the Contracting Officer, in writing, of the Contractor's specific reasons for rejecting the request. When using arbitration conducted pursuant to 5 U.S.C. 575-580, or when using any other ADR technique that the agency elects to handle in accordance with the ADRA, any claim, regardless of amount, shall be accompanied by the certification described in subparagraph (d)(2)(iii) of this clause, and executed in accordance with subparagraph (d)(3) of this clause.

(h) The Government shall pay interest on the amount found due and unpaid from (1) the date that the Contracting Officer receives the claim (certified if required); or (2) the date that payment otherwise would be due, if that date is later, until the date of payment. With regard to claims having defective certifications, as defined in FAR 33.201, interest shall be paid from the date that the Contracting Officer initially receives the claim. Simple interest on claims shall be paid at the rate, fixed by the Secretary of the Treasury as provided in the Act, which is applicable to the period during which the Contracting Officer receives the claim and then at the rate applicable for each 6-month period as fixed by the Treasury Secretary during the pendency of the claim.

(i) The Contractor shall proceed diligently with performance of this contract, pending final resolution of any request for relief, claim, appeal, or action arising under the contract, and comply with any decision of the Contracting Officer.

18. 52.215-22 - PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA (OCT 1995)

(Applies when cost or pricing data is required for work or service exceeding $500,000.)

(a) If any price, including profit or fee, negotiated in connection with this contract, or any cost reimbursable under this contract, was increased by any significant amount because (1) the Contractor or a subcontractor furnished cost or pricing data that were not complete, accurate, and current as certified in its Certificate of Current Cost or Pricing Data, (2) a subcontractor or prospective subcontractor furnished the Contractor cost or pricing data that were not complete, accurate, and current as certified in the Contractor's Certificate of Current Cost or Pricing Data, or (3) any of these parties furnished data of any description that were not accurate, the price or cost shall be reduced accordingly and the contract shall be modified to reflect the reduction.

(b) Any reduction in the contract price under paragraph (a) of this clause due to defective data from a prospective subcontractor that was not subsequently awarded the subcontract shall be limited to the amount, plus applicable overhead and profit markup, by which (1) the actual subcontract or (2) the actual cost to the Contractor, if there was no subcontract, was less than the prospective subcontract cost estimate submitted by the Contractor; *provided*, that the actual subcontract price was not itself affected by defective cost pricing data.

(c) (1) If the Contracting Officer determines under paragraph (a) of this clause that a price or cost reduction should be made, the Contractor agrees not to raise the following matters as a defense:
(i) The Contractor or subcontractor was a sole source supplier or otherwise was in a superior bargaining position and thus the price of the contract would not have been modified even if accurate, complete, and current cost or pricing data had been submitted.
(ii) The Contracting Officer should have known that the cost or pricing data in issue were defective even though the Contractor or subcontractor took no affirmative action to bring the character of the data to the attention of the Contracting Officer.
(iii) The contract was based on an agreement about the total cost of the contract and there was no agreement about the cost of each item procured under the contract.
(iv) The Contractor or subcontractor did not submit a Certificate of Current Cost or Pricing Data.
(2) (i) Except as prohibited by subdivision (c)(2)(ii) of this clause, an offset in an amount determined appropriate by the Contracting Officer based upon the facts shall be allowed against the amount of a contract price reduction if--
(A) The Contractor certifies to the Contracting Officer that, to the best of the Contractor's knowledge and belief, the Contractor is entitled to the offset in the amount requested; and
(B) The Contractor proves that the cost or pricing data were available before the date of agreement on the price of the contract (or price of the modification) and that the data were not submitted before such date.
(ii) An offset shall not be allowed if--
(A) The understated data was known by the Contractor to be understated when the Certificate or Current Cost or Pricing Data was signed; or
(B) The Government proves that the facts demonstrate that the contract price would not have increased in the amount to be offset even if the available data had been submitted before the date of agreement on price.

(d) If any reduction in the contract price under this clause reduces the price of items for which payment was made prior to the date of the modification reflecting the price reduction, the Contractor shall be liable to and shall pay the United States at the time such overpayment is repaid--

(1) Simple interest on the amount of such overpayment to be computed from the date(s) of overpayment to the Contractor to the date the Government is repaid by the Contractor at the applicable underpayment rate effective for each quarter prescribed by the Secretary of the Treasury under 26 U.S.C. 6621(a)(2); and

(2) A penalty equal to the amount of the overpayment, if the Contractor or subcontractor knowingly submitted cost or pricing data which were incomplete, inaccurate, or noncurrent.

19. 52.215-24 - SUBCONTRACTOR COST OR PRICING DATA (OCT 1995)

(Applies when the clause 52.215-22 is applicable.)

(a) Before awarding any subcontract expected to exceed the threshold for submission of cost or pricing data at FAR 15.804-2(a)(1), on the date of agreement on price or the date of award, which ever is later; or before pricing any subcontract modification involving a pricing adjustment expected to exceed the threshold for submission of cost or pricing data at FAR 15.804-2(a)(1), the Contractor shall require the subcontractor to submit cost or pricing data (actually or by specific identification in writing), unless an exception under FAR 15.804-1 applies.

(b) The Contractor shall require the subcontractor to certify in substantially the form prescribed in subsection 15.804-4 of the Federal Acquisition Regulation (FAR) that, to the best of its knowledge and belief, the data submitted under paragraph (a) of this clause were accurate, complete, and current as of the date of agreement on the negotiated price of the subcontract or subcontract modification.

(c) In each subcontract that exceeds the threshold for submission of cost or pricing data at FAR 15.804-2(a)(1), when entered into, the Contractor shall insert either--

(1) The substance of this clause, including this paragraph (c), if paragraph (a) of this clause requires submission of cost or pricing data for the subcontract; or
(2) The substance of the clause at FAR 52.215-25, Subcontractor Cost or Pricing Data--Modifications.

APPENDIX E

GENERAL CLAUSES

GSA FORM 3517B
(FULL TEXT)

GENERAL CLAUSES
(Acquisition of Leasehold Interests in Real Property)

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DEFINITIONS	1	552.270-10	Definitions
GENERAL	2	552.270-11	Subletting and Assignment
	3	552.270-18	Successors Bound
	4	552.270-34	Subordination, Nondisturbance and Attornment
	5	552.270-35	Statement of Lease
	6	552.270-36	Substitution of Tenant Agency
	7	552.270-37	No Waiver
	8	552.270-38	Integrated Agreement
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PERFORMANCE	10	552.270-27	Delivery and Condition
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	12	552.270-30	Progressive Occupancy
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	14	552.270-12	Maintenance of Building and Premises-Right of Entry
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	16	552.270-33	Default by Lessor During the Term
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	42	52.219-8	Utilization of Small, Small Disadvantaged and Women-Owned Small Business Concerns
	43	52.219-9	Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan
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GENERAL CLAUSES
(Acquisition of Leasehold Interests in Real Property)

1. 552.270-10 - DEFINITIONS (AUG 1992)

The following terms and phrases (except as otherwise expressly provided or unless the context otherwise requires) for all purposes of this lease shall have the respective meanings hereinafter specified:

(a) "Commencement Date" means the first day of the term.

(b) "Contract" and "Contractor" means "Lease" and "Lessor," respectively.

(c) "Contracting Officer" means a person with the authority to enter into, administer, and/or terminate contracts and make related determinations and findings. The term includes certain authorized representatives of the Contracting Officer acting within the limits of their authority as delegated by the Contracting Officer.

(d) "Delivery Date" means the date specified in or determined pursuant to the provisions of this lease for delivery of the premises to the Government, improved in accordance with the provisions of this lease and substantially complete, as such date may be modified in accordance with the provisions of this lease.

(e) "Delivery Time" means the number of days provided by this lease for delivery of the premises to the Government, as such number may be modified in accordance with the provisions of this lease.

(f) "Excusable Delays" mean delays arising without the fault or negligence of Lessor and Lessor's subcontractors and suppliers at any tier, and shall include, without limitation, (1) acts of God or of the public enemy, (2) acts of the United States of America in either its sovereign or contractual capacity, (3) acts of another contractor in the performance of a contract with the Government, (4) fires, (5) floods, (6) epidemics, (7) quarantine restrictions, (8) strikes, (9) freight embargoes, (10) unusually severe weather, or (11) delays of subcontractors or suppliers at any tier arising from unforeseeable causes beyond the control and without the fault or negligence of both the Lessor and any such subcontractor or supplier.

(g) "Lessor" means the sub-lessor if this lease is a sublease.

(h) "Lessor shall provide" means the Lessor shall furnish and install at Lessor's expense.

(i) "Notice" means written notice sent by certified or registered mail, Express Mail or comparable service, or delivered by hand. Notice shall be effective on the date delivery is accepted or refused.

(j) "Premises" means the space described on the Standard Form 2, U.S. Government Lease for Real Property, of this lease.

(k) "Substantially complete" and "substantial completion" means that the work, the common and other areas of the building, and all other things necessary for the Government's access to the premises and occupancy, possession, use and enjoyment thereof, as provided in this lease, have been completed or obtained, excepting only such minor matters as do not interfere with or materially diminish such access, occupancy, possession, use or enjoyment.

(l) "Work" means all alterations, improvements, modifications, and other things required for the preparation or continued occupancy of the premises by the Government as specified in this lease.

2. 552.270-11 - SUBLETTING AND ASSIGNMENT (AUG 1992)

The Government may sublet any part of the premises but shall not be relieved from any obligations under this lease by reason of any such subletting. The Government may at any time assign this lease, and be relieved from all obligations to Lessor under this lease excepting only unpaid rent and other liabilities, if any, that have accrued to the date of said assignment. Any assignment shall be subject to prior written consent of Lessor, which shall not be unreasonably withheld.

3. 552.270-18 - SUCCESSORS BOUND (AUG 1992)

This lease shall bind, and inure to the benefit of, the parties and their respective heirs, executors, administrators, successors, and assigns.

4. 552.270-34 - SUBORDINATION, NONDISTURBANCE AND ATTORNMENT (AUG 1992)

(a) Lessor warrants that it holds such title to or other interest in the premises and other property as is necessary to the Government's access to the premises and full use and enjoyment thereof in accordance with the provisions of this lease. Government agrees, in consideration of the warranties and conditions set forth in this clause, that this lease is subject and subordinate to any and all recorded mortgages, deeds of trust and other liens now or hereafter existing or imposed upon the premises, and to any renewal, modification or extension thereof. It is the intention of the parties that this provision shall be self-operative and that no further instrument shall be required to effect the present or subsequent subordination of this lease. Government agrees, however, within twenty (20) business days next following the Contracting Officer's receipt of a written demand, to execute such instruments as Lessor may reasonably request to evidence further the subordination of this lease to any existing or future mortgage, deed of trust or other security interest pertaining to the premises, and to any water, sewer or access easement necessary or desirable to serve the premises or adjoining property owned in whole or in part by Lessor if such easement does not interfere with the full enjoyment of any right granted the Government under this lease.

(b) No such subordination, to either existing or future mortgages, deeds of trust or other lien or security instrument shall operate to affect adversely any right of the Government under this lease so long as the Government is not in default under this lease. Lessor will include in any future mortgage, deed of trust or other security instrument to which this lease becomes subordinate, or in a separate nondisturbance agreement, a provision to the foregoing effect. Lessor warrants that the holders of all notes or other obligations secured by existing mortgages, deeds of trust or other security instruments have consented to the provisions of this clause, and agrees to provide true copies of all such consents to the Contracting Officer promptly upon demand.

(c) In the event of any sale of the premises or any portion thereof by foreclosure of the lien of any such mortgage, deed of trust or other security instrument, or the giving of a deed in lieu of foreclosure, the Government will be deemed to have attorned to any purchaser, purchasers, transferee or transferees of the premises or any portion thereof and its or their successors and assigns, and any such purchasers and transferees will be deemed to have assumed all obligations of the Lessor under this lease, so as to establish direct privity of estate and contract between Government and such purchasers or transferees, with the same force, effect and relative priority in time and right as if the lease had initially been entered into between such purchasers or transferees and the Government; provided, further, that the Contracting Officer and such purchasers or transferees shall, with reasonable promptness following any such sale or deed delivery in lieu of foreclosure, execute all such revisions to this lease, or other writings, as shall be necessary to document the foregoing relationship.

(d) None of the foregoing provisions may be deemed or construed to imply a waiver of the Government's rights as a sovereign.

5. 552.270-35 - STATEMENT OF LEASE (AUG 1992)

(a) The Contracting Officer will, within thirty (30) days next following the Contracting Officer's receipt of a joint written request from Lessor and a prospective lender or purchaser of the building, execute and deliver to Lessor a letter stating that the same is issued subject to the conditions stated in this clause and, if such is the case, that (1) the lease is in full force and effect; (2) the date to which the rent and other charges have been paid in advance, if any; and (3) whether any notice of default has been issued.

(b) Letters issued pursuant to this clause are subject to the following conditions:

(1) That they are based solely upon a reasonably diligent review of the Contracting Officer's lease file as of the date of issuance;
(2) That the Government shall not be held liable because of any defect in or condition of the premises or building;
(3) That the Contracting Officer does not warrant or represent that the premises or building comply with applicable Federal, State and local law; and
(4) That the Lessor, and each prospective lender and purchaser are deemed to have constructive notice of such facts as would be ascertainable by reasonable

prepurchase and precommitment inspection of the Premises and Building and by inquiry to appropriate Federal, State and local Government officials.

6. 552.270-36 - SUBSTITUTION OF TENANT AGENCY (AUG 1992)

The Government may, at any time and from time to time, substitute any Government agency or agencies for the Government agency or agencies, if any, named in the lease.

7. 552.270-37 - NO WAIVER (AUG 1992)

No failure by either party to insist upon the strict performance of any provision of this lease or to exercise any right or remedy consequent upon a breach thereof, and no acceptance of full or partial rent or other performance by either party during the continuance of any such breach shall constitute a waiver of any such breach of such provision.

8. 552.270-38 - INTEGRATED AGREEMENT (AUG 1992)

This Lease, upon execution, contains the entire agreement of the parties and no prior written or oral agreement, express or implied, shall be admissible to contradict the provisions of the Lease.

9. 552.270-39 - MUTUALITY OF OBLIGATION (AUG 1992)

The obligations and covenants of the Lessor, and the Government's obligation to pay rent and other Government obligations and covenants, arising under or related to this Lease, are interdependent. The Government may, upon issuance of and delivery to Lessor of a final decision asserting a claim against Lessor, set off such claim, in whole or in part, as against any payment or payments then or thereafter due the Lessor under this lease. No setoff pursuant to this clause shall constitute a breach by the Government of this lease.

10. 552.270-27 - DELIVERY AND CONDITION (AUG 1992)

(a) Unless the Government elects to have the space occupied in increments, the space must be delivered ready for occupancy as a complete unit. The Government reserves the right to determine when the space is substantially complete.

(b) If the premises do not in every respect comply with the provisions of this lease the Contracting Officer may, in accordance with the Failure in Performance clause of this lease, elect to reduce the rent payments.

11. 552.270-28 - DEFAULT IN DELIVERY - TIME EXTENSIONS (JUN 1994) (VARIATION)

(a) With respect to Lessor's obligation to deliver the premises substantially complete by the delivery date (as such date may be modified pursuant to this lease), time is of the essence. If the Lessor fails to prosecute the work with the 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 this lease, which termination shall be effective when received by Lessor. The Lessor and the Lessor's sureties, if any, shall be jointly and severally liable for any damages to the Government resulting from such termination, as provided in this clause. The Government shall be entitled to the following damages:

(1) The Government's aggregate rent and estimated real estate tax and operating cost adjustments for the firm term and all option terms of its replacement lease or leases, in excess of the aggregate rent and estimated real estate tax and operating cost adjustments for the term; provided, if the Government procures replacement premises for a term (including all option terms) in excess of the term, the Lessor shall not be liable for excess Government rent or adjustments during such excess part of such term;
(2) All administrative and other costs borne by the Government in procuring a replacement lease or leases;
(3) Such other, additional relief as may be provided for in this lease, at law or in equity.
(4) Damages to which the Government may be entitled under this clause shall be due and payable thirty (30) days next following the date Lessor receives notice from the Contracting Officer specifying such damages.

(b) Delivery by Lessor of less than the minimum usable square footage required by this lease shall in no event be construed as substantial completion, except as permitted by the Contracting Officer.

(c) Notwithstanding paragraph (a) of this clause, this lease shall not be terminated under this clause nor the Lessor charged with damages under this clause, if (1) the delay in

substantially completing the work arises from excusable delays and (2) the Lessor within 10 days from the beginning of any such delay (unless extended in writing by the Contracting Officer) provides notice to the Contracting Officer of the causes of delay. The Contracting Officer shall ascertain the facts and the extent of delay. If the facts warrant such action, the delivery date shall be extended, by the Contracting Officer, to the extent of such delay at no additional costs to the Government. A time extension is the sole remedy of the Lessor.

12. 552.270-30 - PROGRESSIVE OCCUPANCY (AUG 1992)

The Government shall have the right to elect to occupy the space in partial increments prior to the substantial completion of the entire leased premises, and the Lessor agrees to schedule its work so as to deliver the space incrementally as elected by the Government. The Government shall pay rent commencing with the first business day following substantial completion of the entire leased premise unless the Government has elected to occupy the leased premises incrementally. In case of incremental occupancy, the Government shall pay rent pro rata upon the first business day following substantial completion of each incremental unit. Rental payments shall become due on the first workday of the month following the month in which an increment of space is substantially complete, except that should an increment of space be substantially completed after the fifteenth day of the month, the payment due date will be the first workday of the second month following the month in which it was substantially complete. The commencement date of the firm lease term will be a composite determined from all rent commencement dates.

13. 552.270-32 - EFFECT OF ACCEPTANCE AND OCCUPANCY (AUG 1992)

Neither the Government's acceptance of the premises for occupancy, nor the Government's occupancy thereof, shall be construed as a waiver of any requirement of or right of the Government under this Lease, or as otherwise prejudicing the Government with respect to any such requirement or right.

14. 552.270-12 - MAINTENANCE OF BUILDING AND PREMISES - RIGHT OF ENTRY (OCT 1996)

Except in case of damage arising out of the willful act or negligence of a Government employee, Lessor shall maintain the premises, including the building, building systems, and all equipment, fixtures, and appurtenances furnished by the lessor under this lease, in good repair and condition so that they are suitable in appearance and capable of supplying such heat, air conditioning, light, ventilation, safety systems, access and other things to the premises, without reasonably preventable or recurring disruption, as is required for the Government's access to, occupancy, possession, use and enjoyment of the premises as provided in this lease. For the purpose of so maintaining the premises, the Lessor may at reasonable times enter the premises with the approval of the authorized Government representative in charge.

15. 552.270-17 - FAILURE IN PERFORMANCE (AUG 1992)

The covenant to pay rent and the covenant to provide any service, utility, maintenance, or repair required under this lease are interdependent. In the event of any failure by the Lessor to provide any service, utility, maintenance, repair or replacement required under this lease the Government may, by contract or otherwise, perform the requirement and deduct from any payment or payments under this lease, then or thereafter due, the resulting cost to the Government, including all administrative costs. If the Government elects to perform any such requirement, the Government and each of its contractors shall be entitled to access to any and all areas of the building, access to which is necessary to perform any such requirement, and the Lessor shall afford and facilitate such access. Alternatively, the Government may deduct from any payments under this lease, then or thereafter due, an amount which reflects the reduced value of the contract requirement not performed. No deduction from rent pursuant to this clause shall constitute a default by the Government under this lease. These remedies are not exclusive and are in addition to any other remedies which may be available under this lease or at law.

16. 552.270-33 - DEFAULT BY LESSOR DURING THE TERM (AUG 1992)

(a) Each of the following shall constitute a default by Lessor under this lease:

(1) Failure to maintain, repair, operate or service the premises as and when specified in this lease, or failure to perform any other requirement of this lease as and when required provided any such failure shall remain uncured for a period of thirty (30) days next following Lessor's receipt of notice thereof from the Contracting Officer or an authorized representative.

(2) Repeated and unexcused failure by Lessor to comply with one or more requirements of this lease shall constitute a default notwithstanding that one or all such failures shall have been timely cured pursuant to this clause.

(b) If a default occurs, the Government may, by notice to Lessor, terminate this lease for default and if so terminated, the Government shall be entitled to the damages specified in the Default in Delivery-Time Extensions clause.

17. 552.270-13 - FIRE AND CASUALTY DAMAGE (AUG 1992)

If the entire premises are destroyed by fire or other casualty, this lease will immediately terminate. In case of partial destruction or damage, so as to render the premises untenantable, as determined by the Government, the Government may terminate the lease by giving written notice to the Lessor within 15 calendar days of the fire or other casualty; if so terminated, no rent will accrue to the Lessor after such partial destruction or damage; and if not so terminated, the rent will be reduced proportionately by supplemental agreement hereto effective from the date of such partial destruction or damage. Nothing in this lease shall be construed as relieving Lessor from liability for damage to or destruction of property of the United States of America caused by the willful or negligent act or omission of Lessor.

18. 552.270-15 - COMPLIANCE WITH APPLICABLE LAW (AUG 1992)

Lessor shall comply with all Federal, state and local laws applicable to the Lessor as owner or lessor, or both, of the building or premises, including, without limitation, laws applicable to the construction, ownership, alteration or operation of both or either thereof, and will obtain all necessary permits, licenses and similar items at Lessor's expense. The Government will comply with all Federal state and local laws applicable to and enforceable against it as a tenant under this lease; provided that nothing in this lease shall be construed as a waiver of any sovereign immunity of the Government. This lease shall be governed by Federal law.

19. 552.270-19 - ALTERATIONS (JUNE 1985)

The Government shall have the right during the existence of this lease to make alterations, attach fixtures, and erect structures or signs in or upon the premises hereby leased, which fixtures, additions or structures so placed in, on, upon, or attached to the said premises shall be and remain the property of the Government and may be removed or otherwise disposed of by the Government. If the lease contemplates that the Government is the sole occupant of the building, for purposes of this clause, the leased premises include the land on which the building is sited and the building itself. Otherwise, the Government shall have the right to tie into or make any physical connection with any structure located on the property as is reasonably necessary for appropriate utilization of the leased space.

20. ACCEPTANCE OF SPACE (OCT 1996)

(a) When the Lessor has completed all alterations, improvements, and repairs necessary to meet the requirements of the lease, the Lessor shall notify the Contracting Officer. The Contracting Officer or designated representative shall promptly inspect the space.

(b) The Government will accept the space and the lease term will begin after determining that the space is substantially complete and contains the required usable square footage as indicated in the paragraph of this solicitation entitled "Amount and Type of Space."

21. 552.270-16 - INSPECTION - RIGHT OF ENTRY (AUG 1992)

(a) At any time and from time to time after receipt of an offer (until the same has been duly withdrawn or rejected), after acceptance thereof and during the term, the agents, employees and contractors of the Government may, upon reasonable prior notice to Offeror or Lessor, enter upon the offered premises or the premises, and all other areas of the building access to which is necessary to accomplish the purposes of entry, to determine the potential or actual compliance by the Offeror or Lessor with the requirements of the solicitation or this lease, which purposes shall include, but not be limited to: (1) inspecting, sampling and analyzing of suspected asbestos-containing materials and air monitoring for asbestos fibers; (2) inspecting the heating, ventilation and air conditioning system, maintenance records, and mechanical rooms for the offered premises or the premises; (3) inspecting for any leaks, spills, or other potentially hazardous conditions which may involve tenant exposure to hazardous or toxic substances; and (4) inspecting for any current or past hazardous waste operations, to ensure that appropriate mitigative actions were taken to alleviate any environmentally unsound activities in accordance with Federal, State and local law.

(b) Nothing in this clause shall be construed to create a Government duty to inspect for toxic materials or to impose a higher standard of care on the Government than on other lessees. The purpose of this clause is to promote the ease with which the Government may inspect the building. Nothing in this clause shall act to relieve the Lessor of any duty to inspect or liability which might arise as a result of Lessor's failure to inspect for or correct a hazardous condition.

22. 552.232-71 - PROMPT PAYMENT (APR 1989)

The Government will make payments under the terms and conditions specified in this clause. Payment shall be considered as being made on the day a check is dated or an electronic funds transfer is made. All days referred to in this clause are calendar days, unless otherwise specified.

(a) Payment due date.

(1) Rental payments. Rent shall be paid monthly in arrears and will be due on the first workday of each month, and only as provided for by the lease.
(i) When the date for commencement of rent falls on the 15th day of the month or earlier, the initial monthly rental payment under this contract shall become due on the first workday of the month following the month in which the commencement of the rent is effective.
(ii) When the date for commencement of rent falls after the 15th day of the month, the initial monthly rental payment under this contract shall become due on the first workday of the second month following the month in which the commencement of the rent is effective.

(2) Other payments. The due date for making payments other than rent shall be the later of the following two events:
(i) The 30th day after the designated billing office has received a proper invoice from the Contractor.
(ii) The 30th day after Government acceptance of the work or service. However, if the designated billing office fails to annotate the invoice with the actual date of receipt, the invoice payment due date shall be deemed to be the 30th day after the Contractor's invoice is dated, provided a proper invoice is received and there is no disagreement over quantity, quality, or Contractor compliance with contract requirements.

(b) Invoice and inspection requirements for payments other than rent.

(1) The Contractor shall prepare and submit an invoice to the designated billing office after completion of the work. A proper invoice shall include the following items:
(i) Name and address of the Contractor.
(ii) Invoice date.
(iii) Lease number.
(iv) Government's order number or other authorization.
(v) Description, price, and quantity of work or services delivered.
(vi) Name and address of Contractor official to whom payment is to be sent (must be the same as that in the remittance address in the lease or the order.)
(vii) Name (where practicable), title, phone number, and mailing address of person to be notified in the event of a defective invoice.

(2) The Government will inspect and determine the acceptability of the work performed or services delivered within 7 days after the receipt of a proper invoice or notification of completion of the work or services unless a different period is specified at the time the order is placed. If actual acceptance occurs later, for the purpose of determining the payment due date and calculation of interest, acceptance will be deemed to occur on the last day of the 7-day inspection period. If the work or service is rejected for failure to conform to the technical requirements of the contract, the 7 days will be counted beginning with receipt of a new invoice or notification. In either case, the Contractor is not entitled to any payment or interest unless actual acceptance by the Government occurs.

(c) Interest Penalty.

(1) An interest penalty shall be paid automatically by the Government, without request from the Contractor, if payment is not made by the due date.

(2) The interest penalty shall be at the rate established by the Secretary of the Treasury under Section 12 of the Contract Disputes Act of 1978 (41 U.S.C. 611) that is in effect on the day after the due date. This rate is referred to as the "Renegotiation Board Interest Rate," and it is published in the Federal Register semiannually on or about January 1 and July 1. The interest penalty shall accrue daily on the payment amount approved by the Government and be compounded in 30-day increments inclusive from the first day after the due date through the payment date.

(3) Interest penalties will not continue to accrue after the filing of a claim for such penalties under the clause at 52.233-1, Disputes, or for more than 1 year. Interest penalties of less than $1.00 need not be paid.

(4) Interest penalties are not required on payment delays due to disagreement between the Government and Contractor over the payment amount or other issues involving contract compliance or on amounts temporarily withheld or retained in accordance

with the terms of the contract. Claims involving disputes, and any interest that may be payable, will be resolved in accordance with the clause at 52.233-1, Disputes.

23. 552.232-73 - ELECTRONIC FUNDS TRANSFER PAYMENT (AUG 1992)

(Applies to leases which exceed $100,000 average net annual rental, including option periods.)

(a) Payments under this lease will be made by the Government either by check or electronic funds transfer (EFT). If the Lessor elects to receive payment by EFT, after award, but no later than 30 days before the first payment, the Lessor shall designate a financial institution for receipt of EFT payments, and shall submit this designation to the Contracting Officer or other Government official, as directed.

(b) For payment by EFT, the Lessor shall provide the following information:

(1) The American Bankers Association 9-digit identifying number for wire transfers of the financing institution receiving payment if the institution has access to the Federal Reserve Communications System.
(2) Number of account to which funds are to be deposited.
(3) Type of depositor account ("C" for checking, "S" for savings).
(4) If the Lessor is a new enrollee to the EFT system, a "Payment Information Form," SF 3881, must be completed before payment can be processed.

(c) In the event the Lessor, during the performance of this contract, elects to designate a different financial institution for the receipt of any payment made using EFT procedures, notification of such change and the required information specified above must be received by the appropriate Government official no later than 30 days prior to the date such change is to become effective.

(d) The documents furnishing the information required in this clause must be dated and contain the signature, title, and telephone number of the Lessor or an authorized representative designated by the Lessor, as well as the Lessor's name and lease number.

(e) Lessor failure to properly designate a financial institution or to provide appropriate payee bank account information may delay payments of amounts otherwise properly due.

24. 552.232-72 - INVOICE REQUIREMENTS (VARIATION) (APR 1989)

(This clause applies to payments other than rent.)

(a) Invoices shall be submitted in an original only, unless otherwise specified, to the designated billing office specified in this contract or purchase/delivery order.

(b) Invoices must include the Accounting Control Transaction (ACT) number provided below or on the purchase/delivery order.

ACT Number (to be supplied on individual orders)

(c) If information or documentation in addition to that required by the Prompt Payment clause of this contract is required in connection with an invoice for a particular order, the order will indicate what information or documentation must be submitted.

25. 52.232-23 - ASSIGNMENT OF CLAIMS (JAN 1986)

(a) The Contractor, under the Assignment of Claims Act, as amended, 31 USC 3727, 41 USC 15 (hereafter referred to as the "the Act"), may assign its rights to be paid amounts due or to become due as a result of the performance of this contract to a bank, trust company, or other financing institution, including any Federal lending agency. The assignee under such an assignment may thereafter further assign or reassign its right under the original assignment to any type of financing institution described in the preceding sentence.

(b) Any assignment or reassignment authorized under the Act and this clause shall cover all unpaid amounts payable under this contract, and shall not be made to more than one party, except that an assignment or reassignment may be made to one party as agent or trustee for two or more parties participating in the financing of this contract.

(c) The Contractor shall not furnish or disclose to any assignee under this contract any classified document (including this contract) or information related to work under this contract until the Contracting Officer authorizes such action in writing.

26. 552.270-31 - PAYMENT (AUG 1994) (VARIATION)

(a) When space is offered and accepted, the usable square footage delivered will be confirmed by:

(1) the Government's measurement of plans submitted by the successful Offeror as approved by the Government, and an inspection of the space to verify that the delivered space is in conformance with such plans or
(2) a mutual on-site measurement of the space, if the Contracting Officer determines that it is necessary.

(b) Payment will not be made for space which is in excess of the amount of usable square footage stated in the lease.

(c) If it is determined that the amount of usable square footage actually delivered is less than the amount agreed to in the lease, the lease will be modified to reflect the amount of usable space delivered and the annual rental will be adjusted as follows:

Usable square feet not delivered multiplied by the usable square foot (USF) rate equals the reduction in annual rent. The rate per usable square foot is determined by dividing the total annual rental by the usable square footage set forth in the lease.

USF Not Delivered X Rate per USF = Reduction in Annual Rent.

27. 552.203-5 - COVENANT AGAINST CONTINGENT FEES (FEB 1990)

(a) The Contractor warrants that no person or agency has been employed or retained to solicit or obtain this contract upon an agreement or understanding for a contingent fee, except a bona fide employee or agency. For breach or violation of this warranty, the Government shall have the right to annul this contract without liability or, in its discretion, to deduct from the contract price or consideration, or otherwise recover the full amount of the contingent fee.

(b) "Bona fide agency," as used in this clause, means an established commercial or selling agency (including licensed real estate agents or brokers), maintained by a Contractor for the purpose of securing business, that neither exerts nor proposes to exert improper influence to solicit or obtain Government contracts nor holds itself out as being able to obtain any Government contract or contracts through improper influence.

"Bona fide employee," as used in this clause, means a person, employed by a Contractor and subject to the Contractor's supervision and control as to time, place, and manner of performance, who neither exerts nor proposes to exert improper influence to solicit or obtain Government contracts nor holds out as being able to obtain any Government contract or contracts through improper influence.

"Contingent fee," as used in this clause, means any commission, percentage, brokerage, or other fee that is contingent upon the success that a person or concern has in securing a Government contract.

"Improper influence," as used in this clause, means any influence that induces or tends to induce a Government employee or officer to give consideration or to act regarding a Government contract on any basis other than the merits of the matter.

28. 52.203-7 - ANTI-KICKBACK PROCEDURES (JUL 1995)

(Applies to leases which exceed $100,000 average net annual rental, including option periods.)

(a) Definitions.

"Kickback," as used in this clause, means any money, fee, commission, credit, gift, gratuity, thing of value, or compensation of any kind which is provided, directly or indirectly, to any prime Contractor, prime Contractor employee, subcontractor, or subcontractor employee for the purpose of improperly obtaining or rewarding favorable treatment in connection with a prime contract or in connection with a subcontract relating to a prime contract.

"Person," as used in this clause, means a corporation, partnership, business association of any kind, trust, joint-stock company, or individual.

"Prime contract," as used in this clause, means a contract or contractual action entered into by the United States for the purpose of obtaining supplies, materials, equipment, or services of any kind.

"Prime Contractor," as used in this clause, means a person who has entered into a prime contract with the United States.

"Prime Contractor employee," as used in this clause, means any officer, partner, employee, or agent of a prime Contractor.

"Subcontract," as used in this clause, means a contract or contractual action entered into by a prime Contractor or subcontractor for the purpose of obtaining supplies, materials, equipment, or services of any kind under a prime contract.

"Subcontractor," as used in this clause, (1) means any person, other than the prime Contractor, who offers to furnish or furnishes any supplies, materials, equipment, or services of any kind under a prime contract or a subcontract entered into in connection with such prime contract, and (2) includes any person who offers to furnish or furnishes general supplies to the prime Contractor or a higher tier subcontractor.

