

SAM – REAL ESTATE SERVICES DIVISION

LEASING SERVICES UNIT

1322.1

(Revised 1/2015)

Privately owned space. The RELPS Leasing Services Unit provides services to assist state agencies in leasing office, warehouse, labs and other specialized facilities in privately owned buildings pursuant to the statutory authority contained in Government Code Section [14669](#). In carrying out RELP's responsibility for leasing privately owned space, the Leasing Services Unit performs the following functions:

1. Initiates, negotiates, bids, and executes leases of real property for use by state agencies, including lessor financed, build to suit projects, and related amendments, extensions, and terminations related thereto.
2. Performs ongoing administration of leases to enforce compliance with lease terms and conditions.
3. Initiates, negotiates, bids, and executes leases with purchase options for modular buildings.

State-owned space. Responsibility for the assignment, design, and alteration of space in state-owned office buildings controlled by DGS is assigned to the RESD PMDB, (SAM Section 1320) in coordination with the AMB and the BPMB. See SAM Sections 1310 and 1330 for information on these Branches.

Department of Finance Approval

[DOF](#) approval is required if either of the following conditions exist:

1. Rental costs (excluding one-time costs) as determined by RELPS are estimated to exceed \$300,000 in any year of the firm term of the lease. (Lease renewals are exempt unless a 10 percent or greater space increase or budget augmentation is required.)
2. The requesting agency will require a budget augmentation for any year within the firm term of the proposed lease. One-time costs associated with the space request, including moving, equipment, furniture, telephones, and data processing related costs must be considered.

During the development of a project, if it is determined that the actual costs are going to exceed DOF approved level initially estimated by RELPS, additional review and approval of DOF is required prior to execution of the lease.

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1322.1 (Cont. 1)

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Sublease of State-Leased Space—Leased space that becomes excess to the tenant agency's operations may be considered for sublease to other governmental or private sector tenants only after it has been determined that the space cannot be used by another state agency and the lease cannot be terminated by the state. Requests for subleasing space should be submitted to AMB via CRUISE.

Interagency Agreement—An agency proposing to make a portion of its leased space available to another state agency should prepare an Interagency Agreement form, STD. 13. **Requests for Warehouse or Storage Space**—All requests for new warehouse or storage space exceeding 2,000 square feet will be reviewed by RELPS and the DGS Procurement Division, Material Services Section. They determine how an agency's needs can be accommodated, or if other alternatives exist, for example, the use of DGS Transit Storage warehousing services.

Leasing Market Information—RELPS leasing staff are familiar with rental rates and market conditions in most locations throughout the state, and often are knowledgeable about specific properties. In addition, RELPS has contracted with private brokerage firms in metropolitan areas to assist in the solicitation and selection of potential buildings for state agencies.

Food Preparation and Vending Machines—The Department of Rehabilitation ([DOR](#)) has priority for providing all food service facilities on state property. Tenant agencies must pay all costs for the construction of the facility, the monthly rental for the space, and utilities. Before vending machines may be installed in space that is controlled by the state, the department with control of the space must contact the Business Enterprise Program ([BEP](#)) located in the DOR. If the BEP elects not to provide the service, vending machines may be installed by another entity. All vending machine income, including commissions from those machines, must be forwarded to BEP pursuant to Welfare and Institutions Code Sections [19625](#) and [19630](#). A copy of the contract with the vending machine operator must be forwarded to DOR as soon as it is fully executed.

California Environmental Quality Act ([CEQA](#)) CEQA requires consideration of the environmental impact of specific state projects, which includes office leasing. It is generally the responsibility of the requesting agency (lead agency) to comply. The Environmental Services program in PMDB is available on a fee basis to handle CEQA filing requirements. See SAM Section 1320 for more details.