UNITED STATES DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration
OFFICE OF THE CHIEF ADMINISTRATIVE OFFICER
Real Property Management Division

REAL PROPERTY MANAGEMENT DIVISION POLICY BULLETIN NUMBER 20

February 15, 2007
Rev. March 7, 2008

Subject: Lease Review Board Standard Operating Process

Category: Lease Acquisition

Real property actions involving leases, licenses, permits and outgrants for National Oceanic and Atmospheric Administration (NOAA) purposes, will follow this standard operating process when a real property instrument has been negotiated and is ready for execution by both parties.

Lease Review Board
Standard Operating Procedures

Background:
The Lease Review Board (LRB) was first chartered on March 21, 2005, as a key acquisition management procedure. It is intended to conduct an ongoing review of all new leases to prevent the reoccurrence of Anti-Deficiency Act violations and to continually improve the comportment of actions with real property contracting regulations and authorities. Its other mission is to educate staff on the wide variety of proper business practices that need to occur within a real property procurement. The Board is composed of the following members:

1. a Secretariat who is a Real Property Contracting Officer,
2. the Director of the Real Property Management Division,
3. the Deputy Director of the Real Property Management Division,
4. the Team Lead for the Office of General Counsel's Real Estate Team, and
5. the Team Lead for the internal audit, rent processing, and inventory system.

Practices:
The LRB seeks consensus within the board on the completeness and correctness of the lease, and its supporting documentation, including the Lease Determination Worksheet (LDW), the lease attachments, Justification for Full and Open Competition, and other documents. Its approval is needed prior to a lease being executed by one or

both parties. While its intent is to review leases that are purported to be ready for execution, it will also serve to review emerging policy issues and identify when new policy guide is needed. All In-leases and Out-leases will be reviewed. In addition to completed leases, unusual or unique preliminary in-lease or out-lease documents, which may need policy determinations, may be submitted to the LRB for an informal discussion or complete resolution of the issue. Also, actions that are not yet complete but may need policy decisions can be put on the Board's docket early in their development in order to get a sense of the issues involved, and preclude later major revisions. A significant amount of documentation is needed for any review. These documents will be used for many other purposes within RPMD in order to minimize the need for field data calls or reporting.

This Standard Operating Procedure is arranged by the steps in the LRB process and then by the individual or group that is to perform actions during a particular step. The Steps in the LRB process are Preparation, Scheduling and Pre Meeting Review, Review Board Meeting, Post LRB Approval.

1. **Preparation**

Specialist Actions:

- Negotiations for the Lease have been completed but the lease has not yet signed by either party.
- Lease Review Board Submission Check List prepared
    - Documentation regarding the authority and economic rationale for consummating the proposed action
    - GSA Delegation (GSA Circular FMR 2005-B1 for General Purpose space)
    - Acquisition Plan (and is up to LRB approval date)
    - Market Survey or GSA Form 3627
    - Other sites examined by Program and found unusable (e.g. equipment, NWR etc.).
    - Justification for Other Than Full and Open Competition, if applicable
    - Appraisal or other pricing data relied upon to support the rental rate that is being proposed
    - LDW reviewed and Regional Chief verifies (see Regional Chief below)
        - When the lease's net rent over the term and options exceeds $75,000, an appraisal must be secured to determine the FMV and remaining useful life.
        - Analysis performed to confirm whether lease is capital or operating (LDW)
        - LDW prepared and sent to the RPMD Financial Manage/Internal Audit Lead for review
        - RPMD Financial Manage/Internal Audit Lead reviews LDW and provides clearance response to Realty Specialist.
        - Complete and verified LDW is signed by Regional Chief.
        - If the lease is determined to be a capital lease, a CD 435 needs to be completed and a copy included with the LRB package.
    - Appropriate budget officer signature is obtained.
        - If the lease is capital, a signature of the line office budget officer at headquarters must be obtained.