"Subcontractor employee," as used in this clause, means any officer, partner, employee, or agent of a subcontractor.

(b) The Anti-Kickback Act of 1986 (41 U.S.C. 51-58) (the Act), prohibits any person from--

(1) Providing or attempting to provide or offering to provide any kickback;
(2) Soliciting, accepting, or attempting to accept any kickback; or
(3) Including, directly or indirectly, the amount of any kickback in the contract price charged by a prime Contractor to the United States or in the contract price charged by a subcontractor to a prime Contractor or higher tier subcontractor.

(c) (1) The Contractor shall have in place and follow reasonable procedures designed to prevent and detect possible violations described in paragraph (b) of this clause in its own operations and direct business relationships.

(2) When the Contractor has reasonable grounds to believe that a violation described in paragraph (b) of this clause may have occurred, the Contractor shall promptly report in writing the possible violation. Such reports shall be made to the inspector general of the contracting agency, the head of the contracting agency if the agency does not have an inspector general, or the Department of Justice.

(3) The Contractor shall cooperate fully with any Federal agency investigating a possible violation described in paragraph (b) of this clause.

(4) The Contracting Officer may (i) offset the amount of the kickback against any monies owed by the United States under the prime contract and/or (ii) direct that the Prime Contractor withhold from sums owed a subcontractor under the prime contract, the amount of the kickback. The Contracting Officer may order that monies withheld under subdivision (c)(4)(ii) of this clause be paid over to the Government unless the Government has already offset those monies under subdivision (c)(4)(i) of this clause. In the either case, the Prime Contractor shall notify the Contracting Officer when the monies are withheld.

(5) The Contractor agrees to incorporate the substance of this clause, including subparagraph (c)(5) but excepting subparagraph (c)(1), in all subcontracts under this contract which exceed $100,000.

29. 52.223-6 DRUG-FREE WORKPLACE (JAN 1997)

(a) Definitions. As used in this clause --

"Controlled substance" means a controlled substance in schedules I through V of section 202 of the Controlled Substances Act (21 U.S.C. 812) and as further defined in regulation at 21 CFR 1308.11 - 1308.15.

"Conviction" means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to deter-mine violations of the Federal or State criminal drug statutes.

"Criminal drug statute" means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, possession, or use of any controlled substance.

"Drug-free workplace" means the site(s) for the performance of work done by the Contractor in connection with a specific contract at which employees of the Contractor are prohibited from engaging in the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance.

"Employee" means an employee of a Contractor directly engaged in the performance of work under a Government contract. "Directly engaged" is defined to include all direct cost employees and any other Contractor employee who has other than a minimal impact or involvement in contract performance.

"Individual" means an offeror/contractor that has no more than one employee including the offeror/contractor.

(b) The Contractor, if other than an individual, shall-- within 30 days after award (unless a longer period is agreed to in writing for contracts of 30 days or more performance duration), or as soon as possible for contracts of less than 30 days performance duration--

(1) Publish a statement notifying its employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition;

(2) Establish an ongoing drug-free awareness program to inform such employees about--

(i) The dangers of drug abuse in the workplace;
(ii) The Contractor's policy of maintaining a drug-free workplace;
(iii) Any available drug counseling, rehabilitation, and employee assistance programs; and
(iv) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;

(3) Provide all employees engaged in performance of the contract with a copy of the statement required by subparagraph (b)(1) of this clause;

(4) Notify such employees in writing in the statement required by subparagraph (b)(1) of this clause that, as a condition of continued employment on this contract, the employee will--

(i) Abide by the terms of the statement; and
(ii) Notify the employer in writing of the employee's conviction under a criminal drug statute for a violation occurring in the workplace no later than 5 days after such conviction.

(5) Notify the Contracting Officer in writing within 10 days after receiving notice under subdivision (b)(4)(ii) of this clause, from an employee or otherwise receiving actual notice of such conviction. The notice shall include the position title of the employee;

(6) Within 30 days after receiving notice under subdivision (b)(4)(ii) of this clause of a conviction, take one of the following actions with respect to any employee who is convicted of a drug abuse violation occurring in the workplace:

(i) Taking appropriate personnel action against such employee, up to and including termination; or

(ii) Require such employee to satisfactorily participate in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency; and

(7) Make a good faith effort to maintain a drug-free workplace through implementation of subparagraphs (b)(1) though (b)(6) of this clause.

(c) The Contractor, if an individual, agrees by award of the contract or acceptance of a purchase order, not to engage in the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance while performing this contract.

(d) In addition to other remedies available to the Government, the Contractor's failure to comply with the requirements of paragraph (b) or (c) of this clause may, pursuant to FAR 23.506, render the Contractor subject to suspension of contract payments, termination of the contract for default, and suspension or debarment.

30. 552.203-73 - PRICE ADJUSTMENT FOR ILLEGAL OR IMPROPER ACTIVITY (SEP 1990)

(Applies to leases which exceed $100,000.)

(a) If the head of the contracting activity (HCA) or his or her designee determines that there was a violation of subsection 27(a) of the Office of Federal Procurement Policy Act, as amended (41 U.S.C. 423), as implemented in the Federal Acquisition Regulation, the Government, at its election, may--

(1) Reduce the monthly rental under this lease by 5 percent of the amount of the rental for each month of the remaining term of the lease, including any option periods, and recover 5 percent of the rental already paid;
(2) Reduce payments for alterations not included in monthly rental payments by 5 percent of the amount of the alterations agreement; or
(3) Reduce the payments for violations by a Lessor's subcontractor by an amount not to exceed the amount of profit or fee reflected in the subcontract at the time the subcontract was placed.

(b) Prior to making a determination as set forth above, the HCA or designee shall provide to the Lessor a written notice of the action being considered and the basis therefor. The Lessor shall have a period determined by the agency head or designee, but not less than 30 calendar days after receipt of such notice, to submit in person, in writing, or through a representative, information and argument in opposition to the proposed reduction. The agency head or designee may, upon good cause shown, determine to deduct less than the above amounts from payments.

(c) The rights and remedies of the Government specified herein are not exclusive, and are in addition to any other rights and remedies provided by law or under this lease.

31. 52.215-22 - PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA (OCT 1995)

(Applies when cost or pricing data is required for work or service exceeding $500,000.)

(a) If any price, including profit or fee, negotiated in connection with this contract, or any cost reimbursable under this contract, was increased by any significant amount because (1) the Contractor or a subcontractor furnished cost or pricing data that were not complete, accurate, and current as certified in its Certificate of Current Cost or Pricing Data, (2) a subcontractor or prospective subcontractor furnished the Contractor cost or pricing data that were not complete, accurate, and current as certified in the Contractor's Certificate of Current Cost or Pricing Data, or (3) any of these parties furnished data of any description that were not accurate, the price or cost shall be reduced accordingly and the contract shall be modified to reflect the reduction.

(b) Any reduction in the contract price under paragraph (a) of this clause due to defective data from a prospective subcontractor that was not subsequently awarded the subcontract shall be limited to the amount, plus applicable overhead and profit markup, by which (1) the actual subcontract or (2) the actual cost to the Contractor, if there was no subcontract, was less than the prospective subcontract cost estimate submitted by the Contractor; *provided*, that the actual subcontract price was not itself affected by defective cost pricing data.

(c) (1) If the Contracting Officer determines under paragraph (a) of this clause that a price or cost reduction should be made, the Contractor agrees not to raise the following matters as a defense:
(i) The Contractor or subcontractor was a sole source supplier or otherwise was in a superior bargaining position and thus the price of the contract would not have been modified even if accurate, complete, and current cost or pricing data had been submitted.
(ii) The Contracting Officer should have known that the cost or pricing data in issue were defective even though the Contractor or subcontractor took no affirmative action to bring the character of the data to the attention of the Contracting Officer.
(iii) The contract was based on an agreement about the total cost of the contract and there was no agreement about the cost of each item procured under the contract.
(iv) The Contractor or subcontractor did not submit a Certificate of Current Cost or Pricing Data.
(2) (i) Except as prohibited by subdivision (c)(2)(ii) of this clause, an offset in an amount determined appropriate by the Contracting Officer based upon the facts shall be allowed against the amount of a contract price reduction if--
(A) The Contractor certifies to the Contracting Officer that, to the best of the Contractor's knowledge and belief, the Contractor is entitled to the offset in the amount requested; and
(B) The Contractor proves that the cost or pricing data were available before the date of agreement on the price of the contract (or price of the modification) and that the data were not submitted before such date.
(ii) An offset shall not be allowed if--
(A) The understated data was known by the Contractor to be understated when the Certificate or Current Cost or Pricing Data was signed; or
(B) The Government proves that the facts demonstrate that the contract price would not have increased in the amount to be offset even if the

available data had been submitted before the date of agreement on price.

(d) If any reduction in the contract price under this clause reduces the price of items for which payment was made prior to the date of the modification reflecting the price reduction, the Contractor shall be liable to and shall pay the United States at the time such overpayment is repaid--

(1) Simple interest on the amount of such overpayment to be computed from the date(s) of overpayment to the Contractor to the date the Government is repaid by the Contractor at the applicable underpayment rate effective for each quarter prescribed by the Secretary of the Treasury under 26 U.S.C. 6621(a)(2); and
(2) A penalty equal to the amount of the overpayment, if the Contractor or subcontractor knowingly submitted cost or pricing data which were incomplete, inaccurate, or noncurrent.

32. 552.270-20 - PROPOSALS FOR ADJUSTMENT (APR 1995)

(a) The Contracting Officer may, from time to time during the term of this lease, require changes to be made in the work or services to be performed and in the terms or conditions of this lease. Such changes will be required under the Changes clause.

(b) If the Contracting Officer makes a change within the general scope of the lease, the Lessor shall submit, in a timely manner, an itemized cost proposal for the work to be accomplished or services to be performed when the cost exceeds $100,000. The proposal, including all subcontractor work, will contain at least the following details--

(1) Material quantities and unit costs;
(2) Labor costs (identified with specific item or material to be placed or operation to be performed;
(3) Equipment costs;
(4) Worker's compensation and public liability insurance;
(5) Overhead;
(6) Profit; and
(7) Employment taxes under FICA and FUTA.

(c) The following Federal Acquisition Regulation (FAR) provisions also apply to all proposals exceeding $500,000 in cost --

(1) The Lessor shall provide cost or pricing data including subcontractor cost or pricing data (48 CFR 15.804-2);
(2) The Lessor's representative, all Contractors, and subcontractors whose portion of the work exceeds $500,000 must sign and return the "Certificate of Current Cost or Pricing Data" (48 CFR 15.804-4); and
(3) The agreement for "Price Reduction for Defective Cost or Pricing Data" must be signed and returned (48 CFR 15.804-8).

(d) Lessors shall also refer to 48 CFR Part 31, Contract Cost Principles, for information on which costs are allowable, reasonable, and allocable in Government work.

33. 552.270-21 - CHANGES (JUL 1995) (VARIATION)

(a) The Contracting Officer may at any time, by written order, make changes within the general scope of this lease in any one or more of the following:

(1) Specifications (including drawings and designs);
(2) Work or services;
(3) Facilities or space layout; or
(4) Amount of space, provided the Lessor consents to the change.

(b) If any such change causes an increase or decrease in Lessor's cost of, or the time required for performance under this lease, whether or not changed by the order, the Contracting Officer shall modify this lease to provide for one or more of the following:

(1) A modification of the delivery date;
(2) An equitable adjustment in the rental rate;
(3) A lump sum equitable adjustment; or
(4) An equitable adjustment of the annual operating costs per usable square foot specified in this lease.

(c) The Lessor shall assert its right to an adjustment under this clause within 30 days from the date of receipt of the change order and shall submit a proposal for adjustment. Failure to agree to any adjustment shall be a dispute under the Disputes clause. However, nothing in this clause shall excuse the lessor from proceeding with the change as directed.

(d) Absent such written change order, the Government shall not be liable to Lessor under this clause.

34. 552.215-70 - EXAMINATION OF RECORDS BY GSA (FEB 1996)

The Contractor agrees that the Administrator of General Services, or any duly authorized representative shall, until the expiration of 3 years after final payment under this contract, or of the time periods for the particular records specified in Subpart 4.7 of the Federal Acquisition Regulation (48 CFR 4.7), whichever expires earlier, have access to and the right to examine any books, documents, papers, and records of the Contractor involving transactions related to this contract or compliance with any clauses thereunder. The Contractor further agrees to include in all its subcontracts hereunder a provision to the effect that the subcontractor agrees that the Administrator of General Services, or any duly authorized representatives shall, until the expiration of 3 years after final payment under the subcontract, or of the time periods for the particular records specified in Subpart 4.7 of the Federal Acquisition Regulation (48 CFR 4.7), whichever expires earlier, have access to and the right to examine any books, documents, papers, and records of such subcontractor, involving transactions related to the subcontract or compliance with any clauses thereunder. The term "subcontract" as used in this clause excludes (a) purchase orders not exceeding $100,000 and (b) subcontracts or purchase orders for public utility services at rates established for uniform applicability to the general public.

35. 52.233-1 - DISPUTES (OCT 1995)

(a) This contract is subject to the Contract Disputes Act of 1978, as amended (41 U.S.C. 601-613).

(b) Except as provided in the Act, all disputes arising under or relating to this contract shall be resolved under this clause.

(c) "Claim," as used in this clause, means a written demand or written assertion by one of the contracting parties seeking, as a matter of right, the payment of money in a sum certain, the adjustment or interpretation of contract terms, or other relief arising under or relating to this contract. A claim arising under a contract, unlike a claim relating to that contract, is a claim that can be resolved under a contract clause that provides for the relief sought by the claimant. However, a written demand or written assertion by the Contractor seeking the payment of money exceeding $100,000 is not a claim under the Act until certified as required by subparagraph (d)(2) of this clause. A voucher, invoice, or other routine request for payment that is not in dispute when submitted is not a claim under the Act. The submission may be converted to a claim under the Act, by complying with the submission and certification requirements of this clause, if it is disputed either as to liability or amount or is not acted upon in a reasonable time.

(d) (1) A claim by the Contractor shall be made in writing and, unless otherwise stated in this contract, submitted within 6 years after accrual of the claim to the Contracting Officer for a written decision. A claim by the Government against the Contractor shall be subject to a written decision by the Contracting Officer.

(2) (i) Contractors shall provide the certification specified in subparagraph (d)(2)(iii) of this clause when submitting any claim--

(A) Exceeding $100,000; or

(B) Regardless of the amount claimed, when using--

(1) Arbitration conducted pursuant to 5 U.S.C. 575-580; or

(2) Any other alternative means of dispute resolution (ADR) technique that the agency elects to handle in accordance with the Administrative Dispute Resolution Act (ADRA).

(ii) The certification requirement does not apply to issues in controversy that have not been submitted as all or part of a claim.

(iii) The certification shall state as follows: "I certify that the claim is made in good faith; that the supporting data are accurate and complete to the best of my knowledge and belief; that the amount requested accurately reflects the contract adjustment for which the Contractor believes the Government is liable; and that I am duly authorized to certify the claim on behalf of the Contractor."

(3) The certification may be executed by any person duly authorized to bind the Contractor with respect to the claim.

(e) For Contractor claims of $100,000 or less, the Contracting Officer must, if requested in writing by the Contractor, render a decision within 60 days of the request. For Contractor-

certified claims over $100,000, the Contracting Officer must, within 60 days, decide the claim or notify the Contractor of the date by which the decision will be made.

(f) The Contracting Officer's decision shall be final unless the Contractor appeals or files a suit as provided in the Act.

(g) If the claim by the Contractor is submitted to the Contracting Officer or a claim by the Government is presented to the Contractor, the parties, by mutual consent, may agree to use ADR. If the Contractor refuses an offer for alternative disputes resolution, the Contractor shall inform the Contracting Officer, in writing, of the Contractor's specific reasons for rejecting the request. When using arbitration conducted pursuant to 5 U.S.C. 575-580, or when using any other ADR technique that the agency elects to handle in accordance with the ADRA, any claim, regardless of amount, shall be accompanied by the certification described in subparagraph (d)(2)(iii) of this clause, and executed in accordance with subparagraph (d)(3) of this clause.

(h) The Government shall pay interest on the amount found due and unpaid from (1) the date that the Contracting Officer receives the claim (certified if required); or (2) the date that payment otherwise would be due, if that date is later, until the date of payment. With regard to claims having defective certifications, as defined in FAR 33.201, interest shall be paid from the date that the Contracting Officer initially receives the claim. Simple interest on claims shall be paid at the rate, fixed by the Secretary of the Treasury as provided in the Act, which is applicable to the period during which the Contracting Officer receives the claim and then at the rate applicable for each 6-month period as fixed by the Treasury Secretary during the pendency of the claim.

(i) The Contractor shall proceed diligently with performance of this contract, pending final resolution of any request for relief, claim, appeal, or action arising under the contract, and comply with any decision of the Contracting Officer.

36. 52.222-26 - EQUAL OPPORTUNITY (APR 1984)

(a) If, during any 12-month period (including the 12 months preceding the award of this contract), the Contractor has been or is awarded nonexempt Federal contracts and/or subcontracts that have an aggregate value in excess of $10,000, the Contractor shall comply with subparagraphs (b)(1) through (11) below. Upon request, the Contractor shall provide information necessary to determine the applicability of this clause.

(b) During performing this contract, the Contractor agrees as follows:

(1) The Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin.

(2) The Contractor shall take affirmative action to ensure the applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. This shall include, but not be limited to, (i) employment, (ii) upgrading, (iii) demotion, (iv) transfer, (v) recruitment or recruitment advertising, (vi) layoff or termination, (vii) rates of pay or other forms of compensation, and (viii) selection for training, including apprenticeship.

(3) The Contractor shall post in conspicuous places available to employees and applicants for employment the notices to be provided by the Contracting Officer that explain this clause.

(4) The Contractor shall, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

(5) The Contractor shall send, to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, the notice to be provided by the Contracting Officer advising the labor union or workers' representative of the Contractor's commitments under this clause, and post copies of the notice in conspicuous places available to employees and applicants for employment.

(6) The Contractor shall comply with Executive Order 11246, as amended, and the rules, regulations, and orders of the Secretary of Labor.

(7) The Contractor shall furnish to the contracting agency all information required by Executive Order 11246, as amended, and by the rules, regulations, and orders of the Secretary of Labor. Standard Form 100 (EEO-1), or any successor form, is the prescribed form to be filed within 30 days following the award, unless filed within 12 months preceding the date of award.

(8) The Contractor shall permit access to its books, records, and accounts by the contracting agency or the Office of Federal Contract Compliance Programs (OFCCP)

for the purpose of investigation to ascertain the Contractor's compliance with the applicable rules, regulations, and orders.

(9) If the OFCCP determines that the Contractor is not in compliance with this clause or any rule, regulation, or order of the Secretary of Labor, this contract may be canceled, terminated, or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts, under the procedures authorized in Executive Order 11246, as amended. In addition, sanctions may be imposed and remedies invoked against the Contractor as provided in Executive Order 11246, as amended, the rules, regulations, and orders of the Secretary of Labor, or as otherwise provided by law.

(10) The Contractor shall include the terms and conditions of subparagraph (b)(1) through (11) of this clause in every subcontract or purchase order that is not exempted by the rules, regulations, or orders of the Secretary of Labor issued under Executive Order 11246, as amended, so that these terms and conditions will be binding upon each subcontractor or vendor.

(11) The Contractor shall take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing these terms and conditions, including sanctions for noncompliance; provided, that if the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of any direction, the Contractor may request the United States to enter into the litigation to protect the interests of the United States.

(c) Notwithstanding any other clause in this contract, disputes relative to this clause will be governed by the procedures in 41 CFR 60-1.1.

37. 52.222-35 - AFFIRMATIVE ACTION FOR SPECIAL DISABLED AND VIETNAM ERA VETERANS (APR 1984) (DEVIATION)

(a) Definitions.

"Appropriate office of the State employment service system," as used in this clause, means the local office of the Federal-State national system of public employment offices with assigned responsibility for serving the area where the employment opening is to be filled, including the District of Columbia, Guam, Puerto Rico, and the Virgin Islands.

"Positions that will be filled from within the Contractor's organization," as used in this clause, means employment openings for which no consideration will be given to persons outside the Contractor's organization (including any affiliates, subsidiaries, and the parent companies) and includes any openings that the Contractor proposes to fill from regularly establish "recall" lists.

"Employment openings," as used in this clause, includes full-time employment, temporary employment of over 3 days, and part-time employment, but does not include (1) executive and top management positions, (2) positions that will be filled from within the Contractor's organization or under a customary and traditional employer-union hiring arrangement, or (3) openings in an educational institution that are restricted to students of that institution.

(b) General.

(1) Regarding any position for which the employee or applicant for employment is qualified, the Contractor shall not discriminate against the individual because the individual is a special disabled or Vietnam era veteran. The Contractor agrees to take affirmative action to employ, advance in employment, and otherwise treat qualified special disabled and Vietnam era veterans without discrimination based upon their disability or veterans' status in all employment practices such as--

(i) Employment;
(ii) Upgrading;
(iii) Demotion or transfer;
(iv) Recruitment;
(v) Advertising;
(vi) Layoff or termination;
(vii) Rates of pay or other forms of compensation; and
(viii) Selection for training, including apprenticeship.

(2) The Contractor agrees to comply with the rules, regulations, and relevant orders of the Secretary of Labor (Secretary) issued under the Vietnam Era Veterans' Readjustment Assistance Act of 1972 (the Act), as amended.

(c) Listing openings.

(1) The Contractor agrees to list all employment openings existing at contract award or occurring during contract performance, at an appropriate office of the State employment service system in the locality where the opening occurs. These

openings include those occurring at any contractor facility, including one not connected with performing this contract. An independent corporate affiliate is exempt from this requirement.

(2) State and local government agencies holding Federal contracts of $10,000 or more shall also list all their openings with the appropriate office of the State employment service.

(3) The listing of employment openings with the State employment service system is required at least concurrently with using any other recruitment source or effort and involves the obligations of placing a bona fide job order, including accepting referrals of veterans and nonveterans. This listing does not require hiring any particular job applicant or hiring from any particular group of job applicants and is not intended to relieve the Contractor from any requirements of Executive orders or regulations concerning nondiscrimination in employment.

(4) Whenever the Contractor becomes contractually bound to the listing terms of this clause, it shall advise the State employment service system, in each State where it has establishments, of the name and location of each hiring location in the State. As long as the Contractor is contractually bound to these terms and has so advised the State system, it need not advise the State system of subsequent contracts. The Contractor may advise the State system when it is no longer bound by this contract clause.

(5) Under the most compelling circumstances, an employment opening may not be suitable for listing, including situations when (i) the Government's needs cannot reasonably be supplied, (ii) listing would be contrary to National security, or (iii) the requirement of listing would not be in the Government's interest.

(d) Applicability.

(1) This clause does not apply to the listing of employment openings which occur and are filled outside the 50 states, the District of Columbia, the Commonwealth of Puerto Rico, Guam, and the Virgin Islands.

(2) The terms of paragraph (c) above of this clause do not apply to openings that the Contractor proposes to fill from within its own organization or under a customary and traditional employer-union hiring arrangement. This exclusion does not apply to a particular opening once an employer decides to consider applicants outside of its own organization or employer-union arrangement for that opening.

(e) Postings.

(1) The Contractor agrees to post employment notices stating (i) the Contractor's obligation under the law to take affirmative action to employ and advance in employment qualified special disabled veterans and veterans of the Vietnam era, and (ii) the rights of applicants and employees.

(2) These notices shall be posted in conspicuous places that are available to employees and applicants for employment. They shall be in a form prescribed by the Director, Office of Federal Contract Compliance Programs, Department of Labor (Director), and provided by or through the Contracting Officer.

(3) The Contractor shall notify each labor union or representative of workers with which it has a collective bargaining agreement or other contract understanding, that the Contractor is bound by the terms of the Act, and is committed to take affirmative action to employ, and advance in employment, qualified special disabled and Vietnam era veterans.

(f) Noncompliance. If the Contractor does not comply with the requirements of this clause, appropriate actions may be taken under the rules, regulations, and relevant orders of the Secretary issued pursuant to the Act.

(g) Subcontracts. The Contractor shall include the terms of this clause in every subcontract or purchase order of $10,000 or more unless exempted by rules, regulations, or orders of the Secretary. The Contractor shall act as specified by the Director to enforce the terms, including action for noncompliance.

38. 52.222-36 - AFFIRMATIVE ACTION FOR HANDICAPPED WORKERS (APR 1984)

(a) General.

(1) Regarding any position for which the employee or applicant for employment is qualified, the Contractor shall not discriminate against any employee or applicant because of physical or mental handicap. The Contractor agrees to take affirmative action to employ, advance in employment and otherwise treat qualified handicapped individuals without discrimination based upon their physical or mental handicap in all employment practices such as--

(i) Employment;
(ii) Upgrading;
(iii) Demotion or transfer;
(iv) Recruitment;
(v) Advertising;
(vi) Layoff or termination;
(vii) Rates of pay or other forms of compensation; and
(viii) Selection for training, including apprenticeship.

(2) The Contractor agrees to comply with the rules, regulations, and relevant orders of the Secretary of Labor (Secretary) issued under the Rehabilitation Act of 1973 (29 USC 793) (the Act), as amended.

(b) Postings.

(1) The Contractor agrees to post employment notices stating (i) the Contractor's obligation under the law to take affirmative action to employ and advance in employment qualified handicapped individuals and (ii) the rights of applicants and employees.

(2) These notices shall be posted in conspicuous places that are available to employees and applicants for employment. They shall be in a form prescribed by the Director, Office of Federal Contract Compliance Programs, Department of Labor (Director), and provided by or through the Contracting Officer.

(3) The Contractor shall notify each labor union or representative of workers with which it has a collective bargaining agreement or other contract understanding, that the Contractor is bound by the terms of Section 503 of the Act and is committed to take affirmative action to employ, and advance in employment, qualified physically and mentally handicapped individuals.

(c) Noncompliance. If the Contractor does not comply with the requirements of this clause, appropriate actions may be taken under the rules, regulations, and relevant orders of the Secretary issued pursuant to the Act.

(d) Subcontracts. The Contractor shall include the terms of this clause in every subcontract or purchase order in excess of $2,500 unless exempted by rules, regulations, or orders of the Secretary. The Contractor shall act as specified by the Director to enforce the terms, including action for noncompliance.

39. 52.222-37 - EMPLOYMENT REPORTS ON SPECIAL DISABLED VETERANS AND VETERANS OF THE VIETNAM ERA (JAN 1988)

(a) The Contractor shall report at least annually, as required by the Secretary of Labor, on:

(1) The number of special disabled veterans and the number of veterans of the Vietnam era in the workforce of the contractor by job category and hiring location; and

(2) The total number of new employees hired during the period covered by the report, and of that total, the number of special disabled veterans, and the number of veterans of the Vietnam era.

(b) The above items shall be reported by completing the form entitled "Federal Contractor Veterans' Employment Report VETS-100."

(c) Reports shall be submitted no later than March 31 of each year beginning March 31, 1988.

(d) The employment activity report required by paragraph (a)(2) of this clause shall reflect total hires during the most recent 12-month period as of the ending date selected for the employment profile report required by paragraph (a)(1) of this clause. Contractors may select an ending date: (1) As of the end of any pay period during the period January through March 1 of the year the report is due, or (2) as of December 31, if the Contractor has previous written approval from the Equal Employment Opportunity Commission to do so for purposes of submitting the Employer Information Report EEO-1 (Standard Form 100).

(e) The count of veterans reported according to paragraph (a) of this clause shall be based on voluntary disclosure. Each Contractor subject to the reporting requirements at 38 U.S.C. 2012(d) shall invite all special disabled veterans and veterans of the Vietnam era who wish to benefit under the affirmative action program at 38 U.S.C. 2012 to identify themselves to the Contractor. The invitation shall state that the information is voluntarily provided, that the information will be kept confidential, that disclosure or refusal to provide the information will not subject the applicant or employee to any adverse treatment, and that the information will be used only in accordance with the regulations promulgated under 38 U.S.C. 2012.

(f) Subcontracts. The Contractor shall include the terms of this clause in every subcontract or purchase order of $10,000 or more unless exempted by rules, regulations, or orders of the Secretary.

40. 52.209-6 - PROTECTING THE GOVERNMENT'S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED, OR PROPOSED FOR DEBARMENT (AUG 1995)

(a) The Government suspends or debars Contractors to protect the Government's interests. Contractors shall not enter into any subcontract in excess of the small purchase limitation at FAR 13.000 with a Contractor that has been debarred, suspended, or proposed for debarment unless there is a compelling reason to do so.

(b) The Contractor shall require each proposed first-tier subcontractor, whose subcontract will exceed the small purchase limitation at FAR 13.000, to disclose to the Contractor, in writing, whether as of the time of award of the subcontract, the subcontractor, or its principals, is or is not debarred, suspended, or proposed for debarment by the Federal Government.

(c) A corporate officer or designee of the Contractor shall notify the Contracting Officer, in writing, before entering into a subcontract with a party that is debarred, suspended or proposed for debarment (See FAR 9.404 for information on the List of Parties Excluded from Federal Procurement and Nonprocurement Programs). The notice must include the following:

(1) The name of the subcontractor,
(2) The Contractor's knowledge of the reasons for the subcontractor being on the List of Parties Excluded from Federal Procurement and Nonprocurement Programs;
(3) The compelling reason(s) for doing business with the subcontractor notwithstanding its inclusion on the List of Parties Excluded from Federal Procurement and Nonprocurement Programs;
(4) The systems and procedures the Contractor has established to ensure that it is fully protecting the Government's interests when dealing with such subcontractor in view of the specific basis for the party's debarment, suspension, or proposed debarment.

41. 52.215-24 - SUBCONTRACTOR COST OR PRICING DATA (OCT 1995)

(Applies when the clause 52.215-22 is applicable.)

(a) Before awarding any subcontract expected to exceed the threshold for submission of cost or pricing data at FAR 15.804-2(a)(1), on the date of agreement on price or the date of award, which ever is later; or before pricing any subcontract modification involving a pricing adjustment expected to exceed the threshold for submission of cost or pricing data at FAR 15.804-2(a)(1), the Contractor shall require the subcontractor to submit cost or pricing data (actually or by specific identification in writing), unless an exception under FAR 15.804-1 applies.

(b) The Contractor shall require the subcontractor to certify in substantially the form prescribed in subsection 15.804-4 of the Federal Acquisition Regulation (FAR) that, to the best of its knowledge and belief, the data submitted under paragraph (a) of this clause were accurate, complete, and current as of the date of agreement on the negotiated price of the subcontract or subcontract modification.

(c) In each subcontract that exceeds the threshold for submission of cost or pricing data at FAR 15.804-2(a)(1), when entered into, the Contractor shall insert either--

(1) The substance of this clause, including this paragraph (c), if paragraph (a) of this clause requires submission of cost or pricing data for the subcontract; or
(2) The substance of the clause at FAR 52.215-25, Subcontractor Cost or Pricing Data--Modifications.

42. 52.219-8 - UTILIZATION OF SMALL, SMALL DISADVANTAGED AND WOMEN-OWNED SMALL BUSINESS CONCERNS (AUG 1996)

(Applies to leases which exceed $100,000 average net annual rental, including option periods.)

(a) It is the policy of the United States that small business concerns, small business concerns owned and controlled by socially and economically disadvantaged individuals and small business concerns owned and controlled by women shall have the maximum practicable opportunity to participate in performing contracts let by any Federal agency, including contracts and subcontracts for subsystems, assemblies, components, and related services for major systems. It is further the policy of the United States that its prime contractors establish procedures to ensure the timely payment of amounts due pursuant to the terms of

their subcontracts with small business concerns, small business concerns owned and controlled by socially and economically disadvantaged individuals and small business concerns owned and controlled by women.

(b) The Contractor hereby agrees to carry out this policy in the awarding of subcontracts to the fullest extent consistent with efficient contract performance. The Contractor further agrees to cooperate in any studies or surveys as may be conducted by the United States Small Business Administration or the awarding agency of the United States as may be necessary to determine the extent of the Contractor's compliance with this clause.

(c) As used in this contract, the term "small business concern" shall mean a small business as defined pursuant to section 3 of the Small Business Act and relevant regulations promulgated pursuant thereto. The term "small business concern owned and controlled by socially and economically disadvantaged individuals" shall mean a small business concern (1) which is at least 51 percent unconditionally owned by one or more socially and economically disadvantaged individuals; or, in the case of any publicly owned business, at least 51 per centum of the stock of which is unconditionally owned by one or more socially and economically disadvantaged individuals; and (2) whose management and daily business operations are controlled by one or more of such individuals. This term also means a small business concern that is at least 51 percent unconditionally owned by an economically disadvantaged Indian tribe or Native Hawaiian Organization, or a publicly owned business having at least 51 percent of its stock unconditionally owned by one of these entities which has its management and daily business controlled by members of an economically disadvantaged Indian tribe or Native Hawaiian Organization, and which meets the requirements of 13 CFR 124. The Contractor shall presume that socially and economically disadvantaged individuals include Black Americans, Hispanic Americans, Native Americans, Asian-Pacific Americans, Subcontinent Asian Americans, and other minorities, or any other individual found to be disadvantaged by the Administration pursuant to section 8(a) of the Small Business Act. The Contractor shall presume that socially and economically disadvantaged entities also include Indian Tribes and Native Hawaiian Organizations.

(d) The term "small business concerns owned and controlled by women" shall mean a small business concern (i) which is at least 51 percent owned by one or more women, or, in the case of any publicly owned business, at lease 51 percent of the stock of which is owned by one or more women, and (ii) whose management and daily business operations are controlled by one or more women; and

(e) Contractors acting in good faith may rely on written representations by their subcontractors regarding their status as a small business concern, a small business concern owned and controlled by socially and economically disadvantaged individuals or a small business concern owned and controlled by women.

