



REAL PROPERTY MANAGEMENT DIVISION POLICY BULLETIN NUMBER 16

December 30, 2006

Subject: RPMD and PPMD Coordination on Space Construction and Alteration Projects Associated with DOC Leasing Actions

Category: Post Award Build-Out

I. INTRODUCTION

The following guidance addresses RPMD and PPMD coordination and collaboration on space alteration and build-out projects associated with DOC leasing actions. This guidance addresses two types of space construction: 1) alterations to space for existing leases, consummated in Supplemental Lease Agreements (SLA), and 2) design and build-out of space in new or succeeding leases. Action thresholds have been established for each type of space construction and are covered in this guidance. Cost estimates for build-outs need to be arrived at via PPMD-prepared Independent Government Estimate (IGE) or vendor bids provided by the lessor. The following sections provide detail on how cost estimates are determined.

II. SPACE ALTERATION REQUESTS FOR EXISTING DOC LEASES

A. Alterations with Initial Cost Estimate of \$25,000 or Less:

1. Line Office (LO) develops Statement of Work (SOW) and sends to RPMD.
2. RPMD forwards draft SOW to PPMD for initial validation that alteration is \$25,000 or less.
3. RPMD reviews SOW and clarifies and forwards to lessor, requesting bids from three prospective contractors. The Solicitation for Offer (SFO) will request three bids.



4. Lessor provides written bid results to RPMD.
5. If bids are within 10% of each other, RPMD prepares a SLA to contract for completing the alteration at the lowest price.
6. If bids are not within 10% of each other, RPMD seeks PPMD review of the SOW and bids.
7. PPMD supports RPMD in reviewing bids and assists in reconciliation of bids, leading to award.

B. Alterations with Initial Cost Estimate of More than \$25,000:

1. If alterations are expected to exceed \$25,000, RPMD engages PPMD to work with the LO in developing SOW, design documents if required, and the IGE.¹
2. PPMD, in consultation with the LO, drafts the SOW and IGE and provides to RPMD.
3. RPMD forwards SOW to lessor for cost proposal.
4. Lessor provides RPMD cost proposal.
5. RPMD forwards cost proposal to PPMD, who reviews the proposal and provides recommendation(s) to RPMD.
6. PPMD serves as technical resource to RPMD and the LO as the SOW and project cost is finalized.²
7. RPMD prepares a SLA to contract for completing the alterations at the agreed-to price.
8. Upon completion of work, PPMD, in consultation with the LO, inspects space (resources permitting with travel funded by LO) and develops punchlist of corrective items, ensuring contractor completion. If no punchlist items, proceed to LO and RPMD acceptance of space.
9. Written acceptance of work provided by LO to RPMD.
10. RPMD accepts space on behalf of NOAA and the LO.

¹ Development of design or design intent documents by PPMD may require the services of an A&E IDIQ task order contractor. Costs for obtaining such outside assistance will be covered by the LO.

² SOW needs to include lessor requirement to submit any additional design drawings for review and coordination with PPMD and LO as they are developed.

III. SPACE BUILD-OUTS FOR NEW OR SUCCEEDING DOC LEASES

A. Build-outs of 5,000 Gross Square Feet or Less:

1. LO develops SOW and provides to RPMD.
2. RPMD obtains PPMD review and comments on SOW. PPMD completes IGE as part of the SOW review process.
3. RPMD prepares SFO and provides to PPMD for review and concurrence on applicable sections.
4. RPMD prepares SFO to offerors.
5. RPMD receives cost proposals from offerors.
6. RPMD and PPMD review cost proposals.
7. RPMD provides consolidated feedback to offerors.
8. PPMD serves as technical resource to RPMD during offeror evaluation, negotiation, and selection process.
9. RPMD selects offeror and executes lease.
10. Post lease award, PPMD develops Design Intent Documents (DIDs) for space build-out (or reviews lessor's DID and provides feedback to lessor) prior to construction commencing. DIDs provided to RPMD.³
11. RPMD provides documents to lessor, who then commences with construction of space.
12. PPMD, in consultation with the LO, inspects space (resources permitting with travel funded by LO) and develops punchlist of corrective items, ensuring contractor completes. If there are no punchlist items, proceed to LO and RPMD acceptance of space.
13. Written approval of space provided by LO to RPMD.
14. RPMD accepts space on behalf of NOAA and the LO.

³ PPMD ensures appropriate life/safety, ADA, security and other applicable codes are incorporated into the final design. Development of design or design intent documents by PPMD may require the services of an A&E IDIQ task order contractor. Costs for obtaining such outside assistance will be covered by the LO.

B. Build-outs of Greater than 5,000 Gross Square Feet (for any build-to-suit building):

1. RPMD engages PPMD to work with the LO in developing SOW, design documents if required, and the IGE.⁴
2. PPMD provides RPMD with SOW and IGE for development of SFO.
3. RPMD prepares SFO and provides to PPMD for review and concurrence on applicable sections.
4. RPMD issues SFO to offerors.
5. RPMD receives cost proposals from offerors.
6. RPMD and PPMD review cost proposals.
7. RPMD provides consolidated feedback to offerors.
8. PPMD serves as technical resource to RPMD during offeror evaluation, negotiation, and selection process.
9. RPMD selects offeror and executes lease.
10. Post-lease award, RPMD Real Property Contracting Officer (RPCO) appoints project COTR (Project Manager recommended by PPMD). At RPMD's option, RPCO issues COTR appointment letter outlining responsibilities and authorities. PPMD coordinates the entire design and construction of the build-out with the lessor.⁵
11. Lessor prepares design.
12. PPMD reviews and approves final design and cost for completing design and construction work.
13. PPMD provides design and construction specification package to RPMD.
14. RPMD provides documents to lessor, who then commences with construction of space.

⁴ Development of design or design intent documents by PPMD may require the services of an A&E IDIQ task order contractor. Costs for obtaining such outside assistance will be covered by the LO.

⁵ PPMD ensures appropriate life/safety, ADA, security, and other applicable codes are incorporated into the final design.

15. PPMD and RPMD conducts pre-construction meeting with lessor's contractor and PPMD oversees work with inspections at approximately 35%, 70%, and final completion (these requirements would be delineated in the SFO).
16. Upon completion of work, PPMD, in consultation with the LO, inspects (resources permitting with travel funded by LO) and develops punchlist of corrective items, ensuring contractor completes. If no punchlist items, proceed to LO and RPMD acceptance of space.
17. Written approval of space provided by LO to RPMD.
18. RPMD accepts space on behalf of NOAA and the LO.

IV. PROCEDURE REVIEW PROCESS

This procedure will be reviewed and updated at least annually through joint collaboration between the organizational elements of the Real Property, Facilities and Logistics Office (RPFLO) of the Office of the Chief Administrative Officer (OCAO).