        - If the lease is not capital, a signature of the local/regional line office budget officer must be obtained.
    - Price Negotiation Memorandum
    - Cancellation Clause, note number of days to cancel
    - GSA Form 1364 Proposal to Rent or equal
    - NEPA Compliance Documentation
    - Security Evaluation
    - Leasing Authority Citation is in Lease
    - GSA Form 1217. Lessor's Annual Cost Statement when there is operating costs included in the lease. This also documents the operating costs used in the LDW.
    - GSA Forms 3517 General Clauses & 3518 Reps and Certifications
        - Vendor Profile has been completed/updated
        - Lessor's Central Contractor Registration is active
    - or GSA Forms 3517A, 3518A, and 3626 for SLAT Lease
    - Outline of the design and build-out schedule, if applicable, or an acknowledgement that the space is being accepted in as-is condition.
    - Site Plan Exhibit (as needed)
    - SFO/SF-2
- Specialist gathers all LRB required documents in electronic form (*.pdf).
- Specialist completes LRB checklist form (*.pdf).
- Assigned RPCO reviews lease package (if specialist is not warranted).
- Regional Chief is presented the package for review and concurrence that it is ready for LRB review.
- Specialist may want to prepare brief introductory notes on the lease for LRB presentation.

Regional Chief:

- Verifies LDW rental cost numbers against those in the lease.
- Reviews all other checklist items required for completeness of the lease package.
- If lease package is complete, then Chief concurs with the readiness for the LRB by signing the checklist.
- Identify any potential policy or OGC related issues.
- Regional Chief can delegate completeness review and LDW verification to Team Lead but remains fully responsible for any discrepancies.
- Regional Chief can delegate completeness review to a RPCO but remains fully responsible for any discrepancies.

Specialist:

- After Regional Chief's review, specialist will e-mails lease package (*.pdf), supporting documents and completed checklist to LRB Secretariat.
- It must arrive by 4:00 PM PST on Friday prior to next scheduled LRB meeting in order to be put on the docket for the next meeting.

2. Scheduling and Pre Meeting Review

LRB Secretariat:

- Receives package and reviews completeness.

- Secretariat will acknowledge receipt.
- Reviews completeness of package and informs Chief and specialist immediately if incomplete.
    - Incomplete package will be held in abeyance until ready for review.
- If ready for Board, schedules review for next available LRB meeting and Secretariat confirms with Regional Chief or Team Lead.
- Goal: If a complete package is received by 4PM PST Friday, it will be put on the docket for the next standing meeting on Wednesday.
    - Extraordinary circumstances will be taken into account for late submittals.
    - Special LRB meetings can be requested also if there is a need for immediate action.
    - Meeting is cancelled if there are no leases on the docket.
    - Monday holidays may shift meeting to Thursday.
    - A Thursday meeting will be scheduled if there are too many leases on the Wednesday docket.
- Distributes copies of package to Board by Monday AM.
- By Tuesday COB, notifies specialist and Regional Chiefs of approximate start times for leases on the docket to be reviewed (first or second half as necessary)
- By Tuesday COB, notifies the other Board members of the pre-meeting start time. Sufficient time will be scheduled for pre-meeting based on number and complexity of leases on docket.
- Adds lease to listing of LRB Leases Reviewed database as new item.
- Reviews lease package.
- Identify any issues.
- Develops suggested correction to issues.
- Prepare for pre-meeting discussion.

Other LRB Members:

- Reviews lease package on Monday PM and Tuesday.
- Identify any issues and annotates package.
- Develops suggested correction to issues.
- Prepare for pre-meeting discussion.

3. Review Board Meeting

Board:

- Board convenes for pre-meeting prior to the scheduled meeting for a discussion on all identified issues prior to the start of the teleconference meeting. Sufficient time has been scheduled for pre-meeting based on number and complexity of leases on docket.
- A rough consensus on the scope of issues in each lease is sought, and only these issues will be brought up on the call.
- Call-in for Board meeting is opened on the hour.
- Docket agenda established.
- Specialist is expected to provide background for the lease
- Each board member will then present their identified issues and possible solutions.
- LRB will attempt to resolved identified issues at the meeting.