43. 52.219-9 SMALL, SMALL DISADVANTAGED AND WOMEN-OWNED SMALL BUSINESS SUBCONTRACTING PLAN (AUG 1996)

(Applies to leases which exceed $500,000.)

(a) This clause does not apply to small business concerns.

(b) "Commercial product," as used in this clause, means a product in regular production that is sold in substantial quantities to the general public and/or industry at established catalog or market prices. It also means a product which, in the opinion of the Contracting Officer, differs only insignificantly from the Contractor's commercial product.

"Subcontract," as used in this clause, means any agreement (other than one involving an employer-employee relationship) entered into by a Federal Government prime Contractor or subcontractor calling for supplies or services required for performance of the contract or subcontract.

(c) The offeror, upon request by the Contracting Officer, shall submit and negotiate a subcontracting plan, where applicable, which separately addresses subcontracting with small business concerns, with small disadvantaged business concerns and with women-owned small business concerns. If the offeror is submitting an individual contract plan, the plan must separately address subcontracting with small business concerns, small disadvantaged business concerns, and women-owned small business concerns with a separate part for the basic contract and separate parts for each option (if any). The plan shall be included in and made a part of the resultant contract. The subcontracting plan shall be negotiated within the time specified by the Contracting Officer. Failure to submit and negotiate the subcontracting plan shall make the offeror ineligible for award of a contract.

(d) The offeror's subcontracting plan shall include the following:

(1) Goals, expressed in terms of percentages of total planned subcontracting dollars, for the use of small business concerns, small disadvantaged business concerns and women-owned small business concerns as subcontractors. The offeror shall include all subcontracts that contribute to contract performance, and may include a proportionate share of products and services that are normally allocated as indirect costs.

(2) A statement of--
(i) Total dollars planned to be subcontracted;
(ii) Total dollars planned to be subcontracted to small business concerns;
(iii) Total dollars planned to be subcontracted to small disadvantaged business concerns; and
(iv) Total dollars planned to be subcontracted to women-owned small business concerns.

(3) A description of the principal types of supplies and services to be subcontracted, and an identification of the types planned for subcontracting to (i) small business concerns, (ii) small disadvantaged business concerns and (iii) women-owned small business concerns.

(4) A description of the method used to develop the subcontracting goals in paragraph (d)(1) of this clause.

(5) A description of the method used to identify potential sources for solicitation purposes (e.g., existing company source lists, the Procurement Automated Source System (PASS) of the Small Business Administration, the National Minority Purchasing Council Vendor Information Service, the Research and Information Division of the Minority Business Development Agency in the Department of Commerce, or small, small disadvantaged and women-owned small business concerns trade associations). A firm may rely on the information contained in PASS as an accurate representation of a concern's size and ownership characteristics for purposes of maintaining a small business source list. A firm may rely on PASS as a small business source list. Use of the PASS as its source list does not relieve a firm of its responsibilities (e.g., outreach, assistance, counseling, publicizing subcontracting opportunities) in this clause.

(6) A statement as to whether or not the offeror included indirect costs in establishing subcontracting goals, and a description of the method used to determine the proportionate share of indirect costs to be incurred with (i) small business concerns, (ii) small disadvantaged business concerns, and (iii) women-owned small business concerns.

(7) The name of the individual employed by the offeror who will administer the offeror's subcontracting program, and a description of the duties of the individual.

(8) A description of the efforts the offeror will make to assure that small, small disadvantaged and women-owned small business concerns have an equitable opportunity to compete for subcontracts.

(9) Assurances that the offeror will include the clause in this contract entitled "Utilization of Small, Small Disadvantaged and Women-Owned Small Business Concerns" in all subcontracts that offer further subcontracting opportunities, and that the offeror will require all subcontractors (except small business concerns) who receive subcontracts in excess of $500,000 ($1,000,000 for construction of any public facility) to adopt a plan similar to the plan agreed to by the offeror.

(10) Assurances that the offeror will (i) cooperate in any studies or surveys as may be required, (ii) submit periodic reports in order to allow the Government to determine the extent of compliance by the offeror with the subcontracting plan, (iii) submit Standard Form (SF) 294, Subcontracting Report for Individual Contracts, and/or SF 295, Summary Subcontract Report, in accordance with the instructions on the forms, and (iv) ensure that its subcontractors agree to submit Standard Forms 294 and 295.

(11) A recitation of the types of records the offeror will maintain to demonstrate procedures that have been adopted to comply with the requirements and goals in the plan, including establishing source lists; and a description of its efforts to locate small, small disadvantaged and women-owned small business concerns and award subcontracts to them. The records shall include at least the following (on a plant-wide or company-wide basis, unless otherwise indicated):
(i) Source lists (e.g., PASS), guides, and other data that identify small, small disadvantaged and women-owned small business concerns.
(ii) Organizations contacted in an attempt to locate sources that are small, small disadvantaged or women-owned small business concerns.
(iii) Records on each subcontract solicitation resulting in an award of more than $100,000, indicating (A) whether small business concerns were solicited and if not, why not, (B) whether small disadvantaged business concerns were solicited and if not, why not, (C) whether women-owned small business

concerns were solicited and if not, why not, and (D) if applicable, the reason award was not made to a small business concern.

(iv) Records of any outreach efforts to contact (A) trade associations, (B) business development organizations, and (C) conferences and trade fairs to locate small, small disadvantaged and women-owned small business sources.

(v) Records of internal guidance and encouragement provided to buyers through (A) workshops, seminars, training, etc., and (B) monitoring performance to evaluate compliance with the program's requirements.

(vi) On a contract-by-contract basis, records to support award data submitted by the offeror to the Government, including the name, address, and business size of each subcontractor. Contractors having company or division-wide annual plans need not comply with this requirement.

(e) In order to effectively implement this plan to the extent consistent with efficient contract performance, the Contractor shall perform the following functions:

(1) Assist small, small disadvantaged and women-owned small business concerns by arranging solicitations, time for the preparation of bids, quantities, specifications, and delivery schedules so as to facilitate the participation by such concerns. Where the Contractor's lists of potential small, small disadvantaged and women-owned small business subcontractors are excessively long, reasonable efforts shall be made to give all such small business concerns an opportunity to compete over a period of time.

(2) Provide adequate and timely consideration of the potentialities of small, small disadvantaged and women-owned small business concerns in all "make-or-buy" decisions.

(3) Counsel and discuss subcontracting opportunities with representatives of small, small disadvantaged and women-owned small business firms.

(4) Provide notice to subcontractors concerning penalties and remedies for misrepresentations of business status as small, small disadvantaged or women-owned small business for the purpose of obtaining a subcontract that is to be included as part or all of a goal contained in the Contractor's subcontracting plan.

(f) A master subcontracting plan on a plant or division-wide basis which contains all the elements required by paragraph (d) of this clause, except goals, may be incorporated by reference as a part of the subcontracting plan required of the offeror by this clause; provided, (1) the master plan has been approved, (2) the offeror ensures that the master plan is updated as necessary and provides copies of the approved master plan, including evidence of its approval, to the Contracting Officer, and (3) goals and any deviations from the master plan deemed necessary by the Contracting Officer to satisfy the requirements of this contract are set forth in the individual subcontracting plan.

(g) (1) If a commercial product is offered, the subcontracting plan required by this clause may relate to the offeror's production generally, for both commercial and noncommercial products, rather than solely to the Government contract. In these cases, the offeror shall, with the concurrence of the Contracting Officer, submit one company-wide or division-wide annual plan.

(2) The annual plan shall be reviewed for approval by the agency awarding the offeror its first prime contract requiring a subcontracting plan during the fiscal year, or by an agency satisfactory to the Contracting Officer.

(3) The approved plan shall remain in effect during the offeror's fiscal year for all of the offeror's commercial products.

(h) Prior compliance of the offeror with other such subcontracting plans under previous contracts will be considered by the Contracting Officer in determining the responsibility of the offeror for award of the contract.

(i) The failure of the Contractor or subcontractor to comply in good faith with (1) the clause of this contract entitled "Utilization of Small, Small Disadvantaged and Women-Owned Small Business Concerns," or (2) an approved plan required by this clause, shall be a material breach of the contract.

44. 52.219-16 LIQUIDATED DAMAGES--SUBCONTRACTING PLAN (OCT 1995)

(a) *Failure to make a good faith effort to comply with the subcontracting plan*, as used in this clause, means a willful or intentional failure to perform in accordance with the requirements of the subcontracting plan approved under the clause in this contract entitled "Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan," or willful or intentional action to frustrate the plan.

(b) If, at contract completion, or in the case of a commercial products plan, at the close of the fiscal year for which the plan is applicable, the Contractor has failed to meet its subcontracting goals and the Contracting Officer decides in accordance with paragraph (c) of this clause that the Contractor failed to make a good faith effort to comply with its subcontracting plan, established in accordance with the clause in this contract entitled "Small, Small Disadvantage and Women-Owned Small Business Subcontracting Plan," the Contractor shall pay the Government liquidated damages in an amount stated. The amount of probable damages attributable to the Contractor's failure to comply, shall be an amount equal to the actual dollar amount by which the Contractor failed to achieve each subcontract goal or, in the case of a commercial products plan, that portion of the dollar amount allocable to Government contracts by which the Contractor failed to achieve each subcontract goal.

(c) Before the Contracting Officer makes a final decision that the Contractor has failed to make such good faith effort, the Contracting Officer shall give the Contractor written notice specifying the failure and permitting the Contractor to demonstrate what good faith efforts have been made. Failure to respond to the notice may be taken as an admission that no valid explanation exists. If, after consideration of all the pertinent data, the Contracting Officer finds that the Contractor failed to make a good faith effort to comply with the subcontracting plan, the Contracting Officer shall issue a final decision to that effect and require that the Contractor pay the Government liquidated damages as provided in paragraph (b) of this clause.

(d) With respect to commercial products plans; i.e., company-wide or division-wide subcontracting plans approved under paragraph (g) of the clause in this contract entitled "Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan," the Contracting Officer of the agency that originally approved the plan will exercise the functions of the Contracting Officer under this clause on behalf of all agencies that awarded contracts covered by that commercial products plan.

(e) The Contractor shall have the right of appeal, under the clause in this contract entitled Disputes, from any final decision of the Contracting Officer.

(f) Liquidated damages shall be in addition to any other remedies that the Government may have.

Appendix F

APPENDIX F

REPRESENTATIONS AND CERTIFICATIONS

GSA FORM 3518 (STANDARD)

REPRESENTATIONS AND CERTIFICATIONS (Acquisition of Leasehold Interests in Real Property)	Solicitation Number	Dated

Complete appropriate boxes, sign the form, and attach to offer.

The Offeror makes the following Representations and Certifications. NOTE: The "Offeror," as used on this form, is the owner of the property offered, not an individual or agent representing the owner.

1. 52.219-1 - SMALL BUSINESS PROGRAM REPRESENTATIONS (JAN 1997) (VARIATION)

(a) (1) The standard industrial classification (SIC) code for this acquisition is 6515.

(2) The small business size standard applicable to this acquisition is average annual gross revenues of $15 million or less for the preceding three fiscal years.

(b) *Representations.*

(1) The Offeror represents as part of its offer that it [ ] is, [ ] is not a small business concern.

(2) (Complete only if offeror represented itself as a small business concern in block (b)(1) of this section.) The Offeror represents as part of its offer that it [ ] is, [ ] is not a small disadvantaged business concern.

(3) (Complete only if offeror represented itself as a small business concern in block (b)(1) of this section.) The Offeror represents as part of its offer that it [ ] is, [ ] is not a women-owned small business concern.

(c) *Definitions. Small business concern*, as use in this provision, means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding on Government contracts, and qualified as a small business under the criteria in 13 CFR Part 121 and the size standard in paragraph (a) of this provision.

Small disadvantaged business concern, as use in this provision, means a small business concern that (1) is at least 51 percent unconditionally owned by one or more individuals who are both socially and economically disadvantaged, or a publicly owned business having at least 51 percent of its stock unconditionally owned by an economically disadvantaged individuals, and (2) has its management and daily business controlled by one or more such individuals. This term also means a small business concern that is at least 51 percent unconditionally owned by an economically disadvantaged Indian tribe or Native Hawaiian Organization, or a publicly owned business having at least 51 percent of its stock unconditionally owned by one or more of these entities, which has its management and daily business controlled by members of an economically disadvantaged Indian tribe or Native Hawaiian Organization, and which meets the requirements of 13 CFR Part 124.

Women-owned small business concern, as use in this provision, means a small business concern--

(1) Which is at least 51 percent owned by one or more women or, in the case of any publicly owned business, at least 51 percent of the stock of which is owned by one ore more women; and

(2) Whose management and daily business operations are controlled by one or more women.

(d) *Notice.*

(1) If this solicitation is for supplies and has been set aside, in whole or in part, for small business concerns, then the clause in this solicitation providing notice of the set-aside contains restrictions on the source of the end items to be furnished.

(2) Under 15 U.S.C. 645(d), any person who misrepresents a firm's status as a small or small disadvantaged business concern in order to obtain a contract to be awarded under the preference programs established pursuant to sections 8(a), 8(d), 9, or 15 of the Small Business Act or any other provision of Federal law that specifically references section 8(d) for a definition of program eligibility, shall--

(i) Be punished by imposition of fine, imprisonment, or both;

(ii) Be subject to administrative remedies, including suspension and debarment; and

(iii) Be ineligible for participation in programs conducted under the authority of the Act.

2. 52.204-5 - WOMEN-OWNED BUSINESS (OCT 1995)

(a) *Representation.* The Offeror represents that it [ ] is, [ ] is not a women-owned business concern.

(b) *Definition.* "Women-owned business concern," as used in this provision, means a concern which is at least 51 percent owned by one or more; or in the case of any publicly owned business, at least 51 percent of the stock of which is owned by one or more women; and whose management and daily business operations are controlled by one or more women.

3. 52.222-22 - PREVIOUS CONTRACTS AND COMPLIANCE REPORTS (APR 1984)

The Offeror represents that --

(a) It [ ] has, [ ] has not participated in a previous contract or subcontract subject either to the Equal Opportunity clause of this solicitation, the clause originally contained in Section 310 of Executive Order No. 10925, or the clause contained in Section 201 of Executive Order No. 11114;

(b) It [ ] has, [ ] has not filed all required compliance reports; and

(c) Representations indicating submission of required compliance reports, signed by proposed subcontractors, will be obtained before subcontract awards. (Approved by OMB under Control Number 1215-0072.)

4. 52.222-25 - AFFIRMATIVE ACTION COMPLIANCE (APR 1984)

The Offeror represents that --

(a) It [ ] has developed and has on file, [ ] has not developed and does not have on file, at each establishment affirmative action programs required by the rules and regulations of the Secretary of Labor (41 CFR 60-1 and 60-2), or

(b) It [ ] has not previously had contracts subject to the written affirmative action programs requirement of the rules and regulations of the Secretary of Labor. (Approved by OMB under Control Number 1215-0072.)

5. 52.222-21 - CERTIFICATION OF NONSEGREGATED FACILITIES (APR 1984)

(a) "Segregated facilities," as used in this provision, means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees, that are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, or national origin because of habit, local custom, or otherwise.

(b) By the submission of this offer, the Offeror certifies that it does not and will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not and will not permit its employees to perform their services at any location under its control where segregated facilities are maintained. The Offeror agrees that a breach of this certification is a violation of the Equal Opportunity clause in the contract.

(c) The Offeror further agrees that (except where it has obtained identical certifications from proposed subcontractors for specific time periods) it will--

(1) Obtain identical certifications from proposed subcontractors before the award of subcontracts under which the subcontractor will be subject to the Equal Opportunity clause;
(2) Retain the certifications in the files; and
(3) Forward the following notice to the proposed subcontractors (except if the proposed subcontractors have submitted identical certifications for specific time periods).

NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENT FOR CERTIFICATIONS OF NONSEGREGATED FACILITIES.

Certification of Nonsegregated Facilities must be submitted before the award of a subcontract under which the subcontractor will be subject to the Equal Opportunity clause. The certification may be submitted either for each subcontract or for all subcontracts during a period (i.e., quarterly, semiannually, or annually).

NOTE: The penalty for making false statements in offers is prescribed in 18 U.S.C. 1001.
(Approved by OMB under Control Number 1215-0072.)

6. 552.203-4 - CONTINGENT FEE REPRESENTATION AND AGREEMENT (MAY 1989)

(Applies to leases which exceed $100,000 average net annual rental, including option periods.)

(a) Representation. The Offeror represents that, except for full-time bona fide employees working solely for the Offeror or bona fide established real estate agents or brokers maintained by the Offeror for the purpose of securing business, the Offeror --

[Note: The Offeror must check the appropriate boxes. For interpretation of the term "bona fide employee or agency," see paragraph (b) of the Covenant Against Contingent Fees clause.]

(1) [ ] Has, [ ] has not, employed or retained any company or persons to solicit or obtain this lease; and
(2) [ ] Has, [ ] has not, paid or agreed to pay to any person or company employed or retained to solicit or obtain this contract any commission, percentage, brokerage, or other fee contingent upon or resulting from the award of this contract.

(b) Agreement. The Offeror agrees to provide information relating to the above Representation as requested by the Contracting Officer and, when subparagraph (a)(1) or (a)(2) is answered affirmatively, to promptly submit to the Contracting Officer –

(1) A completed Standard Form 119, Statement of Contingent or Other Fees, (SF 119); or
(2) A signed statement indicating that the SF 119 was previously submitted to the same contracting office, including the date and applicable solicitation or contract number, and representing that the prior SF 119 applies to this offer or quotation.

7. 52.203-02 - CERTIFICATE OF INDEPENDENT PRICE DETERMINATION (APR 1985)

(Applies to leases which exceed $100,000 average net annual rental, including option periods.)

(a) The Offeror certifies that–

(1) The prices in this offer have been arrived at independently, without, for the purpose of restricting competition, any consultation, communication, or agreement with any other Offeror or competitor relating to (i) those prices, (ii) the intention to submit an offer, or (iii) the methods or factors used to calculate the prices offered;
(2) The prices in this offer have not been and will not be knowingly disclosed by the Offeror, directly or indirectly, to any other Offeror or competitor before bid opening (in the case of a sealed bid solicitation) or contract award (in the case of a negotiated solicitation) unless otherwise required by law; and
(3) No attempt has been made or will be made by the Offeror to induce any other concern to submit or not to submit an offer for the purpose of restricting competition.

(b) Each signature on the offer is considered to be a certification by the signatory that the signatory–

(1) Is the person in the Offeror's organization responsible for determining the prices being offered in this bid or proposal, and that the signatory has not participated and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) above; or
(2) (i) Has been authorized, in writing, to act as agent for the following principals in certifying that those principals have not participated, and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) above _____ [insert full name of person(s) in the Offeror's organization responsible for determining the prices offered in this bid or proposal, and the title of his or her position in the Offeror's organization];
(ii) As an authorized agent, does certify that the principals named in subdivision (b)(2)(i) above have not participated, and will not participate, in any action contrary to subparagraphs (a)(1) through (a)(3) above; and
(iii) As an agent, has not personally participated, and will not participate, in action contrary to subparagraphs (a)(1) through (a)(3) above.

(c) If the Offeror deletes or modifies subparagraph (a)(2) above, the Offeror must furnish with its offer a signed statement setting forth in detail the circumstances of the disclosure.

8. 52.203-11 - CERTIFICATION AND DISCLOSURE REGARDING PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS (APR 1991) (DEVIATION)

(Applies to leases which exceed $100,000.)

(a) The definitions and prohibitions contained in the clause, at FAR 52.203-12, Limitation on Payments to Influence Certain Federal Transactions, are hereby incorporated by reference in paragraph (b) of this certification.

(b) The offeror, by signing its offer, hereby certifies to the best of his or her knowledge and belief that on or after December 23, 1989,–
(1) No Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress on his or her behalf in connection with the awarding of a contract resulting from this solicitation.
(2) If any funds other than Federal appropriated funds (including profit or fee received under a covered Federal transaction) have been paid, or will be paid, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress on his or her behalf in connection with this solicitation, the offeror shall complete and submit, with its offer, OMB standard form LLL, Disclosure of Lobbying Activities, to the Contracting Officer; and
(3) He or she will include the language of this certification in all subcontract awards at any tier and require that all recipients of subcontract awards in excess of $100,000 shall certify and disclose accordingly.

(c) Submission of this certification and disclosure is a prerequisite for making or entering into this contract imposed by section 1352, title 31, United States Code. Any person who makes an expenditure prohibited under this provision or who fails to file or amend the disclosure form to be filed or amended by this provision, shall be subject to a civil penalty of not less than $10,000, and not more than $100,000, for each such failure.

9. 52.209-5 - CERTIFICATION REGARDING DEBARMENT, SUSPENSION, PROPOSED DEBARMENT, AND OTHER RESPONSIBILITY MATTERS (MAR 1996)

(Applies to leases which exceed $100,000 average net annual rental, including option periods.)

(a) (1) The Offeror certifies, to the best of its knowledge and belief, that–

(i)The Offeror and/or any of its Principals–

(A) Are [ ] are not [ ] presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal agency;

(B) Have [ ] have not [ ], within a three-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) contract or subcontract; violation of Federal or State antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, or receiving stolen property; and

(C) Are [ ] are not [ ] presently indicted for, or otherwise criminally or civilly charged by a governmental entity with, commission of any of the offenses enumerated in subdivision (a)(1)(i)(B) of this provision.

(ii) The Offeror has [ ] has not [ ], within a three-year period preceding this offer, had one or more contracts terminated for default by any Federal agency.

(2) "Principals," for the purposes of this certification, means officers; directors; owners; partners; and, persons having primary management or supervisory responsibilities within a business entity (e.g., general manager; plant manager; head of a subsidiary, division, or business segment, and similar positions).

THIS CERTIFICATION CONCERNS A MATTER WITHIN THE JURISDICTION OF AN AGENCY OF THE UNITED STATES AND THE MAKING OF A FALSE, FICTITIOUS, OR FRAUDULENT CERTIFICATION MAY RENDER THE MAKER SUBJECT TO PROSECUTION UNDER SECTION 1001, TITLE 18, UNITED STATES CODE.

(b) The Offeror shall provide immediate written notice to the Contracting Officer if, at any time prior to contract award, the Offeror learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

(c) A certification that any of the items in paragraph (a) of this provision exists will not necessarily result in withholding of an award under this solicitation. However, the certification will be considered in connection with a determination of the Offeror's responsibility. Failure of the Offeror to furnish a certification or provide such additional information as requested by the Contracting Officer may render the Offeror nonresponsible.

(d) Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by paragraph (a) of this provision. The knowledge and information of an Offeror is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

(e) The certification in paragraph (a) of this provision is a material representation of fact upon which reliance was placed when making award. If it is later determined that the Offeror knowingly rendered an erroneous certification, in addition to other remedies available to the Government, the Contracting Officer may terminate the contract resulting from this solicitation for default.

10. 52.204-3 - TAXPAYER IDENTIFICATION (SEP 1989) (VARIATION)

(a) The Offeror is required to submit taxpayer identification information in order to comply with reporting requirements of 26 U.S.C. 6041, 6041A, and 6050M and implementing regulations issued by the Internal Revenue Service (IRS). Failure or refusal by the Offeror to furnish the information may result in a 20 percent reduction of payments otherwise due under the contract. Taxpayer information on the payee, if different from the offeror, is also required; however, it may be provided at the time of award.

(b) Offeror's Taxpayer Identification Number (TIN)

[ ] TIN: _____ [ ] TIN has been applied for. [ ] TIN is not required.

(c) Corporate Status.

[ ] Corporation; [ ] Not a corporate entity; [ ] Sole proprietorship [ ] Partnership

(d) Common Parent.

"Common parent," as used in this solicitation provision, means that corporate entity that owns or controls an affiliated group of corporations that files its Federal income tax returns on a consolidated basis, and of which the Offeror is a member.

[ ] Offeror is not owned or controlled by a common parent.
[ ] Name and TIN of common parent: Name _____ TIN _____

(e) Payee's Taxpayer Identification Number.

[ ] TIN: _____ [ ] TIN has been applied for. [ ] TIN is not required.

11. OFFEROR'S DUNS NUMBER (APR 1996)

Enter number, if known: _____

OFFEROR OR AUTHORIZED REPRESENTATIVE	Name and Address (Including ZIP Code) Signature	Telephone Number Date

APPENDIX F

REPRESENTATIONS AND CERTIFICATIONS

GSA FORM 3518A (SHORT FORM)

REPRESENTATIONS AND CERTIFICATIONS (Short Form) (Simplified Acquisition of Leasehold Interests in Real Property for Leases Up to $100,000 Annual Rent)	Solicitation Number	Dated

Complete appropriate boxes, sign the form, and attach to offer.

The Offeror makes the following Representations and Certifications. NOTE: The "Offeror," as used on this form, is the owner of the property offered, not an individual or agent representing the owner.

1. SMALL BUSINESS REPRESENTATION (JAN 1997)

   (a) It [ ] is, [ ] is not a small business. "Small" means a concern, including its affiliates, that is independently owned and operated, is not dominant in the field of operation, and has average annual gross revenues of $15 million or less for the preceding three fiscal years.

   (b) It [ ] is, [ ] is not a small disadvantaged business. (See 48 CFR 52.219-1 for definitions.)

   (c) It [ ] is, [ ] is not a women-owned small business. (See 48 CFR 52.219-1 for definitions.)

2. 52.222-22 - PREVIOUS CONTRACTS AND COMPLIANCE REPORTS (APR 1984)

   (Applicable to leases which exceed $10,000.)

   The Offeror represents that –

   (a) It [ ] has, [ ] has not participated in a previous contract or subcontract subject either to the Equal Opportunity clause of this solicitation, the clause originally contained in Section 310 of Executive Order No. 10925, or the clause contained in Section 201 of Executive Order No. 11114;

   (b) It [ ] has, [ ] has not filed all required compliance reports; and

   (c) Representations indicating submission of required compliance reports, signed by proposed subcontractors, will be obtained before subcontract awards. (Approved by OMB under Control Number 1215-0072.)

3. 52.222-25 - AFFIRMATIVE ACTION COMPLIANCE (APR 1984)

   (Applicable to leases which exceed $10,000.)

   (Applicable to contracts which include the clause at FAR 52.222-26, Equal Opportunity.)

   The Offeror represents that –

   (a) It [ ] has developed and has on file, [ ] has not developed and does not have on file, at each establishment affirmative action programs required by the rules and regulations of the Secretary of Labor (41 CFR 60-1 and 60-2), or

   (b) It [ ] has not previously had contracts subject to the written affirmative action programs requirement of the rules and regulations of the Secretary of Labor. (Approved by OMB under Control Number 1215-0072.)

4. 52.222-21 - CERTIFICATION OF NONSEGREGATED FACILITIES (APR 1984)

   (Applicable to leases which exceed $10,000.)

   (a) "Segregated facilities," as used in this provision, means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees, that are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, or national origin because of habit, local custom, or otherwise.

   (b) By the submission of this offer, the Offeror certifies that it does not and will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not and will not permit its employees to perform their services at any location under its control where segregated facilities are maintained. The Offeror agrees that a breach of this certification is a violation of the Equal Opportunity clause in the contract.

   (c) The Offeror further agrees that (except where it has obtained identical certifications from proposed subcontractors for specific time periods) it will–

      (1) Obtain identical certifications from proposed subcontractors before the award of subcontracts under which the subcontractor will be subject to the Equal Opportunity clause;
      (2) Retain the certifications in the files; and
      (3) Forward the following notice to the proposed subcontractors (except if the proposed subcontractors have submitted identical certifications for specific time periods).

   NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENT FOR CERTIFICATIONS OF NONSEGREGATED FACILITIES.

   A Certification of Nonsegregated Facilities must be submitted before the award of a subcontract under which the subcontractor will be subject to the Equal Opportunity clause. The certification may be submitted either for each subcontract or for all subcontracts during a period (i.e., quarterly, semiannually, or annually).

NOTE: The penalty for making false statements in offers is prescribed in 18 U.S.C. 1001.
(Approved by OMB under Control Number 1215-0072.)

5. 52.203-11 CERTIFICATION AND DISCLOSURE REGARDING PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS (APR 1991) (DEVIATION)

(Applicable to leases which exceed $100,000.)

(a) The definitions and prohibitions contained in the clause, at FAR 52.203-12, Limitation on Payments to Influence Certain Federal Transactions, are hereby incorporated by reference in paragraph (b) of this certification.

(b) The offeror, by signing its offer, hereby certifies to the best of his or her knowledge and belief that on or after December 23, 1989, --

(1) No Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress on his or her behalf in connection with the awarding of a contract resulting from this solicitation.

(2) If any funds other than Federal appropriated funds (including profit or fee received under a covered Federal transaction) have been paid, or will be paid, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress on his or her behalf in connection with this solicitation, the offeror shall complete and submit, with its offer, OMB standard form LLL, Disclosure of Lobbying Activities, to the Contracting Officer; and

(3) He or she will include the language of this certification in all subcontract awards at any tier and require that all recipients of subcontract awards in excess of $100,000 shall certify and disclose accordingly.

(c) Submission of this certification and disclosure is a prerequisite for making or entering into this contract imposed by section 1352, title 31, United States Code. Any person who makes an expenditure prohibited under this provision or who fails to file or amend the disclosure form to be filed or amended by this provision, shall be subject to a civil penalty of not less than $10,000, and not more than $100,000, for each such failure.

6. 52.204-3 TAXPAYER IDENTIFICATION (SEP 1989) (VARIATION)

(a) The Offeror is required to submit taxpayer identification information in order to comply with reporting requirements of 26 U.S.C. 6041, 6041A, and 6050M and implementing regulations issued by the Internal Revenue Service (IRS). Failure or refusal by the Offeror to furnish the information may result in a 20 percent reduction of payments otherwise due under the contract. Taxpayer information on the payee, if different from the offeror, is also required; however, it may be provided at the time of award.

(b) Offeror's Taxpayer Identification Number (TIN).

[ ] TIN: _____. [ ] TIN has been applied for. [ ] TIN is not required.

(c) Corporate Status.

[ ] Corporation; [ ] Not a corporate entity; [ ] Sole proprietorship [ ] Partnership

(d) Common Parent.

"Common parent," as used in this solicitation provision, means that corporate entity that owns or controls an affiliated group of corporations that files its Federal income tax returns on a consolidated basis, and of which the Offeror is a member.

[ ] Offeror is not owned or controlled by a common parent.
[ ] Name and TIN of common parent: Name _____ TIN _____

(e) Payee's Taxpayer Identification Number.

[ ] TIN: _____ [ ] TIN has been applied for. [ ] TIN is not required.

7. OFFEROR'S DUNS NUMBER (AUG 1995) (enter number, if known): _____

OFFEROR OR AUTHORIZED REPRESENTATIVE	Name and Address (Including ZIP Code)	Telephone Number
	_____ Signature	_____ Date

INITIALS: _____ & _____
LESSOR GOVERNMENT

Appendix G

APPENDIX G

OPTIONAL FORM

PROPOSAL TO LEASE SPACE

GSA FORM 1364

SFO No. _____

PROPOSAL TO LEASE SPACE

Section I - Description of Premises

Building Name and Address:

_____

_____

_____

Building Description:

Number of Floors _____

Total Rentable Square Feet _____

Local Measurement Method _____

Section II - Space Offered, Initial Lease and Renewal Rental Rates

OFFICE

Floor	Rentable Square Feet	Common Area Factor*	Full (F)/ Partial (P) Floor	Initial Term, Annual Rate per Sq.Ft.	Renewal Term, Annual Rate per Sq.Ft.
Total					

STORAGE

Total					

SPECIAL

Total					

* Common Area Factor applicable for share of common areas if included in rentable Square Feet

PARKING

Number of spaces for building under control of Offeror Inside # / Outside #	Number of parking spaces furnished for use by Government employees Inside # / Outside #	If parking spaces are provided because of local law or regulation, and no charge for parking is intended, MARK HERE _____	If there is a charge for Government employee parking, show amount that will be charged for each parking space: $_____

Total Rentable Square Feet Offered _____ **Overtime Rate/Hour** _____

Composite Rate Per Square Foot _____ **Total Annual Rent** _____

SERVICES AND UTILITIES INCLUDED IN RENT _____ **Full** _____ **Partial** (list those excluded below)

_____

_____

SFO No. _____

Section III - Lease Terms

Initial Lease

Initial Term: Rate _____ Term Length _____

Offer **GOOD** Until _____

Number of Days Notice to Terminate Lease _____

Number of Days Notice to Renew Lease _____

Space to be delivered within _____ calendar days from award.

Renewal Options

Renewal Periods: Rate _____ Term Length _____ No. of Renewal Options _____

List of Attachments

- Floor plans for floors offered (including proposed corridor pattern for typical full and/or partial floor and any other information to demonstrate that they are within the BOMA Usable range)
- General Clauses
- Representations and Certifications
- Lessor's Annual Cost Statement, GSA Form 1217
- _____
- _____
- _____
- _____

Section IV - Owner Identification and Certifications

Recorded Owner Name and Address

_____

_____

_____

Owner Operates as

_____ Individual

_____ Partnership

_____ Corporation

Taxpayer Identification Number

_____

Offeror Name and Address

_____

_____

_____

Offeror's Interest in Property

_____ Owner

_____ Agent

_____ Other (Specify)

The Offeror agrees upon acceptance of this proposal by the herein specified date, to lease to the United States of America, the premises described, upon the terms and conditions as specified herein, in full compliance with and acceptance of the aforementioned Solicitation, with attachments.

_____ _____ _____

Offeror Signature Title Date

Appendix 8

APPENDIX 8-1

U.S DEPARTMENT OF ENERGY
REAL PROPERTY UTILIZATION SURVEY
FPMR 101-47.8 STANDARDS ON BACK OF FORM

Responsible Office _____ 3. Location(City or County, State) _____

2. Facility Name _____

4. Acreage _____
5. Estimated fair market value (EFMV) of land owned: $ _____
6. Acquired by : 6a. Purchase ☐ 6b. Donation ☐ 6c. Exchange ☐ 6d. Other (Describe) ☐

7. Purpose (use) of facility: _____

8. Improvements: 8a. Yes ☐ 8b. No ☐ 9. Number of improvements: None ☐ 1-50 ☐ over 50 ☐
9a. Type of improvements with gross square footage: _____

9b. EFMV of improvements: $ _____ 10. Total EFMV: $ _____
11. Use of site: 11a. Year round ☐ 11b. Periodic ☐ (Give dates): _____
12: Is site jointly used by others? 12a. Federal Agency ☐ 12b. State or local Government ☐ 12c. Business or individual ☐ 12d. No ☐
13. Explain outgrants (e.g. easements, licenses, permits) _____

14. Future plans for use of site: _____

	Yes	No	N/A
15. Is property use compatible with surroundings?	___	___	___
16. Could operating and maintenance costs be reduced if site was relocated?	___	___	___
17. Will contemplated program changes alter property requirements?	___	___	___
18. Are buffer zones kept to a minimum?	___	___	___
19. Is Government-owned land essential to meet program requirements?	___	___	___
20. Is property being retained because it is considered undesirable or landlocked?	___	___	___
21. Is there land or space available for use by others on a temporary basis:	___	___	___

22. Degree of utilization: Definitions on back of form. Check one box and use remarks for further explanation. 22a. ☐ Fully utilized: 22b. ☐ Underutilized: 22c. ☐ Not utilized ☐ 22c. Not put to optimum use: _____

23. Remarks: _____

24. Previous survey: 24a. Annual ☐ 24b. Executive Order 5 year ☐ 24c. GSA ☐
24d. Date _____ 24e. Determination: _____

25. This site and/or improvements are recommended for: 25a.Retention ☐
25b. Partial excess ☐ 25c. Excess ☐

26. Surveyed by: (Name, Title, and Date)

27. Reviewed by: (Name, Title, and Date)

Definitions:

Fully utilized: The site and improvements are in full use, all property is essential for accomplishment of the mission of the agency. No portion of the site could be disposed of without detrimental effect on program accomplishment.

Underutilized: The site and improvements are only partially used for program purposes. A definable portion of the and/or improvements could be utilized by others or disposed of without detrimental effect on program accomplishm Show amount of land or improvements considered underutilized.

Not utilized: The site and/or improvements are not in full use by the owning agency or use is so minimal that the site could be used by others or excessed. What action has been taken to excess or improve use of site?

Not put to optimum use: The site and/or improvements are utilized in some degree, but there are potential uses which would be of greater value in terms of program accomplishment, income from sale, etc.

§101-47.801 Standards.

Each executive agency shall use the following standards in identifying unneeded Federal property.

(a) *Definitions.* (1) *Not utilized.* "Not utilized" means an entire property or portion thereof, with or without improvements, not occupied for current program purposes of the accountable executive agency, or occupied in caretaker status only.

(2) *Underutilized.* "Underutilized" means an entire property or portion thereof, with or without improvements:

(i) Which is used only at irregular periods or intermittently by the accountable executive agency for current program purposes of that agency; or

(ii) Which is used for current program purposes that can be satified with only one portion of the property.

(3) *Not being put to optimum use.* "Not being put to optimum use" means an entire property or portion thereof, with or without improvements, which:

(i) Even though utilized for current program purposes of the accountable executive agency is of such nature or value, or is in such a location that it could be utilized for a different significantly higher and better purpose; or

(ii) The costs of occupying are substantially higher than would be applicable for other suitable properties that could be made available to the accountable executive agency through transfer, purchase, or lease with total net savings to the Government after consideration of property values as well as costs of moving, occupancy, efficiency of operations, environmental effects, regional planning, and employee morale.

(b) *Guidelines.* The following general guidelines shall be considered by each executive agency in its annual review (see § 101-47.802):

(1) Is the property being put to its highest and best use?

(i) Consider such aspects as surrounding neighborhood, zoning, and other environmental factors;

(ii) Is present use compatible with State, regional, or local development plans and programs?

(iii) Consider whether Federal use of the property would be justified if an equivalent commercial rental charge for its use was added to the program costs for the function it is serving.

(2) Are operating and maintenance costs excessive?

(3) Will contemplated program changes alter property requirement?

(4) Is all of the property absolutely essential for program requirements?

(5) Will local zoning provide sufficient protection for necessary buffer zones if a portion of the property is released?

(6) Are buffer zones kept to an absolute minimum?

(7) Is the present property inadequate to serve contemplated future programs?

(8) Can net savings be realized through relocation considering property values or rentals, cost of moving, occupancy, and increased efficiency of operations?

(9) Have developments on adjoining nonfeder owned land or public access or road rights-of-way granted across the Government-owned land rendered the property or any portion thereof unsuitable or unnecessary for program requirements?

(10) If Federal employees are housed in Government-owned residential property, is the local market willing to acquire Government-owned housing or can it provide the necessary housing and other related services, thereby enabling the government-owned housing area to be released?

(11) Can the land be disposed of and program requirements satisfied through reserving rights and interests to the Government in the property if it is released?

(12) Is a portion of any property being retained primarily because the present boundaries are marked by the existence fences, hedges, roads, and utility systems?

(13) Is any land being retained merely because it is considered undesirable property due to topographical features or to encumbrances for rights-of-way or because it is believed to be not disposable?

(14) Is land being retained merely because it is landlocked?

(15) Is there land or space in Government-owned buildings which can be made available for utilization by others within or outside Government on a temporary basis?

APPENDIX 8-2

****

U.S. DEPARTMENT OF ENERGY
REAL PROPERTY ANNUAL REVIEW - LEASED FACILITY
(Definitions and Instructions Attached)

****

1. Responsible Office_____ 2. Lease (Lse) Type_____
3. Building (Bldg) Name_____ 4. Bldg Address_____
5. Lessor_____ 6. Lessee_____
7. Lse No._____ 8. Original Occupancy Date_____
9. Beginning Date of Current Lse Term_____ 10. Lse Expiration Date_____
11. Current Annual Rent_____
12. Fully Serviced - Yes____No____ 13. Serv./Util. (S/U) not included (ni)_____
14. Cost - S/U ni_____
15. Renewal Terms_____ 16. Renewal Annual Rent_____
17 Renewal Notice_____
18. Lessee Cancellation Rights_____
19. Lessor Cancellation Rights_____
20. Bldg use_____
21. Square Feet: Lse Total_____ Office_____ Storage_____ Special_____
22. Parking Spaces_____ 23. Acreage (Land Lse Only)_____
24. Land Use (Land Lse Only)_____

	Yes	No	N/A
25. Will anticipated program changes alter space requirements?	___	___	___
26. Is all support space being efficiently utilized?	___	___	___
27. Can any future expansion needs be satisified in this building?	___	___	___

28. Number of Occupying Personnel: Total_____ Office_____
29. Degree of Utilization: Check appropriate box and use remarks for further explanation or discussion: 29a. ☐ Fully utilized: 29b. ☐ Underutilized: 29c. ☐ Not utilized: 29d. ☐ Not put to optimum use:
30. The lease for this building and/or land is recommended for: 30a. ☐ Retention: 30b. ☐ Renewal: 30c. ☐ Cancellation:
31. Remarks:_____

32. _____
Annual Review by: (Name, Title and Date)
33. _____
Approved by: (Name, Title and Date)

DEFINITIONS:

Fully utilized: The property under lease is in full use and is essential for accomplishment of the agency mission. No portion of the property could be disposed of without detrimental effect on program accomplishment.
Underutilized: The property under lease is only partially used for program purposes. A definable portion of the leased property could be utilized by others or disposed of without detrimental effect on program accomplishment. Identify portion of leased property considered underutilized.
Not utilized: The property under lease is not in full use by the agency or use is so minimal that the property could be used by others or excessed. What action has been taken to excess or improve use of the property?
Not put to optimum use: The property under lease is utilized in some degree, but there are potential uses which would be of greater value in terms of program accomplishment, income from sale, etc.

INSTRUCTIONS:

The following instructions explain what information is requested for various of the items on the Leased Facility Annual Review form.

Item No.	Information Required
1.	This item should identify either an operations office, technology center, power administration, etc.
2.	Identify what is being leased such as a building, parking, land, or a combination, etc.
4.	Here include street address, city and state.
6.	Identify the specific DOE or contractor office which executed the lease.
8.	Show the date DOE or the contractor initially occupied the leased building or assumed leasehold interest in a land lease.
9.	Identify the effective date of the lease term now in effect.
10.	Identify the expiration date of the lease term now in effect.
13.	Items here may include electricity, janitor services, water & sewer, etc.
14.	If the services and utilities, not included in the lease rental, are obtained under a subcontract the actual costs should be shown. If they are furnished by force account use the best estimated cost available.
15.	Identify the number of renewal terms and length of each in years.
16.	Identify if a specific renewal rate is reflected in the lease, if the current rental will continue with escalator adjustments in accordance the lease terms or another method is used to determine the renewal rate.
17.	Show the date by which the renewal notice must be exercised.
18.	Indicate if whole and/or partial cancellation is allowed, how much notice is required and the date after which cancellation may be exercised.
19.	The same as No. 18 above.
20.	Identify by predominant use such as office, warehouse, laboratory, etc.
21.	To the extent possible identify the breakdown of space as listed.
26.	Support space is that not continuously occupied by agency personnel such as conference rooms, libraries, file areas, etc., but is still as-built office type space.

APPENDIX 8-3

STANDARD FORM 118
DECEMBER 1953
PRESCRIBED BY GENERAL SERVICES ADMINISTRATION
FPMR (41 CFR) 101-47.202

REPORT OF EXCESS REAL PROPERTY

1. HOLDING AGENCY NO.	DATE RECEIVED (*GSA use only*)
2. DATE OF REPORT	GSA CONTROL NO. (*GSA use only*)

3. TO (*Furnish address of GSA regional offices*)	4. FROM (*Name and address of holding agency*)
General Services Administration	
5. NAME AND ADDRESS OF REPRESENTATIVE TO BE CONTACTED	6. NAME AND ADDRESS OF CUSTODIAN
7. PROPERTY IDENTIFICATION	8. PROPERTY ADDRESS (*Give full location*)

9. SPACE DATA

USE	NUMBER OF BUILDINGS (1)	FLOOR AREA (*Sq. ft.*) (2)	NUMBER OF FLOORS (3)	FLOOR LOAD CAPACITY (4)	CLEAR HEADROOM (5)
A. OFFICE					
B. STORAGE					
C. OTHER (*See 9 F*)					
D. TOTAL (*From SF 118a*)					
E. GOV'T INTEREST: (1) OWNER			F. SPECIFY "OTHER" USE ENTERED IN C ABOVE		
(2) TENANT					

10. LAND

(*From SF 118b*)	ACRE OR SQUARE FEET
A. FEE	
B. LEASED	
C. OTHER	
D. TOTAL	

11. COST TO GOVERNMENT

ITEM	SCHEDULE	COST
A. BUILDINGS, STRUCTURES, UTILITIES, AND MISCELLANEOUS FACILITIES	A (*Col. d*)	$
B. LAND	B (*Col. f*)	
C. RELATED PERSONAL PROPERTY	C (*Col. h*)	
D. TOTAL (*Sum of 11A, 11B, and 11C*)		$
E. ANNUAL PROTECTION AND MAINTENANCE COST (*Government-owned or leased*)		

12. LEASEHOLD(S) DATA (*Use separate sheet if necessary*)

A. TOTAL ANNUAL RENTAL	$
B. ANNUAL RENT PER SQ. FT. OR ACRE	$
C. DATE LEASE EXPIRES	
D. NOTICE REQUIRED FOR RENEWAL	
E. TERMINAL DATE OF RENEWAL RIGHTS	
F. ANNUAL RENEWAL RENT PER SQ. FT. OR ACRE	$
G. TERMINATION RIGHTS (*in days*) LESSOR / GOVERNMENT	

13. DISPOSITION OF PROCEEDS	14. TYPE OF CONSTRUCTION
15. HOLDING AGENCY USE	16. RANGE OF POSSIBLE USES

17. NAMES AND ADDRESSES OF INTERESTED FEDERAL AGENCIES AND OTHER INTERESTED PARTIES

18. REMARKS

19. REPORT AUTHORIZED BY	NAME	SIGNATURE
	TITLE	

118-103

U.S. GOVERNMENT PRINTING OFFICE 16—60840-4

STANDARD FORM 118a
DECEMBER 1953
PRESCRIBED BY GENERAL
SERVICES ADMINISTRATION
REGULATION 2-IV-201.00

BUILDINGS, STRUCTURES, UTILITIES, AND MISCELLANEOUS FACILITIES

SCHEDULE A—SUPPLEMENT TO REPORT OF EXCESS REAL PROPERTY

1. HOLDING AGENCY NO.

2. PAGE OF PAGES OF THIS SCHEDULE

GSA CONTROL NO. (*GSA use only*)

3. ANNUAL RENTAL

LINE NO. (a)	HOLDING AGENCY BUILDING NO. (b)	DESCRIPTION (c)	COST (d)	OUTSIDE DIMENSIONS (e)	FLOOR AREA (*Sq. ft.*) (f)*	NO. OF FLOORS (g)*	CLEAR HEADROOM (h)*	FLOOR LOAD RANGE (i)*	RESTRICTIONS ON USE OR TRANSFER OF GOVERNMENT INTEREST (j)
1									
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
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25									
26									
27									
28									
29									
30									
31									
32									
		TOTAL							

Prefix figures with symbols to denote type of space, as follows: (a) for office; (b) for storage; (c) for other.

16—69841-1 U. S. GOVERNMENT PRINTING OFFICE

ST[illegible]D FORM 118b
DECEMBER 1953
PRESCRIBED BY GENERAL
SERVICES ADMINISTRATION
REGULATION 2-IV-201.00

LAND

SCHEDULE B—SUPPLEMENT TO REPORT OF EXCESS REAL PROPERTY

1. HOLDING AGENCY NO.	2. PAGE [illegible] OF PAGES OF THIS SCHEDULE
3. GOVERNMENT INTEREST ☐ LEASE ☐ LICENSE ☐ PERMIT ☐ EASEMENT ☐ FEE ☐ INFORMAL AGREEMENT	GSA CONTROL NO. (GSA use only)

LINE NO. (a)	TRACT NO. (b)	NAME OF FORMER OWNER OR LESSOR AND ADDRESS (c)	TRACT ACQUIRED (Acres or sq. ft.) (d)	EXCESS REAL PROPERTY ACRES OR SQUARE FEET (e)	EXCESS REAL PROPERTY COST (f)	EXCESS REAL PROPERTY ANNUAL RENTAL (g)	TYPE OF ACQUISITION (h)	RESTRICTIONS ON USE OR TRANSFER OF GOVERNMENT INTEREST (i)
1								
2								
3								
4								
5								
6								
7								
8								
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29								
30								
31								
32								
		TOTAL						

U. S. GOVERNMENT PRINTING OFFICE 16—69842-1

STANDARD FORM 118c
DECEMBER 1953
PRESCRIBED BY GENERAL SERVICES ADMINISTRATION
REGULATION 2-IV-201.00

RELATED PERSONAL PROPERTY

SCHEDULE C—SUPPLEMENT TO REPORT OF EXCESS REAL PROPERTY

1. HOLDING AGENCY NO.

2. PAGE OF PAGES OF THIS SCHEDULE

3. SCC GROUP (*2 digits*)

GSA CONTROL NO. (*GSA use only*)

ITEM NO. (a)	DESCRIPTION (b)	STANDARD COMMODITY CLASSIFICATION (c)	CONDITION (d)	UNIT (e)	NUMBER OF UNITS (f)	UNIT COST (g)	TOTAL COST (h)	DO NOT USE THIS SPACE (i)
	TOTAL							

U. S. GOVERNMENT PRINTING OFFICE 16—69835-1

APPENDIX 8-4

QUITCLAIM DEED

THIS INDENTURE, made this _____ day of _____, 19_____, between the UNITED STATES OF AMERICA, acting by and through the Department of Energy, hereinafter called the "GOVERNMENT," and _____, hereinafter called the "GRANTEE."

W I T N E S S E T H:

That the Government, in consideration of the sum of _____ Dollars ($_____), in hand paid by the Grantee, the receipt of which is hereby acknowledged, has, under the authority of _____ _____, remised, released, and quitclaimed, and by these presents does remise, release, and quitclaim, unto the Grantee and its heirs, assigns, successors, administrators, and executors, forever, without any warranty express or implied, all right, title, and interest which the Government has in and to the following described property, to-wit:

EXCEPTING the following interests and rights which the Government reserves unto itself and its assigns:

IN WITNESS WHEREOF, the Government has executed this Quitclaim Deed as of the day and year first above written.

UNITED STATES OF AMERICA

WITNESS_____ BY_____
TITLE:

APPENDIX 8-5

DEPARTMENT OF ENERGY

LEASE FOR AGRICULTURAL OR GRAZING PURPOSES

PART I

THIS LEASE, entered into this _____ day of _____, 19_____, between the United States of America, acting by and through the Department of Energy, hereinafter referred to as the "GOVERNMENT," and _____, hereinafter referred to as the "LESSEE."

W I T N E S S E T H:

1. That the Secretary of Energy, under the authority of Section 649 of the Department of Energy Organization Act (Public Law 91-95), having determined that the property hereby leased is not excess property as defined by Section 3(e) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 472), is not for the time needed for public use, and the leasing thereof will be advantageous to the Government and in the public interest, hereby leases to the Lessee, the following described property, hereinafter referred to as the "LEASED PROPERTY:"

_____

_____

_____

_____

_____,

located on the _____

_____,

hereinafter referred to as the "INSTALLATION," as further delineated, in red, on the map marked Exhibit "A," attached hereto and made a part hereof.

2. Attached hereto and made a part hereof is a Condition Report, marked Exhibit "B," signed by the representatives of the Government and the Lessee, which sets forth the condition of the Leased Property as of the date of entry into this Lease as determined from their joint inspection.

3. The initial term of this Lease shall begin on the _____ day of _____, 19_____, and end on the _____ day of _____, 19_____, unless sooner terminated in accordance with Article E of Part II, General Provisions of this Lease.

4. The Lessee may extend the term of this Lease by delivering a written notice of intent to the Local Government Representative no less than ninety (90) days before the end of the then current term under the following terms and conditions:

_____

_____

_____

_____

In any event, this Lease will not be in effect for more than five (5) years from the date of commencement of the initial term.

5. The Lessee shall pay the Government the annual rental of $_____. The rent shall be payable at the rate of $_____ per _____, in advance, in conformity with Article W of Part II, General Provisions of this Lease.

6. The sole purpose for which the Lessee shall use the Leased Property is:

_____
_____
_____
_____
_____.

The Lessee must obtain the written approval of the Local Government Representative prior to using the Leased Property for any other purpose than that specified above.

7. To secure the faithful performance of its obligation hereunder, the Lessee shall provide the Government with either: (a) collateral security in the form of cash or negotiable Government bonds, or (b) a Performance Bond issued by a corporate surety and satisfactory to the Government in all respects, in the amount of $_____. If the Government shall at any time determine that an increase in the amount of security is necessary to make same commensurate with the Lessee's obligation hereunder, the Lessee shall furnish such additional security promptly upon request.

8. For the purpose of this Lease, the Local Government Representative is _____, and notices as required hereunder shall be forwarded to _____
_____
_____.

9. For the purpose of this Lease, the Lessee's Local Representative is _____, and notices as required hereunder shall be forwarded to _____
_____
_____.

10. The following changes and additions were made to this Lease prior to execution. Any additional specific provisions added shall control in the event of any conflict with Part II, General Provisions of this Lease.

_____
_____
_____
_____
_____

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed on their behalf by their duly authorized representatives as of the date first written above.

LESSEE:

Witness_____ By_____
Title:
Date:

THE UNITED STATES OF AMERICA

Witness_____ By_____
Title:
Date:

DEPARTMENT OF ENERGY

LEASE FOR AGRICULTURAL OR GRAZING PURPOSES

GENERAL PROVISIONS

PART II

A. GENERAL MAINTENANCE OBLIGATION

Lessee, at its own expense, shall so protect, preserve, maintain, and repair the Leased Property, that the same will at all times be kept in at least as good condition as when received hereunder, subject, however, to ordinary wear and tear and loss or damage for which Lessee is not liable hereunder.

B. PROHIBITION OF FEDERAL SUBSIDY PARTICIPATION

Notwithstanding the uses permitted to it in Article 6 of this Lease, Lessee shall at no time during the term of this Lease, or any extension thereof, use the Leased Property or its interest therein in any manner which shall constitute direct participation in any subsidy program of the Federal Government relative to either the use or abstention from use of the Leased Property.

C. CONDITION OF LEASED PROPERTY

Lessee has examined, knows, and accepts the condition and state of repair of the Leased Property and the Installation of which it forms a part, and acknowledges that the Government has made no representation concerning such condition and state of repair, nor any agreement or promise to alter, improve, adapt, repair, or keep in repair the same, or any item thereof, which has not been fully set forth in this Lease which contains all agreements made and entered into between Lessee and the Government.

D. EXISTING AND FUTURE EASEMENTS AND RIGHTS OF WAY

This Lease is subject to all outstanding easements and rights of way over, across, in, and upon the Leased Property, or any portion thereof, and to the right of the Government to grant such additional easements and rights of way over, across, in, and upon the Leased Property as the Government shall determine to be in the public interest, provided, that any such additional easement or right of way shall not unreasonably interfere with Lessee's right of peaceful occupancy. In the event of incompatibility of use, this Lease shall be terminated in accordance with Article E of this Part II. There is hereby reserved to the holders of such easements and rights of way as are presently outstanding or which may hereafter be granted, to any workers officially engaged in the construction, installation, maintenance, operation, repair, or replacement of facilities located thereon, and to any Federal, State, or local official engaged in the official inspection thereof, such reasonable rights of ingress and egress over the Leased Property as shall be necessary for the performance of their duties with regard to such facilities.

E. TERMINATION BY GOVERNMENT

The Government may terminate this Lease under the terms and conditions of this Article E.

(1) If Lessee fails to perform any of the terms or conditions of this Lease, the Government may elect to terminate this Lease and no adjustment of any advance rentals paid by Lessee shall be made, and the Government shall be entitled to recover and Lessee shall pay to the Government:

(a) The costs incurred in resuming possession of the Leased Property.

(b) The costs incurred in performing any obligation on the part of Lessee to be performed hereunder.

(c) An amount equal to the aggregate of all rents and charges assumed hereunder and not theretofore paid or satisfied, less the net rentals, if any, collected by the Government on the reletting of the Leased Property, which amounts shall be due and payable at the time when such rents, obligations, and charges would have accrued or become due and payable under this Lease.

(d) The Government may, at its option, attach any livestock or crops of Lessee on the Leased Property in full or partial satisfaction of Lessee's obligations under this Article.

(2) In the event that the Government's requirements necessitate immediate possession of the Leased Property, such as in the event of a national emergency or a change in the scope of the strategically essential mission of the Installation, so as to require immediate removal and vacation of the Leased Property, the Government may terminate this Lease, and Lessee shall be entitled to:

(a) An equitable adjustment of any advance rentals or charges paid by Lessee hereunder.

(b) Lessee may also be entitled to reimbursement of the following expenses when caused to vacate the Leased Property under the provision of this Article E(2):

1. Transportation of personal property, including livestock from the Leased Property to the replacement site, not to exceed a distance of fifty (50) miles except where the Local Government Representative determines that relocation beyond fifty (50) miles is justified.

2. Damage to or loss of unharvested crops, to be based on the Government's approved appraisal.

3. Insurance premiums covering loss and damage of personal property while in storage or transit.

4. Packing and unpacking, crating and uncrating of personal property.

5. Storage of personal property for a period generally not to exceed three (3) months, when the Local Government Representative determines that storage is necessary in connection with the relocation. The three (3) month period shall be counted from the date of receipt by the Lessee of written notice from the Local Government Representative to vacate.

6. Other reasonable expenses determined to be allowable and approved by the Local Government Representative.

7. Prior to payment of any expenses, Lessee shall be required to agree, in writing, that (i) the property is personalty and (ii) that the Government is released from any additional claims for reimbursement of relocation expenses.

F. SUBJECTION TO GOVERNMENT LAND USE CONSERVATION PLAN

During the term of this Lease the Lessee shall apply the conservation measures and use the Leased Property in accordance with the Land Use Conservation Plan attached hereto and made a part hereof. Lessee shall in no manner substantially change the contour of condition of the land constituting any part of the Leased Property except for such changes as shall be reasonably required to effect soil or water conservation measures.

G. SURRENDER

Upon the expiration of this Lease or its prior termination, in whole or in part, Lessee shall quietly, and peacefully remove itself and its property from the Leased Property, or part thereof as to which this Lease shall be terminated, and surrender the possession thereof to the Government. Upon failure or neglect of Lessee to so remove, the Government and its officers or agents may enter the Leased Property and cause the removal of all persons and property therefrom without recourse to any action or proceeding at law or in equity. Lessee hereby expressly waives any provision of law requiring notice to quit possession of the Leased Property. Such removal shall be at the sole cost and expense of Lessee and Lessee shall indemnify and save and hold harmless the Government, its officers, agents, and employees for and from any and all liability or claims for damages of any nature whatsoever which may arise out of or be attributable to such removal.

H. RESTORATION OF LEASED PROPERTY

Before the expiration or prior termination of this Lease, at the direction of the Local Government Representative, Lessee shall restore the Leased Property and each item thereof to the condition in which it was received, or to such improved condition as may have resulted from any improvement made therein

by the Government or by Lessee during the Lease term, subject however, to ordinary wear and tear and loss or damage for which Lessee is not liable hereunder; provided, in the event the Government shall terminate this lease upon less than thirty (30) days notice Lessee shall have thirty (30) days from receipt of notice of termination to accomplish such restoration, or such additional time as the Local Government Representative may determine is fair and reasonable.

I. INSTALLATIONS, ALTERATIONS, AND REMOVALS

Subject to the prior written approval of the Government, Lessee shall have the right to erect, at its own expense, such temporary structures on the Leased Property as may be necessary or incidental to its use thereof under this Lease. All such structures shall remain the property of Lessee and Lessee shall remove same from the Leased Property prior to the expiration of the term of this Lease, as the same may be extended, or the earlier termination thereof, provided, in the event the Government shall terminate this Lease upon less than thirty (30) days notice Lessee shall have thirty (30) days from receipt of notice of termination to accomplish such removal. All property not so removed shall be deemed abandoned by Lessee and may be used or disposed of by the Government in any manner whatsoever without any liability to account to Lessee therefor, but such abandonment shall in no way reduce any obligation of Lessee hereunder to restore the premises.

J. GOVERNMENT NON-LIABILITY/LESSEE LIABILITY

(1) Lessee covenants that it will indemnify and save and hold harmless the Government, its officers, agents, and employees for and from any and all liability or claims for damages to property or injuries to or death of persons which may arise from or be incident to the use and occupancy of the Leased Property, or for damages to the property or injuries to the person of Lessee (if an individual), or damages to the property or injuries to or death of the person of Lessee's officers, agents, servants, employees, or others who may be on said premises at their invitation or the invitation of any one of them, arising from Governmental activities.

(2) Lessee further covenants that any property of the Government damaged or destroyed by Lessee incident to Lessee's use and occupancy of the Leased Property shall be promptly repaired or replaced by Lessee to the satisfaction of the Local Government Representative, or in lieu of such repair or replacement Lessee shall, if so required by the said officer, pay to the Government money in an amount sufficient to compensate for the loss sustained by the Government by reason of the destruction of the property.

K. UTILITIES AND SERVICES

In the event that the Government shall furnish Lessee with any utilities and services maintained by the Government which Lessee may require in connection with its use of the Leased Property, Lessee shall pay the Government the charges therefor in addition to the cash rent required under this Lease.

Such charges and the method of payment thereof shall be determined by the appropriate supplier of such services, in accordance with applicable laws and regulations, on such basis as the appropriate supplier of such service may establish, which may include a requirement for the installation of adequate connecting and metering equipment at the sole cost and expense of Lessee. It is expressly agreed and understood that the Government in no way warrants the continued maintenance or adequacy of any utilities or services furnished by it to Lessee.

L. LIENS

Lessee shall promptly discharge or cause to be discharged any valid lien, right in rem, claim or demand of any kind, except one in favor of the Government, which at any time may arise or exist with respect to the Leased Property or materials or equipment furnished therefor, or any part thereof, and if the same shall not be promptly discharged by Lessee, the Government may discharge, or cause to be discharged, the same at the expense of Lessee.

M. ACCESS

The Government shall have access to the Leased Property at all reasonable times for any purposes not inconsistent with the quiet enjoyment thereof by Lessee, including, but not limited to, the purpose of inspection. Wherever practicable, the Government shall give advance notice of such inspection to Lessee and offer the opportunity to accompany the Local Government Representative or his designee.

N. STATE AND LOCAL TAXES

In the event that as a result of any future Act of Congress, subjecting Government-owned property to taxation, any taxes, assessments, or similar charges are imposed by State or local authorities upon the Leased Property (other than upon Lessee's possessory interest therein), Lessee shall pay the same when due and payable and this Lease shall be renegotiated so as to accomplish an equitable reduction in the amount of the Rent specified in Article 5 of Part I hereof, which reduction shall in no event exceed the amount of such taxes, assessments, or similar charges; provided, in event the parties hereto are unable to agree within ninety (90) days from the date of the imposition of such taxes, assessments, or similar charges, upon a rental which in the opinion of the Local Government Representative constitutes a reasonable return to the Government on the Leased Property, the Local Government Representative shall have the right to determine the amount of the rental, which determination shall be binding on Lessee, subject to appeal as a dispute in accordance with the provisions of the Contract Dispute Act of 1978 (41 U.S.C. 601-613).

O. EQUAL EMPLOYMENT OPPORTUNITY

In connection with the performance of work under this Lease, Lessee agrees not to discriminate against any employee or applicant for employment because of race, religion, color, age, sex, or national origin. The aforesaid provision shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for

training, including apprenticeship. Lessee agrees to post hereafter in conspicuous places available for employees and applicants for employment, notices setting forth the provisions of the nondiscrimination clause. Lessee further agrees to insert the foregoing provision in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials.

P. COVENANT AGAINST CONTINGENT FEES

Lessee warrants that no person or selling agency has been employed or retained to solicit or secure this Lease upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bonafide employees or bonafide established commercial or selling agencies maintained by Lessee for the purpose of securing business. For breach or violation of this warranty the Government shall have the right to annul this Lease without liability or in its discretion to add to the rental price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee. (Licensed real estate agents or brokers having listings on property for rent, in accordance with general business practices, and who have not obtained such licenses for the sole purpose of effecting this Lease, may be considered as bonafide employees or agencies within the exception contained in this clause.)

Q. OFFICIALS NOT TO BENEFIT

No member of or delegate to Congress, or resident commissioner, shall be admitted to any share or part of this Lease, or to any benefit arising from it. However, this clause does not apply to this Lease to the extent that this Lease is made with a corporation for the corporation's general benefit.

R. FAILURE OF GOVERNMENT TO INSIST ON COMPLIANCE

The failure of the Government to insist, in any one or more instances, upon performance of any of the terms, covenants, or conditions of this Lease shall not be construed as a waiver or relinquishment of the Government's right to the future performance of any such terms, covenants, or conditions and Lessee's obligations with respect to such future performance shall continue in full force and effect.

S. ASSIGNMENT OR SUBLETTING

Lessee shall not transfer or assign this Lease or any interest herein nor sublet or otherwise make available to any third party or parties any portion of the Leased Property or rights therein without the prior written consent of the Government. Under any assignment made, with or without consent, the assignee shall be deemed to have assumed all of the obligations of Lessee hereunder, but no assignment shall relieve the assignor of any of Lessee's obligations hereunder except for an extension of the lease term beginning after such assignment, and then only if the Government shall have consented thereto.

T. GRATUITIES

(1) The right of Lessee to proceed may be terminated by written notice if, after notice and hearing, the agency head or a designee determines that Lessee, it agents, or another representative:

(a) Offered or gave a gratuity (e.g., an entertainment or gift) to an officer, official, or employee of the Government; and

(b) Intended, by the gratuity, to obtain a lease or favorable treatment under a lease.

(2) The facts supporting this determination may be reviewed by any court having lawful jurisdiction.

(3) If this Lease is terminated under paragraph (1) above, the Government is entitled to pursue the same remedies as in a breach of the lease.

(4) The rights and remedies of the Government provided in this clause shall not be exclusive and are in addition to any rights and remedies provided by law or under this Lease.

U. GOVERNMENT RULES AND REGULATIONS

Lessee shall comply with such rules and regulations regarding installation security, ingress, egress, safety, and sanitation as may be prescribed, from time to time, by the Local Government Representative.

V. NOTICES

No notice, order, direction, determination, requirement, consent, or approval under this Lease shall be of any effect unless in writing. All notices required under this Lease shall be addressed to Lessee, or to the Local Government Representative, as may be appropriate, at the addresses thereof specified in this Lease or at such other addresses as may from time to time be agreed upon by the parties hereto.

W. PAYMENTS

All payments to the Government required under this Lease shall be made by check or money order made payable to the Department of Energy and delivered to the Local Government Representative.

X. INTEREST

Notwithstanding any other provision of this Lease, unless paid within thirty (30) days, all amounts that become payable by Lessee to the Government under this Lease shall bear interest from the date due until paid. The interest rate per annum shall be the interest rate in effect which has been established by the Secretary of the Treasury pursuant to Public Law 92-42; 85 STAT 97 for the Renegotiation Board, as of the date the amount becomes due as herein provided. Amounts shall be due upon the earliest one of (i) the date fixed pursuant to this Lease; (ii) the date of the first written demand for

payment, consistent with this Lease, including demand consequent upon default termination; (iii) the date of transmittal by the Government to the Lessee of a proposed supplemental agreement to confirm completed negotiations fixing the amount; or (iv) if this Lease provides for revision of prices, the date of written notice to the Lessee stating the amount of refund payable in connection with a negotiated pricing agreement not confirmed by lease amendment.