- When a policy issue arises, if not quickly resolvable, it will be tabled for a follow-up meeting. This resolution meeting will be scheduled before adjournment.
- LRB then determines if lease needs to be referred to OGC for written approval.
- Revision schedule will be discussed and agreed to by parties.
- Secretariat as directed by the Board's consensus decision, will annotate LRB checklist (1. approved, 2. approved subject to revisions, or 3. another review needed when revisions made).
- Once the lease is approved or approved with changes by the board, there is no further discussion on the subject lease.
- The Board will attempt to dispose of all leases on the docket in as prompt as manner as possible.

LRB Secretariat:
- Signs and dates the LRB checklist.
- Message confirming the lease's Board status and signed LRB checklist will be sent by Secretariat shortly after adjournment.
- Secretariat will annotate the LRB Leases Reviewed listing with meeting result.

Regional Chief:
- Regional Chief or Team Lead will follow up with the RPCO or Specialist to ensure the corrections are made.

Specialist:
- Specialist will provide electronic copy of corrected parts of the lease to the Secretariat who will acknowledge receipt.

Lease is ready for execution.

4. Post LRB Approval

Specialist:
- Lease is sent to lessor for signature.
- Lease is returned by lessor for RPCO signature.
- **FRPM Data Input Form** is filled out by Specialist and sent electronically to RPMD HQ within **5** working days of RPCO's signature.
- Electronic copy (*.pdf) of executed lease will be made by Specialist and sent to RPMD HQ for Lease Manager.
- Finance is provided the contract information, vendor profile, and funds cite.
- All required documents are added to the Regional real property record files.

Regional Chiefs:
- Reviews FRPM Data Input Form prior to it being sent to the Data Input person.

Data Input:
- Divisional Secretary receives form and annotates LRB Leases Reviewed data base and sends to input person.
- Data input person loads info into FRPM.
- FRPM lead informs LRB Secretariat when lease has been entered into FRPM.

Secretariat:

- LRB Secretariat annotates the FRPM completion date in the LRB Leases Reviewed database.
- When lease have a construction period prior to occupancy, the Secretariat will annotate this information in the LRB Leases Reviewed database.

LRB Process Complete and Lease Management Process begins.

Lease Review Board Submission Check List (Rev. 02/08)

City: _____ **State:** _____

Lease Number: _____ **Date:** _____

Realty Specialist: _____ Telephone: _____

Email: _____ _____

_____ Documentation regarding the authority and economic rationale for consummating the proposed action

_____ GSA Delegation (General and Special Purpose >2,500sf Circular FMR 2008-B1)

_____ Acquisition Plan (and is up to date, including any agreed to revisions)

_____ Market Survey or GSA Form 3627

_____ Other sites examined by Program and found unusable (e.g. equipment, NWR etc.).

_____ Justification for Other Than Full and Open Competition (if applicable)

_____ Appraisal or other pricing data relied upon to support the rental rate that is being proposed

_____ Analysis performed to confirm whether lease is capital or operating (LDW form)

_____ LDW signature sheet executed by Branch Chief and L.O. Headquarters Budget Officer, if required.

_____ Price Negotiation Memorandum

_____ GSA Form 1364 Proposal to Lease (as needed)

_____ NEPA Compliance Documentation and EDD Checklist

_____ Security Evaluation

_____ Leasing Authority Citation

_____ GSA Form 1217. Lessor's Annual Cost Statement (when operating costs are included)

_____ GSA Forms 3517 General Clauses & 3518 Reps and Certifications

_____ Lessor's Central Contractor Registration is active

_____ or GSA Forms 3517A, 3518A, and 3626 for SLAT Lease

_____ Outline of the design and build-out schedule (if applicable) or an acknowledgement that the space is being accepted in as-is condition.

_____ Site Plan Exhibit (as needed)

_____ SFO/SF-2

_____ Cancellation Notice ____ days

For Easements (Longer than 30 years) and Fee Simple Acquisitions

_____ Title Report/Insurance

_____ Plan to Record the Easement

_____ DOJ Approval

_____ DOC Approval_____

Supervisor Readiness Review Concurrence

_____ date_____

For use by Silver Spring Office:

Approved

Approved subject to revisions

Another review is needed when revisions made

For the LRB _____ date_____

Please complete this checklist and forward it along with the lease package to Indar Schabra at: indar.s.schabra@noaa.gov