Y. ADMINISTRATION

The Local Government Representative specified in Article 8 of this Lease shall have complete charge of the administration of this Lease, and shall exercise full supervision and general direction thereof insofar as the interests of the Government are affected.

DEPARTMENT OF ENERGY

GENERAL PURPOSE LEASE

PART I

THIS LEASE, entered into this _____ day of _____, 19_____, between the UNITED STATES OF AMERICA, acting by and through the Department of Energy, hereinafter referred to as the "GOVERNMENT," and _____ _____, hereinafter referred to as the "LESSEE,"

W I T N E S S E T H:

1. That the Secretary of Energy, under the authority of Section 649 of the Department of Energy Organization Act (Public Law 95-91), having determined that the property hereby leased is not excess property as defined by Section 3(e) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 472), is not for the time needed for public use, and the leasing thereof will be advantageous to the Government and in the public interest, hereby leases to the Lessee the following described property, hereinafter referred to as the "LEASED PROPERTY:"

_____

_____

_____

_____

_____,

located on the _____

_____

_____,

hereinafter referred to as the "INSTALLATION," as further delineated on the map marked Exhibit "A," attached hereto and made a part hereof. The Leased Property also includes all improvements thereon and appurtenances thereunder, as well as the right of ingress and egress and the right, in common with others, to the use of all supporting facilities, roadways, and/or railroad tracks servicing the Leased Property to the extent necessary to enable the Lessee to use same for the purpose of this Lease. Also leased are those items of personal property identified on the list marked Exhibit "B," attached hereto and made a part hereof.

2. Attached hereto and made a part hereof is a Condition Report, marked Exhibit "C," signed by the representatives of the Government and the Lessee, which sets forth the condition of each item of the Leased Property as determined from their joint inspection thereof.

3. The initial term of this Lease shall begin on _____ and end on _____, unless sooner terminated in accordance with the provisions of Article E or F of Part II of this Lease, General Provisions.

4. This Lease may be renewed at the option of the Lessee for the following terms and at the following rentals:

_____
_____
_____
_____,

provided the Lessee delivers a written notice of intent to the Local Government Representative at least ninety (90) days before the end of the then current term. In any event, this Lease shall not be in effect for more than five (5) years from the beginning of the initial term.

5. The Lessee shall pay the Government an annual rental of $_____. The rent shall be payable at the rate of $_____ per _____ in advance, in conformity with the provisions of Article X of Part II of this Lease, General Provisions.

6. The sole purpose for which the Lessee shall use the Leased Property is:

_____
_____
_____.

The Lessee must obtain the written approval of the Local Government Representative prior to using the Leased Property for any other purpose other than that specified above.

7. The initial minimum amount and types of insurance which the Lessee shall procure and maintain on the Leased Property in accordance with the provisions of Article B of Part II, General Provisions hereto are the following:

TYPE	MINIMUM AMOUNTS
Fire, Extended Coverage, and Malicious Mischief	$_____
Bodily Injury and Property Damage	$_____

8. To secure the faithful performance of its obligation hereunder, the Lessee shall provide the Government with either: (a) collateral security in the form of cash or negotiable Government bonds, or (b) a Performance Bond issued by a corporate surety and satisfactory to the Government in all respects, in the amount of $_____. If the Government shall at any time determine that an increase in the amount of security is necessary to make same commensurate with the Lessee's obligation hereunder, the Lessee shall furnish such additional security promptly upon request.

9. There are hereby incorporated into this Lease, by attachment hereto, the following specified additional provisions which shall be controlling in the event of any conflict with Part II, General Provisions of this Lease:

_____
_____
_____
_____
_____

10. For the purpose of this Lease, the Local Government Representative is_____, and notices as required hereunder shall be forwarded to _____ _____ _____. For the purpose of this Lease, the Lessee's Representative is_____ _____, and notices as required hereunder shall be forwarded to _____ _____ _____.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed on their behalf by their duly authorized representatives as of the date first above written.

LESSEE:

By_____
Title:

Witness_____

THE UNITED STATES OF AMERICA

By_____
Title

Witness_____

DEPARTMENT OF ENERGY

GENERAL PURPOSE LEASE

GENERAL PROVISIONS

PART II

A. GENERAL MAINTENANCE OBLIGATION

Lessee, at its own expense, shall so protect, preserve, maintain, and repair the Leased Property, that the same will at all times be kept in at least as good condition as when received hereunder, subject, however, to ordinary wear and tear and loss or damage for which Lessee is not liable hereunder.

B. INSURANCE

(1) Lessee shall procure and maintain, at its own expense, insurance on the Leased Property in such initial amounts and types as may exceed, but shall not be less than, the minimum amounts and types specified in Article 7 of Part I hereof. However, Lessee shall provide, maintain, change, or discontinue such insurance as the Local Government Representative may from time to time require and direct, provided, Lessee's liability for loss of or damage to the Leased Property is modified accordingly, provided, further, that if any insurance requirement is so changed an equitable adjustment shall be made in the amount of the Rent specified in Article 5 of Part I hereof so as to reflect any resultant savings or increased cost to Lessee.

(2) All insurance which this Lease requires Lessee to carry on the Leased Property shall be in such form, for such amounts, for such periods of time, and with such insurers as the Government may from time to time require or approve. Each policy of insurance shall contain a provision for thirty (30) days written notice to the Local Government Representative prior to the making of any material change in or the cancellation of the policy. Lessee shall deliver promptly to the Local Government Representative a certificate of insurance or a certified copy of each insurance policy required by this Lease and shall also deliver to him, no later than thirty (30) days prior to the expiration of any such policy, a certificate of insurance or a certified copy of each renewal policy covering the same risks. All insurance required or carried by Lessee on any of the Leased Property shall be for the protection of the Government and Lessee against their respective risks and liabilities in connection with the Leased Property.

Each policy of insurance against loss of or damage to the Leased Property shall contain a loss payable clause reading as follows:

Loss, if any, under this policy shall be adjusted with (name of lessee) and the proceeds, at the election of the Government, shall be payable to (name of lessee); any proceeds not paid to (name of lessee) shall be payable to the Treasurer of the United States."

(3) In the event that any item or part of the Leased Property shall require repair, rebuilding, or replacement resulting from loss or damage, the risk of which is assumed by Lessee under this Lease, Lessee shall promptly give notice thereof to the Local Government Representative and, to the extent of its liability as provided in this Lease, shall, upon demand, either compensate the Government for such loss or damage, or rebuild, replace, or repair the item or items of the Leased Property so lost or damaged, as the Government may elect. In the event that the Government shall direct Lessee to effect any repair, rebuilding, or replacement which it is required to effect pursuant to this paragraph the Government shall direct the payment to Lessee of so much of the proceeds of any insurance carried by Lessee and made available to the Government on account of loss of or damage to any item or part of the Leased Property as may be necessary to enable Lessee to effect such repair, rebuilding, or replacement. In the event the Government shall elect not to require Lessee to repair, rebuild, or replace any item or part of the Leased Property lost or damaged, Lessee shall promptly pay to the Government out of any insurance proceeds collected by Lessee such portion thereof as may be allocable to loss of or damage to the Leased Property. When compliance with a Government request to effect any repair, rebuilding, or replacement of any lost or damaged item or part of the Leased Property would involve the incurring of costs in excess of Lessee's liability for such loss or damage under this Article, Lessee shall be under no obligation to effect same until after a satisfactory agreement has been reached between the Government and Lessee with regard to Government reimbursement of such excess costs to Lessee.

C. CONDITION OF LEASED PROPERTY

Lessee has examined, knows, and accepts the condition and state of repair of the Leased Property and the Installation of which it forms a part, and acknowledges that the Government has made no representation concerning such condition and state of repair, nor any agreement or promise to alter, improve, adapt, repair, or keep in repair the same, or any item thereof, which has not been fully set forth in this Lease which contains all agreements made and entered into between Lessee and the Government.

D. EXISTING AND FUTURE EASEMENTS AND RIGHTS OF WAY

This Lease is subject to all outstanding easements and rights of way over, across, in, and upon the Leased Property, or any portion thereof, and to the right of the Government to grant such additional easements and rights of way over, across, in, and upon the Leased Property as the Government shall determine to be in the public interest, provided, that any such additional easement or right of way shall not unreasonably interfere with Lessee's right of peaceful occupancy. In the event of incompatibility of use, this Lease shall be terminated in accordance with Article E of this Part II. There is

hereby reserved to the holders of such easements and rights of way as are presently outstanding or which may hereafter be granted, to any workers officially engaged in the construction, installation, maintenance, operation, repair, or replacement of facilities located thereon, and to any Federal, State, or local official engaged in the official inspection thereof, such reasonable rights of ingress and egress over the Leased Property as shall be necessary for the performance of their duties with regard to such facilities.

E. TERMINATION BY GOVERNMENT

The Government may terminate this Lease under the terms and conditions of this Article E.

(1) If Lessee fails to perform any of the terms or conditions of this Lease, the Government may elect to terminate this Lease and no adjustment of any advance rentals paid by Lessee shall be made, and the Government shall be entitled to recover and Lessee shall pay to the Government:

(a) The costs incurred in resuming possession of the Leased Property.

(b) The costs incurred in performing any obligation on the part of Lessee to be performed hereunder.

(c) An amount equal to the aggregate of all rents and charges assumed hereunder and not theretofore paid or satisfied, less the net rentals, if any, collected by the Government on the reletting of the Leased Property, which amounts shall be due and payable at the time when such rents, obligations, and charges would have accrued or become due and payable under this Lease.

(2) In the event that the Government's requirements necessitate immediate possession of the Leased Property, such as in the event of a national emergency or a change in the scope of the strategically essential mission of the Installation, so as to require immediate removal and vacation of the Leased Property, the Government may terminate this Lease, and Lessee shall be entitled to:

(a) An equitable adjustment of any advance rentals or charges paid by Lessee hereunder.

(b) Lessee may also be entitled to reimbursement of the following expenses when caused to vacate the Leased Property under the provision of this Article E(2):

1. Packing and unpacking, crating and uncrating of personal property.

2. Storage of personal property for a period generally not to exceed three (3) months, when the Local Government Representative determines that storage is necessary in connection with the relocation. The three (3) month period shall be counted from the date of receipt by Lessee of written notice from the Local Government Representative to vacate.

3. Transportation of personal property from the Leased Property to the replacement site, not to exceed a distance of fifty (50) miles, except where the Local Government Representative determines that relocation beyond fifty (50) miles is justified.

4. Insurance premiums covering loss and damage of personal property while in storage or transit.

5. Other reasonable expenses determined to be allowable and approved by the Local Government Representative.

6. Prior to payment of any expenses, Lessee shall be required to agree, in writing, that (i) the property is personalty and (ii) that the Government is released from any additional claims for reimbursement of relocation expenses.

F. TERMINATION BY LESSEE

(1) Lessee shall have the right to terminate this Lease upon thirty (30) days written notice to the Local Government Representative in the event of damage to or destruction of all of the improvement on the Leased Property or such substantial portion thereof as to render the Leased Property incapable of use for the purposes for which it is leased hereunder, provided, that such damage or destruction was not occasioned by the fault or negligence of Lessee or any of its officers, agents, servants, employees, subtenants, licensees, or invitees, or by any failure or refusal on the part of Lessee to fully perform its obligations under this Lease, further, provided, that the Local Government Representative either has not authorized or directed the repair, rebuilding, or replacement of the improvements or has made no provision for payment of such repair, rebuilding, or replacement by application of insurance proceeds or otherwise.

(2) In the event of substantial damage to or destruction of the Leased Property any time during the term so that it is not reasonable to expect that the Leased Property could again be tenantable by lessee within 120 days of the date of such casualty, then either Lessor or Lessee may terminate this Lease by written notice to the other and this Lease will thereupon be and become null and void subject only to the requirement that Lessor shall refund to Lessee the pro rata portion of any pre-paid rent or other charge allocable to the period subsequent to the date of such casualty.

(3) In the event of substantial damage to or destruction of the Leased Property at any time during the last six (6) months of the term, either Lessor or Lessee may cancel this Lease upon written notice to the other party hereto given within thirty (30) days after such damage or destruction.

G. SURRENDER

Upon the expiration of this Lease or its prior termination, Lessee shall quietly and peacefully remove itself and its property from the Leased Property and surrender the possession thereof to the Government; provided, in the event the Government shall terminate this Lease upon less than thirty (30) days notice, Lessee shall be allowed a reasonable period of time, as determined by the Local Government Representative, but in no event to exceed thirty (30) days from receipt of notice of termination, in which to remove all of its property from and terminate its operations from and terminate its operations on the Leased Property. During such period prior to surrender, all obligations assumed by Lessee under this Lease shall remain in full force and effect; provided, however, that if the Local Government Representative shall, in his sole discretion, determine that such action is equitable under the circumstances, he may suspend, in whole or in part, any further accruals of rent between the date of termination of the Lease and the date of final surrender of the Leased Property.

H. RESTORATION OF LEASED PROPERTY

Before the expiration or prior termination of this Lease, at the direction of the Local Government Representative, Lessee shall restore the Leased Property and each item thereof to the condition in which it was received, or to such improved condition as may have resulted from any improvement made therein by the Government or by Lessee during the Lease term, subject however, to ordinary wear and tear and loss or damage for which Lessee is not liable hereunder; provided, in the event the Government shall terminate this lease upon less than thirty (30) days notice Lessee shall have thirty (30) days from receipt of notice of termination to accomplish such restoration, or such additional time as the Local Government Representative may determine is fair and reasonable.

I. INSTALLATIONS, ALTERATIONS, AND REMOVALS

(1) It is expressly agreed and understood that Lessee will make no permanent alterations, additions, or betterments to or installations upon the Leased Property without the prior written approval of the Local Government Representative, and then only subject to the terms and conditions of such approval which may include an obligation of removal and restoration upon the expiration or termination of this Lease, as the Local Government Representative may direct. Except insofar as said terms and conditions may expressly provide otherwise, all such alterations, additions, betterments, and installations made by Lessee shall remain the property of Lessee.

(2) During the term of this Lease, or any extension thereof, with the prior written approval of the Local Government Representative, Lessee shall have the right, at its own expense, to install such improvements and additions and to attach such removable fixtures in or upon the Leased Property as may be necessary for its use of the Leased Property pursuant to this Lease, and to remove same at any time prior to the expiration or termination of this Lease or any extension thereof; provided, that in the event of termination by the Government upon less than thirty (30) days notice Lessee shall, as

may be directed by the Local Government Representative and at the sole discretion of the Local Government Representative, remove such items within thirty (30) days from the receipt of notice of termination. All property not so removed shall be deemed abandoned by Lessee and may be used or disposed of by the Government in any manner whatsoever without any liability to account to Lessee therefor, but such abandonment shall in no way reduce any obligation of Lessee to perform restoration under Article H of this Part II. In the event that the Leased Property is not restored to the condition at the time of Lease commencement, normal wear and tear notwithstanding, then the Government may cause the Leased Property to be restored at the sole expense of Lessee.

J. GOVERNMENT NON-LIABILITY/LESSEE LIABILITY

(1) Lessee covenants that it will indemnify and save and hold harmless the Government, its officers, agents, and employees for and from any and all liability or claims for damages to property or injuries to or death of persons which may arise from or be incident to the use and occupancy of the Leased Property, or for damages to the property or injuries to the person of Lessee (if an individual), or damages to the property or injuries to or death of the person of Lessee's officers, agents, servants, employees, or others who may be on said premises at their invitation or the invitation of any one of them, arising from Governmental activities.

(2) Lessee further covenants that any property of the Government damaged or destroyed by Lessee incident to Lessee's use and occupancy of the Leased Property shall be promptly repaired or replaced by Lessee to the satisfaction of the Local Government Representative, or in lieu of such repair or replacement Lessee shall, if so required by the said officer, pay to the Government money in an amount sufficient to compensate for the loss sustained by the Government by reason of the destruction of the property.

K. UTILITIES AND SERVICES

In the event that the Government shall furnish Lessee with any utilities and services maintained by the Government which Lessee may require in connection with its use of the Leased Property, Lessee shall pay the Government the charges therefor in addition to the cash rent required under this Lease. Such charges and the method of payment thereof shall be determined by the appropriate supplier of such services, in accordance with applicable laws and regulations, on such basis as the appropriate supplier of such service may establish, which may include a requirement for the installation of adequate connecting and metering equipment at the sole cost and expense of Lessee. It is expressly agreed and understood that the Government in no way warrants the continued maintenance or adequacy of any utilities or services furnished by it to Lessee.

L. LIENS

Lessee shall promptly discharge or cause to be discharged any valid lien, right in rem, claim or demand of any kind, except one in favor of the Government, which at any time may arise or exist with respect to the Leased Property or materials or equipment furnished therefor, or any part thereof, and if the same shall not be promptly discharged by Lessee, the Government may discharge, or cause to be discharged, the same at the expense of Lessee.

M. ACCESS

The Government shall have access to the Leased Property at all reasonable times for any purposes not inconsistent with the quiet enjoyment thereof by Lessee, including, but not limited to, the purpose of inspection. Wherever practicable, the Government shall give advance notice of such inspection to Lessee and offer the opportunity to accompany the Local Government Representative or his designee.

N. STATE AND LOCAL TAXES

In the event that as a result of any future Act of Congress, subjecting Government-owned property to taxation, any taxes, assessment or similar charges are imposed by State or local authorities upon the Leased Property (other than upon Lessee's possessory interest therein), Lessee shall pay the same when due and payable and this Lease shall be renegotiated so as to accomplish an equitable reduction in the amount of the Rent specified in Article 5 of Part I hereof, which reduction shall in no event exceed the amount of such taxes, assessments, or similar charges; provided, in event the parties hereto are unable to agree within ninety (90) days from the date of the imposition of such taxes, assessments, or similar charges, upon a rental which in the opinion of the Local Government Representative constitutes a reasonable return to the Government on the Leased Property, the Local Government Representative shall have the right to determine the amount of the rental, which determination shall be binding on Lessee, subject to appeal as a dispute in accordance with the provisions of the Contract Dispute Act of 1978 (41 U.S.C. 601-613).

O. EQUAL EMPLOYMENT OPPORTUNITY

In connection with the performance of work under this Lease, Lessee agrees not to discriminate against any employee or applicant for employment because of race, religion, color, age, sex, or national origin. The aforesaid provision shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Lessee agrees to post hereafter in conspicuous places available for employees and applicants for employment, notices setting forth the provisions of the nondiscrimination clause. Lessee further agrees to insert the foregoing provision in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials.

P. COVENANT AGAINST CONTINGENT FEES

Lessee warrants that no person or selling agency has been employed or retained to solicit or secure this Lease upon an agreement or understanding for

a commission, percentage, brokerage, or contingent fee, excepting bonafide employees or bonafide established commercial or selling agencies maintained by Lessee for the purpose of securing business. For breach or violation of this warranty the Government shall have the right to annul this Lease without liability or in its discretion to add to the rental price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee. (Licensed real estate agents or brokers having listings on property for rent, in accordance with general business practices, and who have not obtained such licenses for the sole purpose of effecting this Lease, may be considered as bonafide employees or agencies within the exception contained in this clause.)

Q. OFFICIALS NOT TO BENEFIT

No member of or delegate to Congress, or resident commissioner, shall be admitted to any share or part of this Lease, or to any benefit arising from it. However, this clause does not apply to this Lease to the extent that this Lease is made with a corporation for the corporation's general benefit.

R. FAILURE OF GOVERNMENT TO INSIST ON COMPLIANCE

The failure of the Government to insist, in any one or more instances, upon performance of any of the terms, covenants, or conditions of this Lease shall not be construed as a waiver or relinquishment of the Government's right to the future performance of any such terms, covenants, or conditions and Lessee's obligations with respect to such future performance shall continue in full force and effect.

S. ASSIGNMENT OR SUBLETTING

Lessee shall not transfer or assign this Lease or any interest herein nor sublet or otherwise make available to any third party or parties any portion of the Leased Property or rights therein without the prior written consent of the Government. Under any assignment made, with or without consent, the assignee shall be deemed to have assumed all of the obligations of Lessee hereunder, but no assignment shall relieve the assignor of any of Lessee's obligations hereunder except for an extension of the lease term beginning after such assignment, and then only if the Government shall have consented thereto.

T. GRATUITIES

(1) The right of Lessee to proceed may be terminated by written notice if, after notice and hearing, the agency head or a designee determines that Lessee, it agents, or another representative:

(a) Offered or gave a gratuity (e.g., an entertainment or gift) to an officer, official, or employee of the Government; and
(b) Intended, by the gratuity, to obtain a lease or favorable treatment under a lease.

(2) The facts supporting this determination may be reviewed by any court having lawful jurisdiction.

(3) If this Lease is terminated under paragraph (1) above, the Government is entitled to pursue the same remedies as in a breach of the lease

(4) The rights and remedies of the Government provided in this clause shall not be exclusive and are in addition to any rights and remedies provided by law or under this Lease.

U. GOVERNMENT RULES AND REGULATIONS

Lessee shall comply with such rules and regulations regarding installation security, ingress, egress, safety, and sanitation as may be prescribed, from time to time, by the Local Government Representative.

V. NOTICES

No notice, order, direction, determination, requirement, consent, or approval under this Lease shall be of any effect unless in writing. All notices required under this lease shall be addressed to Lessee, or to the Local Government Representative, as may be appropriate, at the addresses thereof specified in this Lease or at such other addresses as may from time to time be agreed upon by the parties hereto.

W. PAYMENTS

All payments to the Government required under this Lease shall be made by check or money order made payable to the Department of Energy and delivered to the Local Government Representative.

X. INTEREST

Notwithstanding any other provision of this Lease, unless paid within thirty (30) days, all amounts that become payable by Lessee to the Government under this Lease shall bear interest from the date due until paid. The interest rate per annum shall be the interest rate in effect which has been established by the Secretary of the Treasury pursuant to Public Law 92-42; 85 STAT 97 for the Renegotiation Board, as of the date the amount becomes due as herein provided. Amounts shall be due upon the earliest one of (i) the date fixed pursuant to this Lease; (ii) the date of the first written demand for payment, consistent with this Lease, including demand consequent upon default termination; (iii) the date of transmittal by the Government to the Lessee of a proposed supplemental agreement to confirm completed negotiations fixing the amount; or (iv) if this lease provides for revision of prices, the date of written notice to the Lessee stating the amount of refund payable in connection with a negotiated pricing agreement not confirmed by lease amendment.

Y. ADMINISTRATION

The Local Government Representative specified in Article 10 of this lease shall have complete charge of the administration of this lease, and shall exercise full supervision and general direction thereof insofar as the interests of the Government are affected.

APPENDIX 8-6

Use of Real and Related Personal Property at DOE Facilities

(Report of the Facility Modification and Reuse focus group, Jim Cayce, Chair)

A. Scope

This section provides the guidance for making Department of Energy real and related personal property available for community transition purposes. It supplements existing rules and regulations (such as environmental compliance), but is not intended to modify or supersede any other requirements of the Department, other than the real estate requirements. The Department may lease or grant permits and easements (the "lease") on its available real and related personal property identified as necessary for community transition.

B. Procedures and Responsibilities

1. The Department may lease directly to:

a. the CRO; and

b. any entity recommended by the CRO using the process agreed to by the Department and the CRO for developing prospects for community transition.

2. In general, the order of precedence for use of under-utilized real property and related personal property at Department sites is: (1) Department of Energy missions not related to community transition; (2) the purposes of community transition; (3) Federal, state and local agency use not related to community transition; and (4) private use not related to community transition. The field organization is responsible for resolving conflicting proposed uses of the Department's assets under its jurisdiction.

3. Terms and Conditions of a lease to the CRO or its designee (the "tenant") will include but not be limited to the following aspects:

a. Leases for community transition will specify that, initially, the consideration will be care and custody of the leased premises by the tenant. The lease may provide for payment of full or partial fair market rent by the tenant if it subleases portions of the space. The tenant may charge its subtenants more or less than the rent it owes to the Department. The field organization will require the tenant to make available for public record written documentation justifying all decisions to sublease at less than fair

rental value.

b. The tenant will maintain the interior of the premises, the interior of any outbuildings, and all related personal property in "good repair and tenantable condition." Safety concerns and the practical aspects of cost of maintenance will determine whether the Department or the tenant maintains building exteriors. If certain hazardous materials are present, the lease will also specify whether the Department or the tenant will perform the required maintenance, inspections, servicing, record keeping, etc. to comply with applicable laws.

c. Local zoning, appropriate ordinances, and commercial standards will apply, i.e., the tenant will also be required to comply with any rules and regulations that would apply if the tenant were operating on privately-owned land in the community and subject to normal land use regulations. The lease must reference those uses that are restricted under identified Federal, state, or local floodplain and wetland regulations. Leases should also explicitly identify any sacred sites, burial grounds, Native American subsistence areas, archeological resources, endangered species, historic properties, or other cultural resources that exist on the property, and provide for compliance with laws protecting them.

d. Where appropriate, application of Department of Energy Orders will be waived to minimize potential conflict between commercial standards and Departmental Orders.

e. The CRO will be given a set of broad criteria developed by the field organization. These criteria should take into consideration the priorities listed above and any others developed by DOE Headquarters. The CRO will demonstrate to the field organization that its process to select tenants/subtenants meets those criteria, including provisions for fairness of opportunity.

f. No lease may exceed 10 years, including all available options, except that the field organization may enter into a lease that includes an option to renew for a term of more than 10 years if the field organization determines that entering into such a lease will promote the national security or be in the public interest.

g. An environmental baseline survey must be prepared and jointly agreed to by the Department and the tenant. The environmental baseline survey results will:

1) document the nature, magnitude, and extent of any

environmental contamination of property or interests in property considered for lease;

2) define potential environmental contamination liabilities associated with the lease; and

3) develop sufficient information to assess the health and safety risks--and ensure adequate protection--to human health and to the environment that may be caused by work in the leased premises.

h. An inventory and condition report will be jointly issued by the parties entering into the lease agreement prior to occupancy.

i. An occupational safety and health survey (OSHA baseline survey) should be conducted prior to any change in use of the facility. This survey should examine the proposed new use of the facility and focus on fire protection, ventilation systems, etc. Any restrictions resulting from the survey shall also be contained in subleases.

APPENDIX 8-7

ROAD/STREET RIGHT OF WAY

GRANT OF EASEMENT

THIS EASEMENT, made this _____ day of _____, 19_____, by and between the United States of America, acting through the Department of Energy, under the authority of_____, hereinafter called the "Government," and _____, hereinafter called the "Grantee."

W I T N E S S E T H:

WHEREAS, the Government owns that certain real property identified as _____," hereinafter called the "Installation;" and

WHEREAS, the Grantee has requested an easement for the construction, installation, operation, maintenance, repair, and replacement of a _____ (on), (in), (over), (under), (through) that portion of the Installation hereinafter described; and

WHEREAS, the Secretary of Energy has found that the granting of such easement on the terms and conditions hereinafter stated is not incompatible with the public interest;

NOW, THEREFORE, the Government hereby grants to _____, its successors and assigns, (for private party use (his) (her) (their) heirs, representatives, executors, and assigns) for a period of _____ (_____) years from the date first written above (or in perpetuity), an easement for the construction, installation operation, maintenance, repair, and replacement of _____, hereinafter called the "_____" such easement being (on) (in) (over) (under) that portion of the Installation hereinafter called the "Premises," and described as follows:

All as delineated in red, on the drawing marked Exhibit "A," attached hereto and made a part hereof.

THIS EASEMENT is granted subject to the following terms and conditions:

1. That the Grantee shall pay to the United States compensation in the amount of _____ Dollars ($_____) _____ payable in advance. Compensation shall be made payable to the Department of Energy and forwarded by the Grantee to _____
_____.

2. The construction, use, and maintenance of said road or street, including culverts and other drainage facilities, shall be performed without cost or expense to the Government, under the general supervision and subject to the prior approval of the _____, hereinafter called the "Manager" having immediate jurisdiction over said premises, and furthermore, shall be done in such a manner as not to endanger personnel or property of the United States on the said United States land.

3. The Grantee shall at all times maintain said road or street in good condition and shall promptly make all repairs thereto needed to preserve a smooth surface highway.

4. The use and occupation of said premises of the Government for the purposes authorized by this Easement shall be subject to such rules and regulations, including, but not limited to, ingress, egress, safety, sanitation, and security, as the Manager may prescribe from time to time in order to properly protect the interests of the Government.

5. The United States reserves the right to make such connections between the road or street herein authorized and other such roads and streets as the Manager may from time to time consider necessary, and also reserves to itself rights-of-way hereby granted; provided, however, that such rights shall be used in a manner that will not create unnecessary interference with the use and enjoyment by the Grantee of said right-of-way for highway purposes.

6. It is understood that this Easement is effective only insofar as the rights of the United States in the property over which the said road or street is to be extended are concerned, and that the Grantee shall obtain such permission as may be necessary on account of any other existing rights.

7. All or any part of such right-of-way herein granted may be terminated by the Secretary of Energy for failure to comply with any or all of the terms or conditions of this Grant, or for nonuse for a two (2)-year period or abandonment of rights granted herein.

8. It is understood that the provisions of this Easement shall not abrogate or interfere with any agreements or commitments made or entered into between the Grantee and any other agency of the Government with regard to financial aid to the Grantee in connection with the construction, maintenance, or repair of the road or street described herein.

9. The Grantee covenants that it will indemnify and save and hold harmless the Government, its officers, agents, and employees for and from any and all liability or claims for damages to property or injuries to or death of persons which may arise from or be incident to the use and occupancy of the Premises, or for damages to the property or injuries to the person of the Grantee (if an individual), or damages to the property or injuries to or death of the person of the Grantee's officers, agents, servants, employees, or others who may be on the Premises at their invitation or the invitation of any one of them, arising from Governmental activities.

10. The Grantee further covenants that any property of the Government damaged or destroyed by the Grantee incident to the Grantee's use and occupancy of the Premises shall be promptly repaired or replaced by the Grantee to the satisfaction of the Manager, or in lieu of such repair or replacement, the Grantee shall, if so required by the Manager, pay to the Government money in an amount sufficient to compensate for the loss sustained by the Government by reason of the destruction of the property.

11. The Grantee shall indemnify and save and hold harmless the Government, its officers, agents, and employees from all liability for any damage or injuries to the said road or street which may be caused by or result from any operation undertaken by the Government, and no claim or right to compensation shall accrue from such damages or injuries.

12. No member of or delegate to Congress, or resident commissioner shall be admitted to any share or part of this Easement or to any benefit arising from it. However, this clause does not apply to this Easement to the extent that this Easement is made with a corporation for the corporation's general benefit.

13. The Grantee warrants that it has not employed any person to solicit or secure this Easement upon any agreement for a commission, percentage, brokerage or contingent fee. Breach of this warranty shall give the Government the right to annul this Easement or in its discretion to recover from the Grantee the amount of such commission, percentage, brokerage or contingent fee in addition to the consideration herein set forth. (This warranty shall not apply to commissions payable by the Grantee upon contracts or sales secured or made through bonafide established commercial or selling agencies maintained by the Grantee for the purpose of securing business.)

14. In connection with the performance of work under this Easement the Grantee agrees not to discriminate against any employee or applicant for employment because of race, religion, color, age, sex, or national origin. The aforesaid provision shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Grantee agrees to post hereafter in conspicuous places available for employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause. The Grantee further agrees to insert the foregoing provision in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials.

15. (a) The right of the Grantee to proceed may be terminated by written notice if, after notice and hearing, the agency head or a designee determines that the Grantee, its agents, or another representative :

(1) Offered or gave a gratuity (e.g.; an entertainment or gift) to an officer, official, or employee of the Government, and

(2) Intended, by the gratuity, to obtain an easement or favorable treatment under an easement.

(b) The facts supporting this determination may be reviewed by any court having lawful jurisdiction.

(c) If this Easement is terminated under paragraph (a) above, the Government is entitled to pursue the same remedies as in a breach of the Easement.

(d) The rights and remedies of the Government provided in this clause shall not be exclusive and are in addition to any rights and remedies provided by law or under this Easement.

IN WITNESS WHEREOF, the parties hereto have caused this Easement to be signed on their behalf by their duly authorized representatives as of the date first written above.

GRANTEE

_____ By:_____
Witness Title:

THE UNITED STATES OF AMERICA

_____ By:_____
Witness Title:

UTILITY/COMMUNICATIONS RIGHT OF WAY

GRANT OF EASEMENT

THIS EASEMENT, made this _____ day of _____, 19_____, by and between the United States of America, acting through the Department of Energy, under the authority of_____, hereinafter called the "Government," and _____, hereinafter called the "Grantee."

W I T N E S S E T H:

WHEREAS, the Government owns that certain real property identified as _____," hereinafter called the "Installation;" and

WHEREAS, the Grantee has requested an easement for the construction, installation, operation, maintenance, repair, and replacement of a _____ (on), (in), (over), (under), (through) that portion of the Installation hereinafter described; and

WHEREAS, the Secretary of Energy has found that the granting of such easement on the terms and conditions hereinafter stated is not incompatible with the public interest;

NOW, THEREFORE, the Government hereby grants to _____, its successors and assigns, (for private party use (his) (her) (their) heirs, representatives, executors, and assigns) for a period of _____ (_____) years from the date first written above (or in perpetuity), an easement for the construction, installation operation, maintenance, repair, and replacement of _____, hereinafter called the "_____" such easement being (on) (in) (over)(under) that portion of the Installation hereinafter called the "Premises," and described as follows:

All as delineated in red, on the drawing marked Exhibit "A," attached hereto and made a part hereof.

THIS EASEMENT is granted subject to the following terms and conditions:

1. That the Grantee shall pay to the United States compensation in the amount of _____ Dollars ($_____) _____ payable in advance. Compensation shall be made payable to the Department of Energy and forwarded by the Grantee to _____
_____.

2. The construction, use, and/or operation and maintenance of said facilities shall be performed without cost or expense to the Government, under the general supervision and subject to the prior approval of the _____
_____, hereinafter called the "Manager" having immediate jurisdiction over said premises, and, furthermore, shall be done in such a manner as not to endanger personnel or property of the United States on the said United States land.

3. The use and occupation of said premises of the Government for the purposes authorized by this Easement shall be subject to such rules and regulations, including, but not limited to, ingress, egress, safety, sanitation, and security, as the Manager may prescribe from time to time in order to properly protect the interests of the Government.

4. It is understood that this Easement is effective only insofar as the rights of the United States in the property over which the said facilities are constructed are concerned, and that the Grantee shall obtain such permission as may be necessary on account of any other existing rights.

5. This Easement may be terminated by the Secretary of Energy or his designee upon reasonable notice to the Grantee if the Secretary of Energy or his designee shall determine that the right-of-way hereby granted interferes with the use or disposal of the said premises or any part thereof by the United States, or it may be forfeited and annulled by declaration of the Secretary of Energy or his designee for failure, neglect, or refusal by the Grantee fully and promptly to comply with any and all of the conditions of this Easement, or nonuse for a period of two years, or for abandonment.

6. The Grantee covenants that it will indemnify and save and hold harmless the Government, its officers, agents, and employees for and from any and all liability or claims for damages to property or injuries to or death of persons which may arise from or be incident to the use and occupancy of the Premises, or for damages to the property or injuries to the person of the Grantee (if an individual), or damages to the property or injuries to or death of the person of the Grantee's officers, agents, servants, employees, or others who may be on the Premises at their invitation or the invitation of any one of them, arising from Governmental activities.

7. The Grantee shall supervise the facilities and cause then to be inspected at reasonable intervals, and shall immediately repair any defects found therein as a result of such inspection, or when requested by the Manager to repair any defects. Upon completion of the installation of the facilities and the making of any repairs thereto, the premises shall be restored immediately by the Grantee, at the Grantee's own expense, to the satisfaction of the Manager. The Grantee shall have the right of ingress and egress for such purposes.

8. The Grantee further covenants that any property of the Government damaged or destroyed by the Grantee incident to the Grantee's use and occupancy of the Premises shall be promptly repaired or replaced by the Grantee to the satisfaction of the Manager, or in lieu of such repair or replacement, the Grantee shall, if so required by the Manager, pay to the Government money in an amount sufficient to compensate for the loss sustained by the Government by reason of the destruction of the property.

9. The Grantee shall indemnify and save and hold harmless the Government, its officers, agents, and employees from all liability for any damage or injuries to the said facilities which may be caused by or result from any operation undertaken by the Government, and no claim or right to compensation shall accrue from such damages or injuries.

10. That the United States reserves to itself the right to construct, use, and maintain across, over, and/or under the right-of-way hereby granted, electric transmission, telephone, telegraph, water, gas, gasoline, oil, and sewer lines, and other facilities, in such manner as not to create any unreasonable interference with the use of the right-of-way herein granted.

11 That the Grantee shall furnish through said facilities such services as may be required from time to time for governmental purposes on said land, provided that payment for all such services will be made by the United States at rates which shall be mutually agreeable but which shall never exceed the most favorable rates granted by the Grantee for similar services.

12. That, in the event all or any portion of said premises occupied by said facilities shall be needed by the United States, or in the event the existence of said facilities shall be considered detrimental to governmental activities, the Grantee shall, from time to time, upon notice to do so, and as often as so notified, remove said facilities to such other location or locations on said land as may be designated by the Manager, or the Grantee shall reconstruct said facilities underground on the premises without expenses to the United States, as may be directed by said Manager, and in the event said property shall not be removed or relocated within ninety (90) days after any aforesaid notice, the United States may cause the same to be done at the expense of the Grantee, provided, in lieu of taking such action, wholly remove its facilities from lands of the United States as described herein, at which time the right granted herein shall cease but the restoration obligation set forth in Condition No. 13 hereof shall remain.

13. That upon the expiration, termination, or forfeiture and annulment of this Easement, the Grantee shall, without expense to the United States, and within such time as the Secretary of Energy may indicate, remove said facilities from said premises and restore the premises hereby authorized to be used and occupied to a condition satisfactory to the Manager. In the event the Grantee shall fail, neglect, or refuse to remove the said facilities and so restore the premises, the United States shall have the option either to take over the said facilities and the property of the United States without compensation therefor, or to remove said facilities and perform the restoration work as aforesaid at the expense of the Grantee, and in no event shall the Grantee have any claim for damages against the United States, or its officers or agents, on account of the taking over of said facilities or on account of their removal.

14. No member of or delegate to Congress, or resident commissioner shall be admitted to any share or part of this Easement or to any benefit arising from it. However, this clause does not apply to this Easement to the extent that this Easement is made with a corporation for the corporation's general benefit.

15. The Grantee warrants that it has not employed any person to solicit or secure this Easement upon any agreement for a commission, percentage, brokerage or contingent fee. Breach of this warranty shall give the Government the right to annul this Easement or in its discretion to recover from the Grantee the amount of such commission, percentage, brokerage or contingent fee in addition to the consideration herein set forth. (This warranty shall not apply to commissions payable by the Grantee upon contracts or sales secured or made through bonafide established commercial or selling agencies maintained by the Grantee for the purpose of securing business.)

16. In connection with the performance of work under this Easement the Grantee agrees not to discriminate against any employee or applicant for employment because of race, religion, color, age, sex, or national origin. The aforesaid provision shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Grantee agrees to post hereafter in conspicuous places available for employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause. The Grantee further agrees to insert the foregoing provision in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials.

17. (a) The right of the Grantee to proceed may be terminated by written notice if, after notice and hearing, the agency head or a designee determines that the Grantee, its agents, or another representative :

(1) Offered or gave a gratuity (e.g.; an entertainment or gift) to an officer, official, or employee of the Government, and

(2) Intended, by the gratuity, to obtain an easement or favorable treatment under an easement.

(b) The facts supporting this determination may be reviewed by any court having lawful jurisdiction.

(c) If this Easement is terminated under paragraph (a) above, the Government is entitled to pursue the same remedies as in a breach of the Easement.

(d) The rights and remedies of the Government provided in this clause shall not be exclusive and are in addition to any rights and remedies provided by law or under this Easement.

IN WITNESS WHEREOF, the parties hereto have caused this Easement to be signed on their behalf by their duly authorized representatives as of the date first written above.

GRANTEE

_____ By:_____
Witness Title:

THE UNITED STATES OF AMERICA

_____ By:_____
Witness Title:

APPENDIX 8-8

DEPARTMENT OF ENERGY

LICENSE FOR NONFEDERAL USE OF REAL PROPERTY

PART I

THIS LICENSE, made between the Department of Energy, hereinafter called the "Licensor," and _____, hereinafter called the "Licensee," provides for the use by the Licensee of facilities located at the _____.

1. The Licensee shall have the use of the area, containing _____ _____ _____, all as delineated in red on the drawing attached hereto and made a part hereof as Exhibit "A."

2. This License shall be effective on _____, and terminate on _____, unless terminated sooner by the Licensor or its authorized representative in accordance with Part II, General Provisions attached hereto and made a part hereof.

3. The Licensee shall pay to the Licensor annual payments in the amount of _____. These payments shall be made _____, in advance at the rate of _____. Checks or money orders shall be made payable to the Department of Energy and mailed to _____ _____.

4. The Licensor hereby grants to the Licensee permission to use the premises or facilities specified in Item 1 above for the following purpose: _____ _____ _____.

5. For the purpose of this License, the Licensee's Local Representative shall be _____, who is located at _____ _____.

6. For the purpose of this License, the Licensor's Local Representative shall be _____, who is located at _____ _____.

7. If utilities and services are furnished to the Licensee for its use of the premises, the Licensee shall made a cash payment, payable in advance, to cover the cost of those utilities and services. The payment shall be in the amount of _____, due on the _____. Payments in this amount shall be due every _____ after the initial payment in the manner specified in Item 3 above.

8. The Licensee shall provide evidence of the following insurance coverage:

TYPE	MINIMUM COVERAGE
Fire, Extended Coverage, and Malicious Mischief	$_____
Bodily Injury and Property Damage	$_____

9. The Licensee agrees to comply with the terms and conditions of Part II, General Provisions, hereto.

10. The following changes were made prior to the execution of this License:

_____

_____

_____

IN WITNESS WHEREOF, the parties hereto have caused this License to be signed on their behalf by their duly authorized representatives.

LICENSEE:

By_____
Title:
Date:

FOR THE DEPARTMENT OF ENERGY

By_____
Title:
Date:

DEPARTMENT OF ENERGY

LICENSE FOR NONFEDERAL USE OF REAL PROPERTY

GENERAL PROVISIONS

PART II

A. The Licensor hereby grants to the Licensee the right to use the premises or facilities described in Item 1, Part I, together with the necessary rights of ingress and egress.

B. This License shall be effective for the period stated in Item 2, Part I, and is revocable at any time without notice at the option and discretion of the Licensor and its duly authorized representative. In the event that this License is terminated, the Licensee shall be entitled to an equitable adjustment of any advance rentals or charges paid by the Licensee hereunder, unless this License is terminated by the Licensor for the Licensee failure to perform any of the terms or conditions hereunder. In that case, the Licensor shall be entitled to recover and the Licensee shall pay to the Licensor; (i) the costs incurred in resuming possession of the premises, (ii) the costs incurred in performing any obligation on the part of the Licensee to be performed hereunder, and (iii) an amount equal to the aggregate of all rents and charges assumed hereunder and not theretofore paid or satisfied, which amounts shall be due and payable at the time when such rents, obligations, and charges would have accrued or become due and payable under this License.

C. The use shall be limited to the purposes specified herein.

D. This License shall be neither assignable nor transferable by the Licensee.

E. The Licensee, at its own cost and expense, shall protect, maintain, and keep in good order, the premises or facilities licensed hereby.

F. No additions to, or alterations of, the premises shall be made without the prior written consent of the Licensor. Upon revocation or surrender of this License, to the extend directed by the Licensor, the Licensee shall remove all alterations, additions, betterments, and improvements made, or installed, and restore the premises or facilities to the same, or as good condition as existed on the date of entry under this License, reasonable wear and tear excepted.

G. The Licensee shall be liable for any loss of, or damage to, the premises or facilities incurred as a result of its use and shall make such restoration or repair, or monetary compensation as may be directed by the Licensor. The Licensee shall not be liable for loss of, or damage to, the premises arising from causes beyond the control of the Licensee and occasioned by a risk not in fact covered by insurance and not customarily covered by insurance in the locality in which the premises are situated. Nothing contained herein, however, shall relieve the Licensee of liability with respect to any loss or damage to the premises, not fully compensated for by insurance, which results

from willful misconduct, lack of good faith, or failure to exercise due diligence, on the part of the Licensee. All insurances required of the Licensee on the premises shall be for the protection of the Licensor and the Licensee against their respective risks and liabilities in connection with the premises. Each policy of insurance against loss or damage to Government property shall name the Licensee and the United States of America, Department of Energy, as the insured and shall contain a loss payable clause reading substantially as follows:

> "Loss, if any, under this policy shall be adjusted with (Name of Licensee) and the proceeds, at the direction of the Government, shall be payable to (name of Licensee), and proceeds not paid to (Name of Licensee) shall be payable to the Treasurer of the United States of America."

In the event that any item or part of the premises or facilities shall require repair, rebuilding, or replacement resulting from loss or damage, the risk of which is assumed under this Item G, the Licensee shall promptly give notice thereof to the Licensor and, to the extent of its liability as provided in this Item, shall, upon demand, either compensate the Government for such loss or damage, or rebuild, replace, or repair the item or items of the premises or facilities so lost or damaged, as the Licensor may elect. In the event the Licensee shall have effected any repair, rebuilding, or replacement which the Licensee is required to effect pursuant to this Item, the Licensor shall direct payment to the Licensee of so much of the proceeds of any insurance carried by the Licensee and made available to the Government on account of loss of or damage to any item or part of the premises or facilities as may be necessary to enable the Licensee to effect such repair, rebuilding, or replacement. In the event the Licensee shall not have been required to effect such repair, rebuilding, or replacement, and the insurance proceeds allocable to the loss or damage which has created the need for such repair, rebuilding, or replacement have been paid to the Licensee, the Licensee shall promptly refund to the Licensor the amount of such proceeds.

H. The Licensee shall indemnify and save harmless the Government, its officers, agents, servants, and employees from all liability under the Federal Tort Claims Act (62 STAT. 869, 982; 28 U.S.C. Sec. 2671, 2680) or otherwise, for death or injury to all persons, or loss or damage to the property of all persons resulting from the exercise of its rights under this License by the Licensee, and shall furnish the insurance specified in Item 8, Part I. Each policy of insurance required by Item 8 covering bodily injuries and third party property damage shall contain an endorsement reading substantially as follows:

> "The insurer waives any right of subrogation against the United States of America which might arise by reason of any payment made under this policy."

I. All insurance required by this License shall be in such form, for such periods of time, and with such insurers as the Licensor may require or approve. A certificate of insurance or a certified copy of each policy of insurance taken out hereunder shall be deposited with the Licensor's Local Representative prior to use of the premises or facilities. The Licensee agrees that not less than thirty (30) days prior to the expiration of any insurance required by this License, it will deliver to the Licensor's Local Representative a certificate of insurance or a certified copy of each renewal policy to cover the same risks.

J. No member of or Delegate to Congress, or Resident Commissioner shall be admitted to any share or part of this License or to any benefit arising from it. However, this clause does not apply to this License to the extent that this License is made with a corporation for the corporation's general benefit.

K. The Licensee warrants that no person or selling agency has been employed or retained to solicit or secure this License upon an agreement or understanding for commission, percentage, brokerage, or contingent fee, excepting bonafide employees or bonafide established commercial or selling agencies maintained by the Licensee for the purpose of securing business. For breach or violation of this warranty the Government shall have the right to annul this License without liability or in its discretion to add to the rental price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee. (Licensed real estate agents or brokers having listings on property for rent, in accordance with general business practices, and who have not obtained such licenses for the sole purpose of effecting this License, may be considered as bonafide employees or agencies within the exception contained in this clause.)

L. In connection with the performance of work under this License, the Licensee agrees not to discriminate against any employee or applicant for employment because of race, religion, color, sex, age, or national origin. The aforesaid provision shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Licensee agrees to post hereafter in conspicuous places available for employees and applicants for employment, notices to be provided by the Licensor setting forth the provisions of the nondiscrimination clause. The Licensee further agrees to insert the foregoing provision in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials.

M. Licensee shall comply with such rules and regulations regarding installation security, ingress, egress, safety, and sanitation as may be prescribed, from time to time, by the Representative of the Licensor as designated in Item 6, Part I.

N. The failure of the Government to insist, in any one or more instances, upon performance of any of the terms, covenants, or conditions of this License shall not be construed as a waiver or relinquishment of the Government's right

to the future performance of any such terms, covenants, or conditions and the Licensee's obligations with respect to such future performance shall continue in full force and effect.

O. No notice, order, direction, determination, requirement, consent, or approval under this License shall be of any effect unless in writing. All notices required under this License shall be addressed to the Licensee, or to the Licensor's Local Representative, as may be appropriate, at the addresses thereof specified in this License or at such other addresses as may, from time to time, be agreed upon by the parties thereto.

P. The Licensor's Local Representative specified in Item 6 of this License shall have complete charge of administration of this License, and shall exercise full supervision and general direction thereof insofar as the interests of the Government are affected.

Q. Notwithstanding any other provision of this License, unless paid within thirty (30) days, all amounts that become payable by the Licensee to the Licensor under this License shall bear interest from the date due until paid. The interest rate per annum shall be the interest rate in effect which has been established by the Secretary of the Treasury pursuant to Public Law 92-42; 85 STAT 97 for the Renegotiation Board, as of the date the amount becomes due as herein provided. Amounts shall be due upon the earliest one of (i) the date fixed pursuant to this License; (ii) the date of the first written demand for payment, consistent with this License, including demand consequent upon default termination; (iii) the date of transmittal by the Licensor to the Licensee of a proposed supplemental agreement to confirm completed negotiations fixing the amount; or (iv) if this License provides for revision of prices, the date of written notice to the Licensee stating the amount of refund payable in connection with a negotiated pricing agreement not confirmed by License amendment.

DEPARTMENT OF ENERGY

PERMIT FOR USE OF REAL PROPERTY

BY OTHER FEDERAL AGENCIES

This Permit between the Department of Energy, acting by and through _____, hereinafter called the "DOE," and the Department of _____, acting by and through _____ _____, hereinafter called the "Permittee," provides for the use by the Permittee of facilities located at the _____ _____, hereinafter called the "Installation."

W I T N E S S E T H:

1. The Permittee shall have the use of the area, containing _____ _____ _____ _____, hereinafter called the "Premises," all as delineated in red on the drawing attached hereto and made a part hereof as "Exhibit A." The DOE hereby grants to the Permittee permission to use the Premises specified above together with the necessary rights of ingress and egress. DOE reserves the right to use the Premises and to permit others to use the Premises, providing such uses will not interfere with the rights granted herein to the Permittee.

2. The Permittee is hereby authorized to use the Premises for the following purpose:

_____ _____ _____

The use to be made of the Premises shall be limited to this specific use unless prior written approval of the DOE or its authorized representative is obtained by the Permittee.

3. Department of Energy's local representative for the purpose of this Permit is_____, who is located at _____ _____.

4. Department of _____'s local representative for the purpose of this Permit is _____, who is located at _____ _____.

5. The Permit shall be neither assignable nor transferable by the Permittee.

6. The Permittee shall pay the cost of utilities and services, if any are furnished under the provisions of this Permit, in accordance with applicable statutes, regulations, and instructions governing such payment.

7. The Permittee, at its own cost and expense, shall protect, maintain, and keep in good order the Premises permitted herein.

8. Any item of long-term maintenance, or any additions to, or alterations or betterments of, the Premises which the Permittee shall consider necessary or desirable in connection with its use and occupancy shall be made only with the prior coordination and written consent of the DOE and at the sole cost and expense of the Permittee.

9. Siting of the Permittee's facilities shall conform with the Installation's Site Development Plan except as otherwise provided in writing by the DOE. Standards of design and construction shall conform with applicable DOE criteria and directives.

10. The Permittee shall assume all risk and liability to itself, its agents, or employees, for any injury or damage to any person or property resulting in any manner from the conduct of its operations at the Premises.

11. All activities authorized hereunder, including, but not limited to, ingress, egress, safety, sanitation, and security, shall be subject to such rules and regulations as may, from time to time, be prescribed by the DOE Local Representative.

12. The DOE shall have the right to terminate this Permit by giving thirty (30) days notice, in writing, to the Local Representative of the Permittee, and the Permittee shall peacefully vacate the Premises within thirty (30) days from the date of receipt of such written notice.

13. Upon revocation, expiration, or surrender of this Permit, and to the extent directed by the DOE or its authorized representative, the Permittee shall remove all alterations, additions, betterments, and improvements made, or installed, and restore the Premises to the same or as good condition as existed on the date of entry under the Permit, reasonable wear and tear excepted.

14. The Permittee hereby agrees to request any specific authorization/ appropriation necessary to perform the obligation herein to restore or repair the Premises .

15. The following changes were made prior to the execution of this Permit:

_____

_____

_____

THIS PERMIT shall be effective on the _____ day of _____, 19_____, and will remain in effect until the _____ day of _____, 19_____, unless sooner terminated by the DOE or its authorized representative, in accordance with the provisions of Article 12 herein.

FOR THE DEPARTMENT OF _____

By_____
Title:
Date:

CONCURRENCE OF THE
INSTALLATION MANAGER

By_____
Title:
Date:

FOR THE DEPARTMENT OF ENERGY

By_____
Title:
Date:

APPENDIX 8-9

U.S. Department of Energy

Washington, D.C.

ORDER

DOE 2100.12A

6-9-92

SUBJECT: PAYMENTS FOR SPECIAL BURDENS AND IN LIEU OF TAXES

1. PURPOSE. To establish the Department of Energy policy for making payments in lieu of taxes to certain State and local governments under the provisions of Title 42, United States Code (U.S.C.), Section 2201 et. seq., and Section 2208 of the Atomic Energy Act of 1954, as amended.

2. CANCELLATION. DOE 2100.12, PAYMENTS FOR SPECIAL BURDENS AND IN LIEU OF TAXES, of 11-16-87.

3. EXCLUSIONS. This Order does not apply to sites: where payments are made to State and local governments under the Atomic Energy Community Act of 1955, as amended; the Uranium Mill Tailings Radiation Act of 1978, as amended; or the Nuclear Waste Policy Act of 1982.

4. REFERENCES.

   a. Atomic Energy Act of 1954, as amended, 42 U.S.C. 2201 et. seq., and 2208, which provides for payments in lieu of taxes to State and local governments.

   b. Atomic Energy Community Act of 1955, as amended, 42 U.S.C. 2301 et. seq., and 2391, which provides for payments to communities to facilitate an orderly transition from Federal to local control.

   c. Nuclear Waste Policy Act of 1982, 42 U.S.C. 10199, which provides for payments equal to taxes to jurisdictions affected by proposed or selected nuclear waste sites.

   d. Uranium Mill Tailings Control Act of 1978, as amended (Public Law 95-604), 42 U.S.C. 7901 et. seq., and 7942 which authorizes a program of assessment and remedial action at inactive uranium mill tailings sites.

   e. Public Law 81-874, 20 U.S.C. 631-647, which provides for payments to Federally impacted school districts.

   f. Office of Management and Budget Circular A-34, "Instructions on Budget Execution," of 8-26-85, which contains-instructions relating to apportionments and reports on budget execution.

DISTRIBUTION:
All Departmental Elements

INITIATED BY:
Office of Chief Financial Officer

5. DEFINITIONS.

a. Any Benefit is used in determining eligibility for payments in lieu of taxes and the amount to be paid based on special burdens incurred by a State or local government. Any benefit includes all benefits accruing to the State or local government by reason of the Department's activities at the site being considered under a request for payment based on special burdens. The benefits and burdens used to determine payments based on claims of special burdens will be determined on a case-by-case basis.

b. Payments in Lieu of Taxes are discretionary payments made to render financial assistance to those States and local governments in which the Department or one of its predecessor agencies has acquired property previously subject to State or local taxation and on which the Department carries on activities authorized by the Atomic Energy Act of 1954, as amended.

c. Property in the Condition it was Acquired is the physical description/definition and classification of the subject real property used to determine the real property's assessed valuation the last year the property was on the tax rolls prior to being acquired by the Government.

d. Property Eligible for Payments in Lieu of Taxes are real properties that are currently used for activities authorized by the Atomic Energy Act of 1954, as amended, that were on the tax rolls immediately prior to being acquired by the government. In cases where activities are carried on that may create payments to State and local governments, based on legislation other than the Atomic Energy Act, such as the Nuclear Waste Policy Act, those parcels of land used for such other purposes shall be excluded from the computation of a payment in lieu of taxes, as prescribed by Section 168 of the Atomic Energy Act of 1954, as amended.

e. Property Tax Loss to State or local government is considered to be taxes that would have been payable on such real property, based on the condition of the property when acquired by the Government.

f. Revised Payments are proposed changes in payments that are based on a reclassification of the land to a new tax category, an increase or decrease in the amount of the land used to compute the payment, or other major changes in the method of computing the payments. Changes in the amounts to be paid that are based on jurisdiction wide adjustments to tax assessments or tax rates are not considered to be revised payments.

g. Special Burdens are unusual or substantial burdens placed on a State or local government by Atomic Energy Act related activities of the Department. Special burdens are incurred by extraordinary services that are not normally required by a community on a

(2) A description of special burden(s) incurred as a result of the Department's activities and the dollar cost of these burdens to the taxing jurisdiction; and

(3) Benefits derived from the activities of the Department. Such benefits include, but are not limited to, all local taxes paid by employees at the DOE site and economic activity created by DOE contractors and suppliers.

c. The evaluation of the requests and recommendations will follow the procedures outlined in paragraphs 9a(2) thru 9a(6).

d. Funds budgeted for payments in lieu of taxes must be specifically identified in the documentation supporting budget requests. Payments that have been approved will begin when funds have been appropriated for that purpose. In accordance with Office of Management and Budget Circular A-34, payments in lieu of taxes are recorded as an obligation in the period in which they are authorized to be paid and due.

BY ORDER OF THE SECRETARY OF ENERGY:

DONALD W. PEARMAN, JR.
Acting Director
Administration and Human
Resource Management

(h) The tax rate and assessment applied to similar properties elsewnere .n the same tax jurisdiction:

(i) A description and valuation of all the benefits accruing to the community as a result of the Department's activities; and

(j) Information about payments received by the taxing jurisdiction(s) from the Federal governmental organizations that are based on the Department's property and activities.

(2) The cognizant DOE Field Office is responsible for evaluating the request and preparing a recommendation for action. The evaluation will include:

(a) A determination whether or not the subject property meets the criteria of eligibility for payments in lieu of taxes established by the Atomic Energy Act of 1954, as amended.

(b) An assessment of direct cash benefits to the taxing jurisdiction that are a result of the Department's activities. This will include payments to affected school districts, under Public Law 81-874 and 20 U.S.C. 631-647, and tax payments by DOE contractors to a State or local taxing authority that is requesting a new or revised payment in lieu of taxes. Other payments made by a DOE contractor that are based on property or equipment that are in lieu of taxes normally paid by a property owner will also be evaluated in recommending the amounts to be paid in lieu of taxes.

(c) An examination of the tax rate and assessment applied to similar properties elsewhere in the same tax jurisdiction to assure that payment requests are fair and consistent.

(d) A report of the assessment and recommendations forwarded to the cognizant PSO. The recommendations will be accompanied by workpapers and other information sufficient to support the recommendation made. The information will include:

1 Recommendation of approval or disapproval.

2 If approval is recommended:

a The amount to be paid;

b The date first payment is to be made;

c Legal opinion from field counsel containing an analysis of relevant facts and law regarding the eligibility of the property under the Atomic Energy Act of 1954, as amended; and

d A comparative analysis of the imputed tax loss and all benefits accruing to the community as a result of the Department's activities.

(3) Each request for new or revised payment will be reviewed by the cognizant PSO and forwarded to CR-1 with a recommendation.

(4) CR-1 will evaluate the recommendation in consultation with General Counsel and other staff, as appropriate, and determine if it is in the best interest of the Department to make the payment.

(5) When notified of approval by CR-1, the PSO will include funding for approved payments in the Department's next budget cycle.

(6) The cognizant procurement office will execute a separate intergovernmental agreement between the Department and each taxing authority designated to receive payments in lieu of taxes. The agreement will set forth the terms and procedures for billing, making payments, and revisions. The agreement must contain provisions that: (a) the payments are being conditioned on the availability of funds; (b) the date the first payment is due is indicated; and (c) explain that such funds are subject to legislative or administrative reductions in funding levels. Furthermore, agreements shall state that payments in lieu of taxes are not entitlements.

b. Requests for new or revised payments based on special burdens that are in excess of any benefits derived from the Department's activities by the taxing jurisdictions are reviewed by the cognizant DOE Field Office to assure that Departmental policies are complied with and that the requests are complete and adequately supported. At a minimum, requests shall contain the following information:

(1) The information described in paragraph 9a(1)(a) through 9a(1) (g);

n. Once authorized, payments shall continue subject to the availability of funds or modifications by intergovernmental agreement.

8. RESPONSIBILITIES.

a. Chief Financial Officer (CR-1) shall:

(1) Authorize, for the Secretary, new and revised payments in lieu of taxes;

(2) Develop and update, as required, Departmental policies and procedures related to making payments in lieu of taxes;

(3) Ensure that funding for approved payments in lieu of taxes, as requested by the cognizant Program Secretarial Officer (PSO), is included in the Department's budget submission to OMB and to Congress; and

(4) Ensure that appropriated and apportioned funds for payments in lieu of taxes are properly allotted.

b. Director of Administration and Human Resource Management (AD-1), through the Office of Organization, Resources and Facilities Management (AD-10), shall:

(1) Maintain an inventory and description of Departmental real estate that is subject to the provisions of Section 168;

(2) Independently review requests for new and revised payments in lieu of taxes for accuracy, completeness, and reasonableness and recommend concurrence or nonconcurrence to CR-1; and

(3) Provide advice and consultation to CR-1 based on the independent review of new and revised payment requests and recommendations received from PSOs.

c. General Counsel and Field Counsel shall:

(1) Review and concur or nonconcur on the eligibility of the State or local government or taxing authority requesting payments in lieu of taxes to receive such payments; and

(2) Provide legal advice on other matters that should arise relating to payments in lieu of taxes.

d. Managers of DOE Field Offices shall:

(1) Manage the administration of existing payments;

(2) Analyze requests for new or revised payments;

(3) Prepare recommendations on new or revised payments and submit the recommendations to the cognizant PSO which is responsible for budgeting for the payment; and

(4) Ensure that payments in lieu of taxes are made in accordance with duly executed intergovernmental agreements.

e. Cognizant Program Secretarial Officers shall:

(1) Review and forward recommendations regarding applications for new and revised payments in lieu of taxes to CR-1; and

(2) Ensure that funding for approved payments is included in their budget submissions.

9 PROCEDURES.

a. Requests for revised or new payments in lieu of taxes, not based on an analysis of special burdens versus any benefits, are handled as follows:

(1) The cognizant DOE Field Office will review these requests to ensure that the requests comply with Departmental policy. The requests should describe the basis for computing amounts claimed and at least contain the following information:

(a) Description of property, including non-Federal government improvements at the time of acquisition and which still exist (initial requests only);

(b) Date removed from tax rolls (initial requests only);

(c) Federal agency initially acquiring property (initial requests only);

(d) Classification of property by taxing authority (if applicable) and zoning of property the last year it was on the tax rolls (initial requests only);

(e) Tax rate, assessment, and total payment in lieu of tax proposed;

(f) Current assessment placed on property of the same zoning and/or class, as reported under 9a(1)(d) above, by the taxing authority;

(g) Current tax rate applicable to the same class and/or zoning of property as reported under paragraph 9a(1)(d) above;

routine basis. The mere fact that a State or local government is burdened by the activities of the Department does not constitute a special burden.

h. Taxing Authority is an entity empowered to render a separate tax bill based on the value of real property.

6. BACKGROUND. The Atomic Energy Act of 1954 gives the Secretary of Energy (S-1) broad authority in making payments in lieu of taxes. The amount, the timing, and the terms of the payments are at the discretion of the Secretary. The only limits contained in the Act are that the Department shall be guided by the policy of not making payments in excess of the taxes that would have been payable for such property in the condition in which it was acquired, except in cases where special burdens have been cast upon the State or local government by reason of activities of the Department or its agents. In such cases, any benefit accruing to the State or local government by reason of such activities shall be considered in determining the amount of the payment.

7. POLICY.

a. Only designated properties are eligible for support payments in lieu of taxes. To be eligible, the property must currently be used for activities authorized by the Atomic Energy Act of 1954, as amended, and must have been on tax rolls immediately prior to being acquired by the Government.

b. If it is demonstrated that the imputed tax loss is greater than the benefits derived from the Department's activities, the amount of the payment to be made in lieu of taxes shall be calculated by applying the current tax rate to the current assessed valuation of the property in the condition in which it was acquired and reducing the result of that calculation by the value of direct tax benefits that accrue to the community as a result of the Department's activities. The direct tax benefits that accrue to a community as a result of the Department's activities include payments to federally impacted school districts under Public Law 81-874, and sales, franchise, inventory use, or other taxes levied on the Department or its contractors by State or local taxing jurisdictions. This test and calculation of amounts to be paid are required only for new or revised payments. They are not required for continuing payments approved in prior years.

c. The Department shall not make retroactive payments in lieu of taxes.

d. Payments that have been approved will begin when funds have been appropriated for that purpose and are contingent on funds being available for such purposes. Furthermore, the amounts available

for such payments are subject to the same reductions or other budgetary restrictions that may be applied to other Departmental programs.

e. New or revised payments in lieu of taxes and payments based on special burdens require the advance approval of the Chief Financial Officer (CR-1).

f. Payments in lieu of taxes being made at the time this Order is approved shall continue under the existing terms and conditions until a specific request to change the basis of the payment is received. Such requests shall be considered the same as new requests.

g. Payments in lieu of taxes shall be made only after a valid and binding release or settlement of claims for payments related to the Department's land or property is obtained from the taxing authority.

h. Payments shall be suspended when a taxing authority asserts a claim through the courts for real property taxes or their equivalent. If the courts rule in favor of the plaintiff, payments will be made in accordance with the terms set by the court, but no retroactive payment will be made for the period during which the tax was contested unless so directed by the court.

i. Nothing in this Order modifies the discretionary authority given to the Secretary by Section 168 of the Atomic Energy Act of 1954, as amended, and such payments are not construed as entitlements.

j. All payments in lieu of taxes must be supported by a duly executed intergovernmental agreement. This agreement serves as the obligating document.

k. This Order does not affect existing agreements between DOE and State and local governments that preclude payments in lieu of taxes on all or part of real property owed by the Department.

l. Payments in lieu of taxes made by the Department shall not exceed the tax payment had the real property remained on the tax rolls in the condition it was acquired unless the payment is based on a special burden.

m. Payments in lieu of taxes will not be made where other, direct or indirect, Federal payments are made to the taxing jurisdiction that are based on the activities of the Department or other Federal agencies carried out on DOE property, e.g., payments levied on DOE contractors that are tantamount to property taxes.

Appendix 9

APPENDIX 9-1

U. S. DEPARTMENT OF ENERGY

FIMS ADVISORY COMMITTEE

POLICY AND PROCEDURES SUBCOMMITTEE

20 May 1996

TO: All FIMS Users

FROM: FIMS Advisory Committee
Policy and Procedures Subcommittee

Enclosed for your use is a copy of the *FIMS Administrative Guide*. The *Guide* provides a foundation and conceptual framework for managing and administering FIMS. It does not provide working detail for accessing and manipulating the data base. Those instructions are covered in the *FIMS User's Guide and FIMS Reporting Guide*. [Check with your *Field/Operations Office System Administrator* or *the FIMS System Administrator* (Headquarters) for copies.] In recognition that there is some overlap between these documents, an attempt has been made to minimize redundancy.

The *Administrative Guide* may be inserted into your existing *FIMS Users and Reporting* notebook. If you have any corrections or suggestions, please submit them using the *Request for Change* form in Appendix C of the *Guide*. Your input is appreciated.

Facilities Information Management System (FIMS)

Administrative Guide

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PURPOSE

The purpose of the *Facilities Information Management System (FIMS) Administrative Guide* is to provide a conceptual framework for managing and administering FIMS. It provides an overview of FIMS participants, their roles and responsibilities, how to obtain a FIMS logon, suggested resources for obtaining FIMS data, definitions of real/personal property and real property types, general FIMS system configuration, evaluation criteria for data maintenance, capitalization, FIMS/FIS reconciliation, quality assurance roles and responsibilities, and quality assurance plan guidance. Finally, the *Guide* includes a form, (Appendix C) for users to suggest improvements to the FIMS data base program, policy and procedure, or documentation.

The *Guide* does not provide working detail for accessing the data base, data entry, maintenance, and reporting, data base structure, or uploading/downloading FIMS data. These instructions are covered in the *FIMS User's Guide and FIMS Reporting Guide.* (Check with the cognizant *Field/Operations Office System Administrator* or *FIMS System Administrator* for copies.)

The *FIMS Administrative Guide* is a guide and does not replace or supersede any statutes, regulations, or internal procedures governing real property management.

I. INTRODUCTION

The Facilities Information Management System (FIMS) is DOE's corporate data base for real property and related personal property holdings as required by Life Cycle Asset Management Order 430.1. DOE real property holdings total over 2.4 million acres of land with over 120 million square feet of buildings. Replacement value of these properties totals over $64 billion dollars. FIMS provides DOE and contractor personnel with ready access to DOE facilities information. In addition, FIMS is used to generate an annual report to the General Services Administration summarizing the size and cost of DOE's real property holdings.

The Facilities Data Development Committee (FDDC), composed primarily of DOE-HQ FIMS stakeholders, is the governing body of FIMS. In 1993, the FDDC recommended establishing the FIMS Advisory Committee (FAC) to improve FIMS data integrity and provide a mechanism for continuous improvement. The FAC, comprised of DOE and contractor personnel, evaluates problems or issues regarding development, operation, or administration of FIMS, makes recommendations to the FDDC, and implements FDDC-approved changes. In addition, the FAC publishes the *FIMS Administrative Guide* and FIMS Newsletter, *FOCUS*.

II. SECURITY ADMINISTRATION

FIMS is an unclassified computer system owned and operated by the Department of Energy. The FIMS user must adhere strictly to the security measures and internal controls that have been established at their location. FIMS is protected from unauthorized access through the use of passwords. Each FIMS user is assigned a user ID and password. The user ID is valid for one year from the time of last access. The password is valid for six months from the time of last change.

A. RESPONSIBILITIES AND AUTHORITIES FOR USER ID AND PASSWORD

FIMS SYSTEM ADMINISTRATOR (HEADQUARTERS)

- Authorizes the DOE *Field/Operations Office System Administrator* to manage the request for access to FIMS through the assignment of user IDs and passwords.
- Adds, deletes, and updates the user ID and password of the *Field/Operations Office System Administrator, Guest,* and *Immortal Guest.*
- Adds, deletes, and updates any user ID and password in the event the *Field/Operations Office System Administrator* is unavailable.

FIELD/OPERATIONS OFFICE SYSTEM ADMINISTRATOR

- Reviews and approves the request for user IDs and passwords from individuals under the purview of the specified field/operations office.
- Adds, deletes, or updates field/operations office, site, and guest users under the purview of the field/operations office. This includes establishing, updating, and reinstating users.
- Maintains a current record of all FIMS users under the purview of the field/operations office.

B. SECURITY LEVELS

Add, Update, and Delete access to FIMS is controlled by the security level assigned when the user ID/password is established. It is necessary to specify the security access level when requesting a FIMS user ID and password. The access levels are described below.

FIMS SYSTEM ADMINISTRATOR (HEADQUARTERS)

- Add, Update, and Delete access to all records.
- Authority to establish the security records for all other FIMS users including *Immortal Guests.*

FIELD/OPERATIONS OFFICE SYSTEM ADMINISTRATOR

- Update access to all sites and areas within the specified field/operations office.
- Add, Update, and Delete access to all Property records within the specified field/operations office.
- Authority to establish security records for field/operations office, site, and *Guest* level users within the specified field/operations office.

FIELD/OPERATIONS OFFICE USER

- Update access to all sites and areas within the specified field/operations office.
- Add, Update, and Delete access to all Property records within the specified field/operations office.

SITE SYSTEM ADMINISTRATOR

- Update access to the site and all area records within the specified site.
- Add, Update, and Delete access to all Property records within the specified site.

GUEST

- Inquire access only to all FIMS data.

IMMORTAL GUEST

- Inquire access only to all FIMS data.

- Not subject to the login expiration policy.
- Only the *FIMS System Administrator (Headquarters)* can assign a user security level of *Immortal Guest*.

C. REQUEST FOR / REINSTATEMENT OF USER ID

A *Request for User ID* (Appendix A) is provided for requesting FIMS access. Complete the form according to instructions on the back and submit it to the cognizant System Administrator as specified below. Users requesting reinstatement of their user ID must also complete and submit the form. The cognizant System Administrator will acknowledge the request by assigning a user identification or denying the request. If a request is denied an explanation will be provided to the requestor.

IF YOU ARE:	SUBMIT FIMS USER ID REQUEST/REINSTATEMENT TO:
Field/Operations Office System Administrator	FIMS System Administrator (Headquarters)
Other Field/Operations Office Personnel	Field/Operations Office System Administrator
Site System Administrator	Field/Operations Office System Administrator
Other Site Personnel	Site System Administrator (who forwards request to Field/Operations Office System Administrator)

III. DATA RESOURCES

FIMS must be updated regularly so that reliable and current real property data is consistently available and system integrity is maintained. It is imperative that information be obtained from knowledgeable individuals within their field. Every site entering data should assign responsibility to these individuals for applicable information. For example, a knowledgeable individual from Environment Safety and Health (ES&H) should be assigned responsibility for providing hazard information. The *Site System Administrator* is generally the point of contact for data collection and entry. However, some sites may elect to have responsible staff enter information directly into FIMS. These responsibilities should be documented in the site FIMS quality assurance plan.

Following is a table that lists FIMS data elements and the most common sources from which data may be obtained. These sources are suggested as a starting point to begin

gathering data. Sources will differ from site to site because of each site's unique organizational structure. Also listed for each data element is the DOE program that sponsors or is responsible for the elements presence in the data base.

ACTION / RELEVANT FIMS TABS AND FIELDS	DATA SOURCES	PGM SPNSOR
ADDING A SITE		
Field Office	Field/Ops. Admin., Area Office	FM
Site Number	Field/Ops. Admin., Area Office	FM
Site Name	Field/Ops. Admin., Area Office	FM
Owned/Leased Indicator	Finance/Accounting, Procurement, Area Office, Field/Ops. Admin.	FM
UPDATING A SITE		
SITE INFO TAB		
Site Number	Field/Ops. Admin., Area Office	FM
Site Name	Field/Ops. Admin., Area Office	FM
Owned/Leased Indicator	Finance/Accounting, Procurement, Area Office, Field/Ops. Admin.	FM
Field Office	Field/Ops. Admin., Area Office	FM
Area Office	Field/Ops. Admin., Area Office	Field
Secretarial Office	Budget, Field/Ops. Admin.	ER
Landlord Funding Program	Budget, Field/Ops. Admin.	ER
National Priority List	ES&H	EM
Regulatory Agreement	ES&H	EM
Site Address	Field/Ops. Admin., Area Office	FM
Site City	Field/Ops. Admin., Area Office	FM
Site State	Field/Ops. Admin., Area Office	FM
Site Zip	Field/Ops. Admin., Area Office	FM
Site County/Country	Field/Ops. Admin., Area Office	FM
CONTACTS TAB		
Site Number	Field/Ops. Admin., Area Office	ER/DP
Site Name	Field/Ops. Admin., Area Office	ER/DP
Owned/Leased Indicator	Building Mgrs., Field/Ops. Admin., ES&H	ER/DP

ACTION / RELEVANT FIMS TABS AND FIELDS	DATA SOURCES	PGM SPNSOR
Contact Type	Building Mgrs., Field/Ops. Admin., ES&H	ER/DP
Contact Name	Building Mgrs., Field/Ops. Admin., ES&H	ER/DP
Contact Phone Number	Building Mgrs., Field/Ops. Admin., ES&H	ER/DP
GSA REPORT TAB		
Site Number	Field/Ops. Admin., Area Office	FM
Site Name	Field/Ops. Admin., Area Office	FM
Owned/Leased Indicator	Field/Ops. Admin., Area Office, Finance/Accounting, Procurement	FM
GSA Control Number(Input by HQ)	Field/Ops. Admin., Area Office	FM
Excess Indicator(Input by HQ)	Real Estate Rep.	FM
Last Year DOE Survey (Input by HQ)	Real Estate Rep.	FM
Last Year GSA Survey (Input by HQ)	Real Estate Rep.	FM
Geographic Location - State Code	Real Estate Rep.	FM
Geographic Location - City Code	Real Estate Rep.	FM
Geographic Location - County Code	Plant Eng., Real Estate Rep.	FM
Congressional District (1-10)	Plant Eng., Real Estate Rep.	FM
ODS INFO TAB		
Site Number	Field/Ops. Admin., Area Office	FM
Site Name	Field/Ops. Admin., Area Office	FM
Owned/Leased Indicator	Field/Ops. Admin., Area Office, Finance/Accounting, Procurement	FM
Refrigerant Code	ES&H, Facilities	FM/DP
Approx. QTY in Use (1,000 lbs.)	ES&H, Facilities	FM/DP
Virgin/Reclaimed Stock (lbs.)	ES&H, Facilities	FM/DP
Recovered/Recycled Stock (lbs.)	ES&H, Facilities	FM/DP
Available Exchange Quantity (lbs.)	ES&H, Facilities	FM/DP
Contact for ODS Information	ES&H, Facilities	DP

ACTION / RELEVANT FIMS TABS AND FIELDS	DATA SOURCES	PGM SPNSOR
GSA ASSIGN TAB		
Site Number	Field/Ops. Admin., Area Office	FM
Site Name	Field/Ops. Admin., Area Office	FM
Owned/Leased Indicator	Field/Ops. Admin., Area Office, Finance/Accounting, Procurement	FM
GSA Building Number	Real Estate Rep.	FM
Annual Rent	Real Estate Rep.	FM
Total Occupants	Real Estate Rep.	FM
Inside Parking	Real Estate Rep.	FM
Outside Parking	Real Estate Rep.	FM
Office Space	Real Estate Rep., Plant Eng.	FM
Storage Space	Real Estate Rep., Plant Eng.	FM
Special Space	Real Estate Rep., Plant Eng.	FM
ADDING AN AREA		
Site Name	Field/Ops. Admin., Area Office	FM
Area Number	Field/Ops. Admin., Plant Eng.	FM
Area Name	Field/Ops. Admin., Plant Eng.	Field
M&O Contractor	Field/Ops. Admin., Area Office	FM
UPDATING AN AREA		
Site Name	Field/Ops. Admin., Area Office	FM
Area Number	Field/Ops. Admin., Plant Eng.	FM
Area Name	Field/Ops. Admin., Plant Eng.	Field
M&O Contractor	Field/Ops. Admin., Area Office	FM
Secretarial Office	Field/Ops. Admin.	FM
Landlord Funding Program	Budget, Field/Ops. Admin.	ER
PROPERTY FILE FOLDER TABS		
PROP INFO TAB		
Site Name	Field/Ops. Admin., Area Office	FM
Area Name	Field/Ops. Admin., Plant Eng.	Field
Property ID	Facilities, Plant Eng.	FM
Property Name	Bldg. Mgrs., Industrial Eng.	FM
Owned/Leased Indicator	Field/Ops. Admin., Area Office, Finance/Accounting, Procurement	FM
Alternate Name	Bldg. Mgrs., Industrial Eng.	FM

ACTION / RELEVANT FIMS TABS AND FIELDS	DATA SOURCES	PGM SPNSOR
Usage Code	Bldg. Mgrs., Plant Eng., Industrial Eng.	FM
Initial Acquisition Cost	Finance/Accounting	FM
Estimate Indicator	Finance/Accounting	Field
FIS Asset Type	Finance/Accounting	CR
FIS Reporting Source	Finance/Accounting	CR

BUILDING INFO TAB		
Property ID	Facilities, Plant Eng.	FM
Property Name	Bldg. Mgrs., Industrial Eng.	FM
Owned/Leased Indicator	Field/Ops. Admin., Area Office, Finance/Accounting, Procurement	FM
Building Group No	Facilities, Plant Eng.	EM
ORPS Designator	ES&H, Emergency Operating Center	ER
Land Ownership Code	Real Estate Rep., Area Office	FM
Building Status	ES&H, Bldg. Mgrs., Plant Eng.	ER
Status Date	ES&H, Bldg. Mgrs., Plant Eng.	ER
Transfer to PSO	ES&H, Bldg. Mgrs., Plant Eng.	ER
Status Utilization	Bldg. Mgrs., Plant Eng.	ER
Building RPV	System Generated	FM
Responsible HQ PO	Field/Ops. Admin., Finance/Accounting	EM
Responsibility Date	Finance/Accounting, Landlord	EM
Lab Usage	Bldg. Mgrs., Industrial Eng., Plant Eng.	Field
Office Usage	Bldg. Mgrs., Industrial Eng., Plant Eng.	Field
PO Mission Essential	Finance/Accounting, Landlord	DP
Building Contact	Bldg. Mgrs.	ER
Building Contact Phone	Bldg. Mgrs.	ER

OSF INFO TAB		
Property ID	Facilities, Plant Eng.	FM
Property Name	Bldg. Mgrs., Industrial Eng., Plant Eng.	FM
Owned/Leased Indicator	Field/Ops. Admin., Area Office, Finance/Accounting, Procurement	FM
ORPS Designator	ES&H	ER
Land Ownership Code	Real Estate Rep., Area Office	FM

ACTION / RELEVANT FIMS TABS AND FIELDS	DATA SOURCES	PGM SPNSOR
Structure RPV	System Generated	FM
LAND INFO TAB		
Property ID	Facilities, Plant Eng.	FM
Property Name	Bldg. Managers., Industrial Eng.	FM
Owned/Leased Indicator	Field/Ops. Admin., Area Office, Finance/Accounting, Procurement	FM
Acquisition Method Code	Real Estate Rep., Procurement, Area Office	FM
From Acquisition Date	Real Estate Rep., Procurement, Area Office	FM
To Acquisition Date	Real Estate Rep., Procurement, Area Office	FM
TRAILER INFO TAB		
Property ID	Facilities, Plant Eng.	FM
Property Name	Bldg. Managers., Industrial Eng.	FM
Owned/Leased Indicator	Field/Ops. Admin., Area Office, Finance/Accounting, Procurement	FM
Responsible HQ PO	Field/Ops. Admin., Finance/Accounting	EM
Responsibility Date	Finance/Accounting, Landlord	EM
Lab Usage	Bldg. Mgrs., Industrial Eng.	Field
Office Usage	Bldg. Mgrs., Industrial Eng.	Field
PO Mission Essential	Finance/Accounting, Landlord	DP
OCCUPANTS TAB		
Property ID	Facilities, Plant Eng.	FM
Property Name	Bldg. Managers., Industrial Eng.	FM
Owned/Leased Indicator	Field/Ops. Admin., Area Office, Finance/Accounting, Procurement	FM
Occupant ID	Bldg. Mgrs., Industrial Eng., Plant Eng.	Field
Occupant Name	Bldg. Mgrs., Industrial Eng., Plant Eng.	Field
Occupant Type	Field/Ops. Admin., Area Office, Bldg. Mgrs.	Field
No. of Employees	Bldg. Mgrs., Industrial Eng., Plant Eng., Human Resources	Field

ACTION / RELEVANT FIMS TABS AND FIELDS	DATA SOURCES	PGM SPNSOR
HANDICAPPED ACCESSIBILITY TAB		
Property ID	Facilities, Plant Eng.	FM
Property Name	Bldg. Mgrs., Industrial Eng., Plant Eng.	FM
Owned/Leased Indicator	Field/Ops. Admin., Area Office, Finance/Accounting, Procurement	FM
UFAS Compliance Indicator	Plant Eng., Bldg. Mgrs.	FM
UFAS Exemption Code	Plant Eng., Bldg. Mgrs.	FM
UFAS Justification	Plant Eng., Bldg. Mgrs.	FM
Handicap Code (1-5)	Plant Eng., Bldg. Mgrs.	FM
Planned Start-UFAS Modifications	Plant Eng., Bldg. Mgrs.	FM
UFAS Cost (est.)	Plant Eng., Bldg. Mgrs.	FM
Actual End-UFAS Modifications	Plant Eng., Bldg. Mgrs.	FM

DIMENSIONS TAB - BUILDING		
Property ID	Facilities, Plant Eng.	FM
Property Name	Bldg. Managers., Industrial Eng.	FM
Owned/Leased Indicator	Field/Ops. Admin., Area Office, Finance/Accounting, Procurement	FM
Gross Area	Plant Eng., Bldg. Mgrs.	FM
Net Occupiable	Plant Eng., Bldg. Mgrs.	FM
Bldg. Length	Plant Eng.	EM
Bldg. Height	Plant Eng.	EM
Bldg. Width	Plant Eng., Bldg. Mgrs.	EM
No. of Buildings	Plant Eng., Bldg. Mgrs.	FM
No. of Floors	Plant Eng., Bldg. Mgrs.	ER
Bldg. Elev in Relation to MSL	Plant Eng.	EE
Floor Elev in Relation to Grade	Plant Eng.	EE
Energy Consum Bldg. Load	In-House Energy Manager	EE
Energy Consum Metered Proc	In-House Energy Manager	EE
Energy Consum Unmetered Proc	In-House Energy Manager	EE
Non-Energy Consum Bldg Load	In-House Energy Manager	EE
Secondary Dimension Code	Plant Eng.	FM
Secondary Unit of Measure	System Generated	FM

DIMENSIONS TAB - OSF		
Property ID	Facilities, Plant Eng.	FM

ACTION / RELEVANT FIMS TABS AND FIELDS	DATA SOURCES	PGM SPNSOR
Property Name	Bldg. Managers., Industrial Eng.	FM
Owned/Leased Indicator	Field/Ops. Admin., Area Office, Finance/Accounting, Procurement	FM
Primary Dimension Code	Plant Eng., Finance/Accounting	FM
Primary Unit of Measure	Plant Eng.	FM
Secondary Dimension Code	Plant Eng.	FM
Secondary Unit of Measure	System Generated	FM
DIMENSIONS TAB - LAND		
Property ID	Facilities, Plant Eng.	FM
Property Name	Bldg. Mgrs., Industrial Eng.	FM
Owned/Leased Indicator	Field/Ops. Admin., Area Office, Finance/Accounting, Procurement	FM
Urban Acreage	Real Estate Rep., Procurement, Area Office	FM
Rural Acreage	Real Estate Rep., Procurement, Area Office	FM
DIMENSIONS TAB - TRLR/MODULAR		
Property ID	Facilities, Plant Eng.	FM
Property Name	Bldg. Managers., Industrial Eng.	FM
Owned/Leased Indicator	Field/Ops. Admin., Area Office, Finance/Accounting, Procurement	FM
Gross Area	Bldg. Mgrs., Plant Eng.	FM
No. of Trailers	Bldg. Mgrs., Plant Eng.	FM
Energy Consum Bldg Load	In-House Energy Manager	EE
Energy Consum Unmetered Proc	In-House Energy Manager	EE
Energy Consum Metered Proc	In-House Energy Manager	EE
Non-Energy Consum Bldg	In-House Energy Manager	EE
Secondary Dimension Code	Plant Eng.	FM
Secondary Unit of Measure	System Generated	FM
CAP ADJUST TAB		
Property ID	Facilities, Plant Eng.	FM
Property Name	Bldg. Managers., Industrial Eng.	FM
Owned/Leased Indicator	Field/Ops. Admin., Area Office, Finance/Accounting, Procurement	FM
Initial Acquisition Cost	Finance /Accounting	FM

ACTION / RELEVANT FIMS TABS AND FIELDS	DATA SOURCES	PGM SPNSOR
Total Adjustments	Finance /Accounting	FM
Total Cost	Finance /Accounting	FM
Adjustment Date	Finance/Accounting	FM
Adjustment Cost	Finance/Accounting	FM
Adjustment Description	Finance/Accounting	FM

SPONSORS TAB		
Property ID	Facilities, Plant Eng.	FM
Property Name	Bldg. Managers., Industrial Eng., Plant Eng.	FM
Owned/Leased Indicator	Field/Ops. Admin., Area Office, Finance/Accounting, Procurement	FM
Sponsor Code	Finance /Accounting	FM
Assigned Space Percent	Finance/Accounting	FM

CONDITION TAB		
Property ID	Facilities, Plant Eng.	FM
Property Name	Bldg. Managers., Industrial Eng.	FM
Owned/Leased Indicator	Field/Ops. Admin., Area Office, Finance/Accounting, Procurement	FM
Construction Type	Bldg. Mgrs. Maint. Mgr., Plant Eng.	FM
Summary Condition	Bldg. Mgrs. Maint. Mgr., Plant Eng.	ER
Confinement Integrity	Bldg. Mgrs. Maint. Mgr., Plant Eng.	EM
Yr Acquired	Finance/Accounting	FM
Yr Built	Plant Eng., Finance/Accounting	FM
Rehab Cost	Plant Eng., Facilities, Bldg. Mgrs.	FM
Rehab Date	Plant Eng., Facilities, Bldg. Mgrs.	FM
Condition Codes (1-5)	Bldg. Mgrs. Maint. Mgr., Plant Eng.	ER
Active Confinement-None	Bldg. Mgrs. Maint. Mgr., Plant Eng.	EM
Active Confinement-Electro Precip	Bldg. Mgrs. Maint. Mgr., Plant Eng.	EM
Active Confinement-HEPA Filters	Bldg. Mgrs. Maint. Mgr., Plant Eng.	EM
Active Confinement-Neg Atmos Pres	Bldg. Mgrs. Maint. Mgr., Plant Eng.	EM
Active Confinement-Other Filters	Bldg. Mgrs. Maint. Mgr., Plant Eng.	EM
Active Confinement-Filter Description	Bldg. Mgrs. Maint. Mgr., Plant Eng.	EM
Active Confinement-Other	Bldg. Mgrs. Maint. Mgr., Plant Eng.	EM

ACTION / RELEVANT FIMS TABS AND FIELDS	DATA SOURCES	PGM SPNSOR
Active Confinement-Other Description	Bldg. Mgrs. Maint. Mgr., Plant Eng.	EM
History/Use	Bldg. Mgrs. Maint. Mgr., Plant Eng.	EM
HAZ MATS 1 TAB		
Property ID	Facilities, Plant Eng.	FM
Property Name	Bldg. Managers., Industrial Eng.	FM
Owned/Leased Indicator	Field/Ops. Admin., Area Office, Finance/Accounting, Procurement	FM
Hazard Category	ES&H/ Risk Management, Plant Eng.	ER
Hazardous Material	ES&H/Risk Management	EM
Nuclear/Non-Nuclear Designation	ES&H/Risk Management	EM
Radiological Contaminants	ES&H/Risk Management	EM
HAZ MATS 2 TAB		
Property ID	Facilities, Plant Eng.	FM
Property Name	Bldg. Managers., Industrial Eng.	FM
Owned/Leased Indicator	Field/Ops. Admin., Area Office, Finance/Accounting, Procurement	FM
Chemical Hazardous Materials	ES&H/Risk Management	EM
SAFETY DOCS TAB		
Property ID	Facilities, Plant Eng.	FM
Property Name	Bldg. Managers., Industrial Eng.	FM
Owned/Leased Indicator	Field/Ops. Admin., Area Office, Finance/Accounting, Procurement	FM
Safety Document Name	ES&H/Risk Management	ER
Safety Document Date	ES&H/Risk Management	ER
NOTES TAB		
Property ID	Facilities, Plant Eng.	FM
Property Name	Bldg. Managers., Industrial Eng.	FM
Owned/Leased Indicator	Field/Ops. Admin., Area Office, Finance/Accounting, Procurement	FM
Property Notes	Plant Eng.	FM
LEASE DETAIL 1 TAB		
Property ID	Real Estate Rep., Procurement	FM

ACTION / RELEVANT FIMS TABS AND FIELDS	DATA SOURCES	PGM SPNSOR
Property Name	Real Estate Rep., Procurement	FM
Owned/Leased Indicator	Real Estate Rep., Procurement	FM
Contact No	Real Estate Rep., Procurement	FM
Lessor	Real Estate Rep., Procurement	FM
Lessor Mailing Address	Real Estate Rep., Procurement	FM
Lessor City	Real Estate Rep., Procurement	FM
Lessor State	Real Estate Rep., Procurement	FM
Lessor Zip Code	Real Estate Rep., Procurement	FM
Lessee	Real Estate Rep., Procurement	FM
Lessee Code	Real Estate Rep., Procurement	FM
Lessee Cancellation Rights	Real Estate Rep., Procurement	FM
Lessee Cancellation Rights-Days	Real Estate Rep., Procurement	FM
Lessor Cancellation Rights	Real Estate Rep., Procurement	FM
Lessor Cancellation Rights-Days	Real Estate Rep., Procurement	FM
Effective Date	Real Estate Rep., Procurement	FM
Expiration Date	Real Estate Rep., Procurement	FM
Initial Lease Date	Real Estate Rep., Procurement	FM
Leased Square Feet	Real Estate Rep., Procurement	FM
Total Annual Rent	Real Estate Rep., Procurement	FM
Other Costs	Real Estate Rep., Procurement	FM

LEASE DETAIL 2 TAB		
Property ID	Real Estate Rep., Procurement	FM
Property Name	Real Estate Rep., Procurement	FM
Owned/Leased Indicator	Real Estate Rep., Procurement	FM
Contact No	Real Estate Rep., Procurement	FM
Renewal Options-Options	Real Estate Rep., Procurement	FM
Renewal Options-Additional Years	Real Estate Rep., Procurement	FM
Renewal Options Rent Next	Real Estate Rep., Procurement	FM
Renewal Options-Days Notice	Real Estate Rep., Procurement	FM
Annual Rent-Lab	Real Estate Rep., Procurement	FM
Annual Rent-Office	Real Estate Rep., Procurement	FM
Annual Rent-Other	Real Estate Rep., Procurement	FM
Escalation Year-Other	Real Estate Rep., Procurement	FM
Escalation Year-Services	Real Estate Rep., Procurement	FM
Escalation Year-Taxes	Real Estate Rep., Procurement	FM
Responsible Party-Interior	Real Estate Rep., Procurement	FM
Responsible Party-Exterior	Real Estate Rep., Procurement	FM

ACTION / RELEVANT FIMS TABS AND FIELDS	DATA SOURCES	PGM SPNSOR
Responsible Party-Sewage	Real Estate Rep., Procurement	FM
Responsible Party-Janitorial	Real Estate Rep., Procurement	FM
Responsible Party-Utilities	Real Estate Rep., Procurement	FM
Responsible Party-Electric	Real Estate Rep., Procurement	FM
Responsible Party-Refuse	Real Estate Rep., Procurement	FM
ADDING A BUILDING		
Site Name	Field/Ops. Admin., Area Office	FM
Area Name	Field/Ops. Admin., Plant Eng.	Field
Property ID	Facilities, Plant Eng.	FM
Property Name	Bldg. Managers., Industrial Eng.	FM
Alternate Name	Industrial Eng., Plant Eng., Bldg. Mgrs.	FM
Usage Code	Bldg. Mgrs., Plant Eng., Industrial Eng.	FM
Owned/Leased Indicator	Field/Ops. Admin., Area Office, Finance/Accounting, Procurement	FM
Initial Acquisition Cost	Finance/Accounting	FM
Estimate Indicator	Finance/Accounting	Field
FIS Asset Type	Finance/Accounting	CR
FIS Reporting Source	Finance/Accounting	CR
ADDING AN OSF		
Site Name	Field/Ops. Admin., Area Office	FM
Area Name	Field/Ops. Admin., Plant Eng.	Field
Property ID	Facilities, Plant Eng.	FM
Property Name	Bldg. Mgrs., Industrial Eng.	FM
Alternate Name	Bldg. Mgrs., Plant Eng., Industrial Eng.	FM
Usage Code	Bldg. Mgrs., Plant Eng., Industrial Eng.	FM
Owned/Leased Indicator	Field/Ops. Admin., Area Office, Finance/Accounting, Procurement	FM
Summary/Detail Indicator	Finance/Accounting, Procurement	FM
Initial Acquisition Cost	Finance/Accounting	FM
Estimate Indicator	Finance/Acounting	Field
FIS Asset Type	Finance/Accounting	CR
FIS Reporting Source	Finance/Accounting	CR

ACTION / RELEVANT FIMS TABS AND FIELDS	DATA SOURCES	PGM SPNSOR
ADDING LAND		
Site Name	Field/Ops. Admin., Area Office	FM
Area Name	Field/Ops. Admin., Plant Eng.	Field
Property ID	Facilities, Plant Eng.	FM
Property Name	Bldg. Managers., Industrial Eng.	FM
Alternate Name	Bldg. Managers., Industrial Eng.	FM
Usage Code	Bldg. Mgrs., Plant Eng., Industrial Eng.	FM
Owned/Leased Indicator	Field/Ops. Admin., Area Office, Finance/Accounting, Procurement	FM
Initial Acquisition Cost	Finance/Accounting	FM
Estimate Indicator	Finance/Acounting	Field
FIS Asset Type	Finance/Accounting	CR
FIS Reporting Source	Finance/Accounting	CR

ADDING A TRAILER/MODULAR		
Site Name	Field/Ops. Admin., Area Office	FM
Area Name	Field/Ops. Admin., Plant Eng.	Field
Property ID	Facilities, Plant Eng.	FM
Property Name	Bldg. Managers., Industrial Eng.	FM
Alternate Name	Bldg. Managers., Industrial Eng.	FM
Usage Code	Bldg. Mgrs., Plant Eng., Industrial Eng.	FM
Owned/Leased Indicator	Field/Ops. Admin., Area Office, Finance/Accounting, Procurement	FM
Summary/Detail Indicator	Finance/Accounting, Procurement	FM
Initial Acquisition Cost	Finance/Accounting	FM
Estimate Indicator	Finance/Acounting	Field
FIS Asset Type	Finance/Accounting	CR
FIS Reporting Source	Finance/Accounting	CR

IV. FIMS DATA ADMINISTRATION

FIMS tracks a variety of data associated with each property including its size and/or capacity, condition, use, funding source, hazards, handicapped accessibility, and acquisition and capital adjustment costs. FIMS provides an intuitive user interface within a Microsoft Windows environment that visually organizes data into file folders, and

utilizes context sensitive on-line help. It has built-in standard and ad-hoc reporting capabilities. Ad hoc reports are generated using Microsoft Access. FIMS data can be downloaded for export from the core data base. As well, data extracted from local information sources conforming to given file format specifications can be uploaded electronically.

A. FIMS SYSTEM CONFIGURATION

FIMS is a client/server application developed in Powersoft's Powerbuilder 3.0a (client user interface), Oracle PL/SQL (audit and security triggers), and Microsoft Access 2.0 (standard reports). The core FIMS data base is located on a FIMS Oracle Server at DOE Headquarters while a local Access 2.0 data base containing distributed lookup tables is stored locally on each user's PC. The FIMS Server runs an Oracle 7 data base on an HP-9000/800 using a HP-UX operating system, and is accessible via the Internet/DOE backbone or FIMS Communications Server. TCPIP networking transport is provided by the FIMS Server HP-UX and Client Novell LAN Workplace TCPIP.

The FIMS Communications Server, also at DOE Headquarters, consists of a 486-DX2/66 File Server with Novell 3.11 Server operating system (w/serial port communications coprocessor board supporting up to 32 ports, connected to a US Robotics modem rack containing 32 modem ports). The Server has been configured with Netware TCPIP, and Netware Connect software. Netware TCPIP provides TCPIP networking transport and routing between the modems and the FIMS Server. Netware Connect software provides dial-in TCPIP networking transport to allow dial-up users to access the FIMS Server. A diagram of the FIMS System Configuration is provided on the following page.

B. FIMS PREREQUISITES

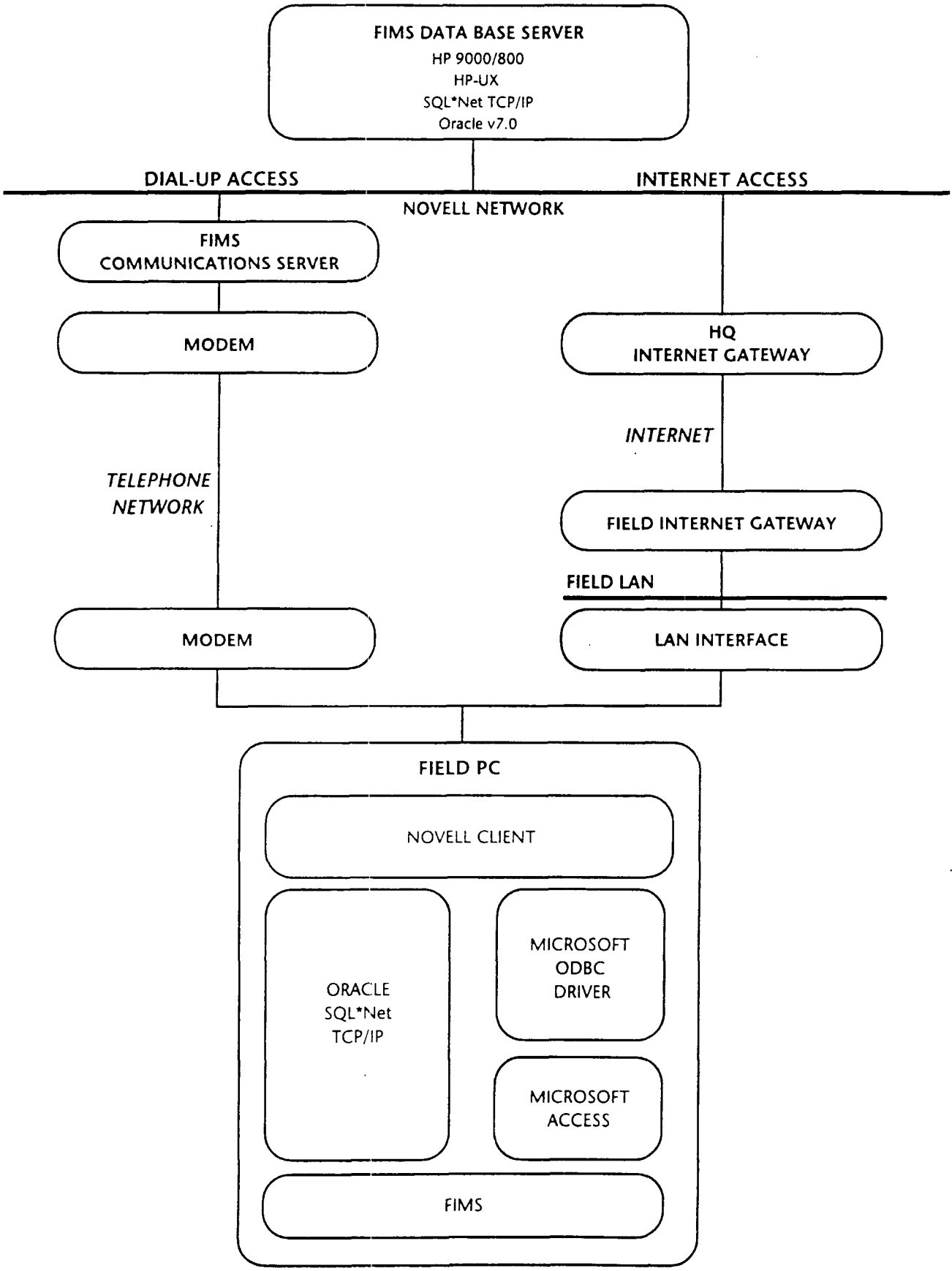
It is recommended that before you begin:

- You have a working familiarity with Microsoft Windows,
- You have taken the DOE-sponsored FIMS training course, or at least run through the FIMS Computer Based Training (CBT) included with the FIMS application,
- You have read applicable sections of the *FIMS User's Guide, Chapters 1-5, & 8, Getting Started, FIMS Basics, Site Maintenance, Area Maintenance, Property Maintenance, FIMS Reporting.*

If you will be generating custom reports, you should in addition:

- Have a working familiarity with Microsoft Access, v2.0,
- Have read the *Custom Reports* section of *Chapter 8, FIMS Reporting,* of the *FIMS User's Guide,*
- Have read applicable sections of the *FIMS Reporting Guide.*

FIMS SYSTEM CONFIGURATION



C. WHERE TO GET HELP

- OTHER FIMS DOCUMENTATION
  (available through the *FIMS System Administrator or Field/Ops Office System Administrator*)
  - *FIMS User's Guide:* Contains working detail for getting started, adding, updating, deleting, uploading and downloading data, querying and reporting.
  - *FIMS Reporting Guide:* Contains a listing of standard reports and useful information to assist you in creating custom reports including a complete data dictionary, the FIMS data model, and standards applied to the FIMS data base.
  - *FIMS Training Manual* (presented at each training session): Contains course notes and exercises, and an introduction to reporting/querying features of Microsoft Access.

- CONTEXT-SENSITIVE ON-LINE HELP
  Can be accessed by clicking the Help Icon in the FIMS toolbar.

- FIMS CONTACTS
  DOE FIMS personnel to contact are listed on-line under the *Help, FIMS Contacts,* pull-down menu.

D. DEFINITIONS OF REAL PROPERTY, RELATED PERSONAL PROPERTY, AND PERSONAL PROPERTY

- REAL PROPERTY OR REAL ESTATE
  Real Property or Real Estate includes land, improvements on the land, or both, and interests therein. The chief characteristics of real property (real estate) are immobility and tangibility. It comprises land and all things of a permanent and substantial nature affixed thereto, whether by nature or by human hand. By "nature" means trees, the products of land, and natural resources. By "human hand" means those objects, buildings, fences, or bridges that are erected upon the land. Equipment or fixtures, such as plumbing, electrical, heating, built-in cabinets, and elevators, that are installed in a building in a more or less permanent manner usually are held to be part of the real property. Real property may include trailers or modular units joined together so that the structure has lost its portability and cannot be relocated without being dismantled, thus losing its identity. Trailers used as temporary or mobile facilities should be considered personal property when not acquired or intended for permanent use.

- RELATED PERSONAL PROPERTY
  Related personal property is any personal property that is an integral part of real property or is related to, designed for, or specially adapted to the functional or productive capacity of the real property, the removal of which would significantly diminish the economic value of the real property or the related personal property itself. Examples of related personal property are communication and telephone systems. Normally, common use items, including but not limited to general-purpose furniture, utensils, office machines, office supplies, and general-purpose vehicles, ARE NOT considered related personal property.

- PERSONAL PROPERTY
  Personal Property is generally capitalizable property that can be moved, that is, not permanently affixed to and part of the real estate. Generally, items remain personal property if they can be removed without seriously damaging or diminishing the functional value of either the real estate or the items themselves. Examples of personal property are shop equipment, motor vehicles and aircraft, construction equipment, and automated data processing and peripheral equipment.

E. DEFINITIONS OF REAL PROPERTY TYPES

In FIMS, real and related personal property are represented by four major property types described below. They include owned or leased: *Buildings* (real), *Other Structures and Facilities* (real), *Land* (real), and *Trailers/Modulars/Containers* (personal, sometimes real).

- BUILDINGS
  A building is a roofed permanent structure suitable for housing people, materials, or equipment. Criteria for distinguishing between a building and say, a shed, should be developed by the site and be consistent with applicable financial and building code requirements. All owned and leased buildings should be included in FIMS.

- OTHER STRUCTURES AND FACILITIES (OSF)
  Other structures and facilities include any fixed real property improvements to land that are not classified as a building, e.g., bridges, towers, roads, and fences. It also includes site utility systems used to generate or distribute any services such as heat, electricity, sewage, gas, and water. If a structure is designed solely to house utilities and meets building criteria, it may be capitalized and included in FIMS as a building (*FIS Asset Type 501*), or alternatively, as a structure that's part of the larger utility system. The option is left to the discretion of the site. All owned and leased structures and facilities should be included in FIMS.

- LAND
  All owned and leased land should be included in FIMS.

- TRAILERS / MODULARS / CONTAINERS
  Trailers, modulars, and containers are for the most part considered personal property, unless they are installed so they are permanently affixed and cannot be relocated without being dismantled, or have been modified in such a manner as to meet the criteria for real property. In these instances, they are considered real property and should be included in FIMS using *FIS Asset Type 501, Buildings,* and *Construction Code 02, Prefabricated/Modular.* Trailers, modulars, or containers that remain personal property and are used to house employees, whether as office, lab, or other work space should also be included in FIMS using personal property *FIS Asset Type 725, Motor Vehicles and Aircraft,* and *Construction Code 11, Trailers (Personal Property).*

F. DATA ENTRY AND MAINTENANCE

The following does not cover the breadth of data entry and maintenance procedures, systems, and schedules. It is meant only to provide general information and guidance in specific situations. Data entry and maintenance procedures, systems, and schedules should be documented in each site's FIMS quality assurance plan and executed accordingly. The plan should be updated as required. (See Section V, *Quality Assurance.*)

- ESTABLISHING/DELETING A SITE
  A *site* is contiguous property owned or controlled by the Department of Energy. For example, several adjacent buildings would be considered a single site. Another DOE building two blocks away, separated by intervening privately owned/controlled property, would constitute a separate site. Non-contiguous leased property should also be considered a separate site. Consult with the *FIMS System Administrator* (the only individual that can add/delete a site), and *FIMS User's Guide, Chapter 3, Site Maintenance,* when establishing/deleting a site. Keep the cognizant *Field/Operations Office System Administrator* apprised of the change.

- ESTABLISHING/DELETING AN AREA
  An *area* is an administrative subdivision of the site, established at the convenience of the site or field/operations office. For example, it may be convenient to functionally, geographically, or administratively separate different areas within the same site. Consult with the *FIMS System Administrator* (the only individual that can add/delete an area), and *FIMS User's Guide, Chapter 4, Area Maintenance,* when establishing/deleting an area. Keep the site or cognizant *Field/Operations Office System Administrator* apprised of the change.

- ESTABLISHING A PROPERTY RECORD

  A new property record (owned or leased) is established when the following criteria are met:

Building:	• When beneficial occupancy (see definition below) has been assumed, or project has been completed. • When purchase has been paid in full. • When a new lease has been executed.
Land:	• When purchase has been paid in full or declaration of taking has been filed. • When a new lease has been executed.
Structure:	• When beneficial occupancy (see definition below) has been assumed, or project has been completed. • When purchase has been paid in full. • When a new lease has been executed.
Trailer/Modular/Container:	• If the owned or leased personal property will be used to house employees, when installation has occurred. • If the structure qualifies as real property as described under *FIMS Property Types* above, then its record should be established as for Buildings.

Beneficial Occupancy is the occupancy or utilization by the Owner of specified work, or designated portion thereof, for intended use as expressed in the Contract Documents. It occurs at that point in construction of Substantial Completion of the specified work, or sufficient completion of designated portion thereof. Substantial Completion and Beneficial Occupancy are industry standard construction phases. Their occurrence may be formalized by exchange of official correspondence or not, depending on local project management policy and the size or nature of the project. Formalized or not, all projects have, in practice, a defining point at which the work is occupied or used by the Owner for its intended purpose. It is then that a property record must be established including an estimate of capital value (see section below on *Capitalization*). If Beneficial Occupancy is not firmly determined, a property record should be established when the project has been completed.

The working detail for establishing a property record is described in the *FIMS User's Guide, Chapter 5, Property Maintenance*. Suggested information sources for required data may be found in the *FIMS Administrative Guide, Section III, Data*

Resources. Like structures or small buildings may be grouped together in a single FIMS property record, e.g., a group of cooling towers, or a group of storage sheds.

- DELETING A PROPERTY RECORD
  A property record (owned or leased) is deleted when the following criteria are met:

Building:	• When demolition has occurred. • When the lease has been terminated.
Land:	• When the property has been sold or transferred. • When the lease has been terminated.
Structure:	• When demolition has occurred. • When the lease has been terminated.
Trailer/Modular/Container:	• If the owned or leased personal property is used to house employees, when the structure becomes permanently unoccupied. • If the structure qualifies as real property as described under FIMS Property Types above, then its record should be deleted as for Buildings.

- CAPITALIZATION
  Capitalization is the process whereby plant and capital equipment items, costing at least $5000 and having an anticipated service life of at least two years, that are purchased, constructed, or fabricated in-house, including major modifications or improvements to any of these items, are recorded in the Financial Information System (FIS) by the site Accounting/Finance. Capitalization of assets in FIS is subsequently mirrored in FIMS, i.e., the *System Administrator* records the same acquisition or improvement costs in FIMS. Total capitalized values in FIS and FIMS are periodically compared and reconciled to insure concordance. FIS capitalization includes real and personal property, however, only real property costs are reconciled with FIMS (see below *Reconciliation of FIMS Capitalized Values with FIS*).

  For new construction, capitalization occurs in FIS and FIMS at Beneficial Occupancy or project completion, and again when all construction accounts have been closed if they remain open beyond project completion. It is understood that capitalized values at Beneficial Occupancy are preliminary, and

final capitalization at project completion or construction account close-out, will account for subsequent project expenses incurred.

Capitalization of owned assets occurs when the following criteria are met:

Building:	• When beneficial occupancy has been assumed (requires an *estimate* of capital value), or the project has been completed and all construction accounts closed-out. If the project is completed and some construction accounts remain open, e.g., for liens or litigation, then final capitalization occurs when all construction accounts have been closed-out. • When purchase has been paid in full.
Land:	• When purchase has been paid in full or declaration of taking has been filed.
Structure:	• When beneficial occupancy has been assumed (requires an *estimate* of capital value), or the project has been completed and all construction accounts closed-out. If the project is completed and some construction accounts remain open, e.g., for liens or litigation, then final capitalization occurs when all construction accounts have been closed-out. • When purchase has been paid in full.
Trailer/Modular/Container:	• If the structure qualifies as real property as described under *FIMS Property Types* above, then it should be capitalized as described for Buildings.

- RECONCILIATION OF FIMS CAPITALIZED VALUES WITH FIS
  Capitalization of real property assets in FIS is mirrored in FIMS. To insure concordance between the systems, FIS and FIMS total capitalized values for each FIS Asset Type are periodically compared and reconciled. It is recommended that the two systems be reconciled at least annually. The decision to reconcile more frequently is left to the collective discretion of the field/operations office and the site, and should be documented in the site FIMS quality assurance plan.

Reconciliation occurs when FIS total capitalized values for each FIS Asset Type are compared to the same values in FIMS. FIS total capitalized values can be obtained from Finance/Accounting. FIMS values can be obtained by generating the standard FIMS *Report #39, Buildings - Owned FIS Reporting Info* totaling acquisition and adjustment costs by FIS Asset Type. FIS and FIMS total dollar amounts should reconcile. It is understood that totals may not balance but differences should be explainable. At reconciliation, a FIS/FIMS Reconciliation Report listing asset types, respective FIS and FIMS total values, and relevant explanations should be transmitted to the field/operations office.

- FINANCIAL INFORMATION SYSTEM (FIS) ASSET TYPES
  Accounting/Finance capitalizes real property values by asset type. (For accounting purposes, related personal property is included in the applicable real property asset code.) The real property asset types and code numbers are as follows. (See Appendix B for descriptions):

• Land	401
• Land Rights	410
• Minerals	430
• Timber	440
• Site Preparation, Grading, and Landscaping	460
• Roads, Walks, and Paved Areas	470
• Fences and Guard Towers	480
• Other Improvements to Land	490
• Buildings	501
• Other Structures	550
• Communication Systems	610
• Electric Generation, Transmission, and Distribution Systems	615
• Fire Alarm Systems	620
• Gas Production, Transmission, and Distribution Systems	625
• Irrigation Systems	630
• Railroad Systems	635
• Sewerage Systems	640
• Steam Generation and Distribution Systems	645
• Water Supply, Pumping, Treatment, and Distribution Systems	650
• Nuclear Steam and Electric Generation and Transmission Systems	655
• SPR Crude Oil Piping System	660
• NPR Crude Oil Extraction and Distribution System	665
• Process Systems	670
• Reactors and Accelerators	680
• Motor Vehicles and Aircraft (Personal Property)	725

Buildings designed solely to house part of a site utility system may be categorized under the corresponding utility system asset type, or, under the Building (501) asset type. When categorized as a building *Net Occupiable Square Feet* will equal zero because there is no occupiable area.

- YEAR END PROCESSING
  FIMS is used to generate an annual report for the General Services Administration summarizing the size and cost of DOE's real property holdings. Data is extracted for the annual report on November 1. Although the fiscal year ends on September 30, all *System Administrators* are given the opportunity to make year-end adjustments through October 31; however, data pertaining to the new fiscal year should not be entered until November 1. It is recommended that *System Administrators* insure that the most current data is available for the annual report.

G. DATA VALIDATION

As the corporate data base from which all DOE programs obtain facilities information, it is paramount that FIMS data integrity remain high. To help insure the quality of data, it is recommended that in addition to ongoing data validation and self-assessment, the site perform an annual validation to assess overall accuracy of FIMS data. The procedure and schedule for annual validation should be prescribed by the site FIMS quality assurance plan. Additional guidance may be found in the following *Section V, Quality Assurance.*

H. RESPONDING TO REQUESTS

On occasion, the site will be requested by Headquarters, the field/operations office, FDDC, or FAC to respond to FIMS or FIMS-related correspondence. This includes requests for information to help formulate policy or establish procedures regarding FIMS or other related information systems.

I. OTHER FREQUENTLY DISCUSSED ISSUES

- LANDSCAPING
  Landscaping completed at installation should be input as a capital adjustment to the building or structure with which it is most closely associated. For newly constructed facilities, landscaping should be included in the acquisition cost.

- BUILDING RPV
  Building Replacement Plant Value (RPV) (on the *Building Info* tab) is automatically calculated by FIMS as the product of the building's gross square feet and a nationwide unit cost multiplier based on the *Usage Code* field. RPV was originally developed to provide an order of magnitude estimate of replacement cost, and was primarily used by DOE to do maintenance cross cut budget analyses. It is reasonable for these types of macro analyses but was never intended to substitute for detailed cost estimates for a particular building. The numbers are,

by their formulaic nature, gross averages which do not reflect unique local conditions or cost adjustments. For this reason, each site has the option to replace the FIMS-derived RPV with a site-derived one. If the site chooses to replace the FIMS-derived RPV, it must have an identifiable (e.g., Factory Mutual or RS Means), documented process in place for determining RPVs. Any change made to the FIMS-derived RPV will be reflected in the data base as being contractor-derived.

V. QUALITY ASSURANCE

A quality assurance process as recommended in the FDDC-approved Quality Assurance Position Paper P-7 and DOE Order 5700.6C (Quality Assurance) is essential for maintaining a high degree of data accuracy and completeness in FIMS.

A. LEVELS OF RESPONSIBILITY

Field/Operations Office System Administrators are responsible for oversight of site level FIMS programs. The *Field/Operations Office System Administrator* is responsible for periodically performing quality control activities on FIMS data. These activities include reviewing selected data records; performing site visits to physically verify selected data samples; and verifying that site QA processes are in place and implemented. The *Field/Operations Office System Administrator* may also coordinate other quality assurance activities such as FIMS training and password control.

Site Managers are responsible for FIMS data and maintaining organizational structures and administrative procedures that insure its completeness, accuracy, and timeliness.

Site System Administrators are responsible for obtaining information from various site elements, reviewing database contents for accuracy and completeness, and ensuring timely updates. They are also responsible for ensuring adherence to their site FIMS quality assurance plan.

Site Elements are responsible for providing accurate, complete, and timely data to the *Site System Administrator*. (*Site Elements* may include such individuals/entities as Maintenance and Building Managers, ES&H, Human Resources, Finance/Accounting, and Engineering.)

Data Entry Personnel are responsible for inputting FIMS data and verifying that the data base accurately reflects the information provided.

B. QUALITY ASSURANCE PLAN GUIDANCE

It is recommended that each site and DOE field/operations office develop and maintain a FIMS quality assurance plan, and submit it to the cognizant DOE representative for review upon initial development and subsequent update. The plan should provide specific guidance on implementing FIMS quality assurance procedures.

- DOE FIELD/OPERATIONS OFFICE QA PLAN
  A FIMS Quality Assurance Plan should be prepared by each field/operations office FIMS administrative organization. The plan should address how the field/operations organization will oversee site operating FIMS organizations. It should cover the following:
  - Internal staffing and organizational structure to manage FIMS requirements.
  - Process to validate/verify the accuracy of the data entered by the operating units.
  - Data certification requirements and frequencies.
  - Management oversight of the contractor activity.
  - Instructions to site level organizations.

- SITE QA PLAN
  A FIMS quality assurance plan should be prepared at each site by the FIMS data management organization. This plan should address how FIMS is implemented at each location that enters data to the system. It should cover the following:
  - Internal organizational structure to manage FIMS requirements.
  - System to identify and document the sources for all data.
  - Process to assure changes are reported to the system.
  - Internal validation/verification process.
  - Data certification requirements and frequencies.
  - Training.
  - Orientation and training for new employees.
  - Maintenance for records.
  - Process to correct problems identified in various reviews and inspections.

C. QUALITY ASSURANCE PLAN SUBMITTAL

- Site FIMS QA plans should be submitted to the *Field/Operations Office System Administrator* for review.

- Field/operations office FIMS QA plans should be submitted to the DOE Field/Operations Office Division Manager who has responsibility for FIMS.

- *Field/Operations Office System Administrators* should submit site and field/operations office QA plans to the *FIMS System Administrator* (Headquarters).

- All FIMS organizational levels should update and re-submit QA Plans as needed.

APPENDIX A

FIMS
REQUEST FOR USER ID

U.S. DEPARTMENT OF ENERGY

Facilities Information Management System (FIMS)

REQUEST FOR USER ID

REQUESTER NAME: _____ **DATE:** _____

BUSINESS ADDRESS: _____

(U.S. MAIL) _____

_____

TELEPHONE: _____ **FAX:** _____ **EMAIL:** _____

AFFILIATION: ___DOE ___OTHER FEDERAL ___CONTRACTOR_____
(CONTRACTOR NAME)

NATURE OF REQUEST: ___ORIGINAL ___REINSTATEMENT USER ID_____
(IF REINSTATING)

ACCESS LEVEL: ___FIELD/OPS OFC SYS ADM ___FIELD/OPS OFC USER ___SITE SYS ADM
___GUEST ___IMMORTAL GUEST

DESCRIBE NEED FOR FIMS ACCESS: _____

_____

SIGNATURE: _____ **DATE:** _____

Please do not write below this line.

APPROVALS:

SIGNATURE: _____ OFFICE CODE _____ DATE: _____
FIELD/OPS OFFICE SYSTEM ADMINISTRATOR

SIGNATURE: _____ OFFICE CODE _____ DATE: _____
FIMS SYSTEM ADMINISTRATOR (HQ) IF REQUIRED

ADDITIONAL CONCURRENCES (IF REQUIRED):

SIGNATURE: _____ OFFICE CODE _____ DATE: _____

SIGNATURE: _____ OFFICE CODE _____ DATE: _____

ASSIGNED USER ID:_____

COMMENTS:_____

_____

INSTRUCTIONS FOR COMPLETING FIMS *REQUEST FOR USER ID*

- Complete the top half of the form and submit to the cognizant System Administrator as specified below. Users requesting reinstatement of expired user IDs must also complete and submit the form. The cognizant System Administrator will acknowledge the request by assigning a user identification and password or denying the request. If a request is denied, an explanation will be provided.

IF YOU ARE:	SUBMIT FIMS USER ID REQUEST/REINSTATEMENT TO:
Field/Operations Office System Administrator	FIMS System Administrator (Headquarters)
Other Field/Operations Office Personnel	Field/Operations Office System Administrator
Site System Administrator	Field/Operations Office System Administrator
Other Site Personnel	Site System Administrator (who forwards request to Field/Operations Office System Administrator)

- SECURITY ACCESS LEVELS

  Add, Update, and Delete access to FIMS is controlled by the security level assigned when the user ID is established. It is necessary to specify the security access level when requesting a FIMS user ID. Access levels are described below.

  FIMS SYSTEM ADMINISTRATOR (HEADQUARTERS)
  - Add, Update, and Delete access to all records.
  - Authority to establish the security records for all other FIMS users including *Immortal Guests.*

  FIELD/OPERATIONS OFFICE SYSTEM ADMINISTRATOR
  - Update access to all sites and areas within the specified field/operations office.
  - Add, Update, and Delete access to all Property records within the specified field/operations office.
  - Authority to establish security records for field/operations office, site, and Guest level users within the specified field/operations office.

  FIELD/OPERATIONS OFFICE USER
  - Update access to all sites and areas within the specified field/operations office.
  - Add, Update, and Delete access to all Property records within the specified field/operations office.

  SITE SYSTEM ADMINISTRATOR
  - Update access to the site and all area records within the specified site.
  - Add, Update, and Delete access to all Property records within the specified site.

  GUEST
  - Inquire access only to all FIMS data.

  IMMORTAL GUEST
  - Inquire access only to all FIMS data.
  - Not subject to the login expiration policy.
  - Only the *FIMS System Administrator (Headquarters)* can assign a user security level of *Immortal Guest.*

- REQUIRED HARDWARE AND SOFTWARE FOR FIMS ACCESS

HARDWARE	SOFTWARE
•486PC, 100% IBM Compatible, 33MHz *(66 MHz Using Modem)	•Microsoft DOS v5.0
•16 MB RAM	•Microsoft Windows v3.1 (Windows for Workgroups can also be used)
•200 MB Disk Space	•Microsoft Access V2.0
•VGA/SVGA Color Monitor	•Microsoft ODBC 2.0 16 Bit Drivers
•*28,800 BPS Modem	•Novell LAN Workplace v4.2, (LAN/network drivers, TCP/IP software and configuration) •Oracle SQL*Net TCP/IP for Windows v2.0
	•*Netware Connect (modem drivers and dialer application, TCP/IP via modem software)

*Communication is via Internet or modem. If modem is selected, the starred (*) items are required. Internet is the preferred communication connection.

APPENDIX B

FINANCIAL INFORMATION SYSTEM (FIS)

ASSET TYPES

FINANCIAL INFORMATION SYSTEM (FIS) ASSET TYPES

- **LAND** **401**
  Includes the cost of land owned by the Government and under the control of DOE. The cost of land includes the purchase price, other acquisition costs, and removal costs less salvage realized in disposing of any facilities acquired with the land. Does not include acreage withdrawn from the Public Domain.

- **LAND RIGHTS** **410**
  Includes the costs of rights, interests, and privileges relating to land such as leaseholds, easements, rights-of-way, water and water power rights, diversion rights, and submersion rights.

- **MINERALS** **430**
  Includes both the cost of mineral rights and land containing mineral deposits owned by the Government.

- **TIMBER** **440**
  Includes the cost and appraised value of timber and pulp wood; cost of reforestation program for the purpose of dust and soil erosion control, retention of water tables, etc.; cost of development and improvement of timber stand; and other forestry management costs. NOTE: Use of this code is limited to the Savannah River Operations Office.

- **SITE PREPARATION, GRADING, AND LANDSCAPING** **460**
  Includes the cost of general clearing, grading, and drainage not directly related to the erection of buildings and structures. All landscaping is included.

- **ROADS, WALKS, AND PAVED AREAS** **470**
  Includes the cost of roads, bridges, streets, walks, paved parking areas and paved open areas between buildings, including any related costs of clearing, grading, base, surfacing, storm sewers or drains, curbs, gutters, culverts, lighting service, and other related facilities.

- **FENCES AND GUARD TOWERS** **480**
  Includes the cost of security fences, guard towers and lighting service. Fences associated with specific facilities such as ball parks and substations are included with the facilities protected.

- **OTHER IMPROVEMENTS TO LAND** **490**
  Includes the cost of improvements not includable under codes 460, 470, or 480, such as airports, playgrounds, tennis courts, and athletic fields.

- **BUILDINGS** **501**
  Includes the cost of buildings and permanently attached appurtenances, such as elevators, fire protection, lighting, plumbing, heating, ventilation, and built-in air conditioning systems (excluding window or console air conditioning units that require no duct work or cooling towers), and the cost of piping, conduit, and cable permanently attached to and made a part of the building and that cannot be removed without cutting into the walls, ceilings, or floors.

The division between building costs and costs of utility systems is generally made at a point nominally 5 feet outside the building wall.

- **OTHER STRUCTURES** **550**
  Includes the cost of such structures as dams, retention basins, reservoirs, swimming pools, pits, platforms, underground oil storage reservoirs, and stacks (when not a part of a building).

- **COMMUNICATION SYSTEMS** **610**
  Includes the cost of lines, poles, cables, and conduits; built-in radio transmitting and receiving equipment; and any installed equipment, otherwise portable, which has been so installed that it cannot be removed without damaging the equipment or damaging the building or structure in which it has been installed. Personal property such as telephones and intercommunication equipment should be included in asset code 730.

- **ELECTRIC GENERATION, TRANSMISSION, AND DISTRIBUTION SYSTEMS** **615**
  Includes the cost of all electric generation equipment; boiler plant equipment primarily used to supply steam to steam-electric generation equipment; transmission and distribution lines, poles, towers, grounding systems, substations, transformers, controls, cables, conduits, services, meters, and protective devices; lighting fixtures, wire, poles, standards and related accessories supplying electric lighting service to roads, walks, and fences. Personal property, such as portable generators, are included in asset code 799.

- **FIRE ALARM SYSTEMS** **620**
  Includes the cost of central office equipment necessary for receiving and transmitting alarms, including control wiring, both cable and open, and other associated overhead and underground equipment. Portable equipment which is not permanently connected to permanent wiring and which may be removed without affecting operation of the fire alarm system is included in asset code 750.

- **GAS PRODUCTION, TRANSMISSION, AND DISTRIBUTION SYSTEMS** **625**
  Includes the cost of equipment involved in the production, storage, transmission, and distribution of natural and artificial gas, including pipelines, services, and associated regulating and metering equipment of buildings served.

- **IRRIGATION SYSTEMS** **630**
  Includes the cost of canals, ditches, waterways, flumes, pipelines, and equipment used for irrigation purposes.

- **RAILROAD SYSTEMS** **635**
  Includes the cost of railways, including bridges, trestles, culverts, crossing signals, clearing and grading, riprap, ties, ballast, rails, insulated joints, switches, and accessories.

- **SEWERAGE SYSTEMS** **640**
  Includes the cost of sewerage treatment and disposal facilities, including manholes, mains, and lateral lines to pint of tie-in with buildings served, and any septic tanks.

- **STEAM GENERATION AND DISTRIBUTION SYSTEMS** **645**
  Includes the cost of all equipment used for the generation and distribution of steam to the point of tie-in to buildings where such steam is utilized primarily for heating and for furnishing power to rotating equipment, including emergency turbo generators. The cost of boiler plant equipment used primarily to supply steam to steam-electric generation equipment is include in 615.

- **WATER SUPPLY, PUMPING, TREATMENT, AND DISTRIBUTION SYSTEMS** **650**
  Includes the cost of wells, pumping and water treatments, and distribution facilities to the point of tie-in with buildings. served.

- **NUCLEAR STEAM AND ELECTRIC GENERATION AND TRANSMISSION SYSTEMS** **655**
  Includes the cost of nuclear reactors and appurtenant equipment involved primarily and principally in the generation of steam for use in steam-electric generating equipment, fossil-fuel super heaters electric generation equipment, and electric transmission facilities connecting the nuclear power plant to the transmission or distribution network. The only reactors to be identified by this code are those which have significant electrical generation.

- **SPR CRUDE OIL PIPING SYSTEM** **660**
  Includes the cost of pipelines and metering devices between the oil transporting vehicle and the oil storage site.

- **NPR CRUDE OIL EXTRACTION AND DISTRIBUTION SYSTEM** **665**
  Includes the cost of real property and related personal property necessary for crude oil extraction and distribution such as the well casings, piping, and integrated equipment in the piping system; oil storage facilities and support buildings and structures. Does not include any personal property, which should be included in the appropriate asset code (710-799) for personal property.

- **PROCESS SYSTEMS** **670**
  (Real or related personal property.) Includes the cost of equipment used specifically in product manufacturing and processing, including associated measurement and control instruments, which are integral to the operation of real property, or which are so affixed to real property that removal of the equipment would significantly diminish the economic value of the real property or the equipment itself.

- **REACTORS AND ACCELERATORS** **680**
  Includes the cost of reactors, proton synchrotrons, electron synchrotrons, cyclotrons, linear accelerators, Van De Graaf generators, and other similar facilities, as well as the related equipment which is an integral part of the facility or related to, designed for, or specially adapted to, the functional or productive capacity of the real property, and removal of this equipment would significantly diminish the economic value of the real property or the equipment itself. Reactors with significant electrical generation should be identified with asset type 655.

- **MOTORS VEHICLES AND AIRCRAFT (PERSONAL PROPERTY)** **725**
  Includes the cost of passenger cars, trucks, buses, jeeps, trailers, airplanes and fire trucks.

APPENDIX C

FIMS
REQUEST FOR CHANGE

U.S. DEPARTMENT OF ENERGY

Facilities Information Management System (FIMS)

REQUEST FOR CHANGE*

REQUESTER NAME: _____ **DATE:** _____

BUSINESS ADDRESS: _____

(U.S. MAIL) _____

_____

TELEPHONE: _____ **FAX:** _____ **EMAIL:** _____

AFFILIATION: ___DOE ___OTHER FEDERAL ___CONTRACTOR_____
CONTRACTOR NAME

PROPOSED CHANGE:

_____

_____

_____

_____

_____

JUSTIFICATION:

_____

_____

_____

_____

_____

Please do not write below this line.

REMARKS (REVIEWERS, PLEASE ADD YOUR SIGNATURE AND DATE):

_____

_____

_____

_____

_____

_____

*USE THIS FORM TO REQUEST A CHANGE TO FIMS' DATA BASE PROGRAM, POLICY, PROCEDURE OR DOCUMENTATION.

MAIL COMPLETED FORM TO: GLORIA BALDWIN
U.S. DOE-CHICAGO OPERATIONS OFFICE
9800 SOUTH CASS AVE.
ARGONNE, IL. 60439.