

Buying and Leasing Real Estate ... Is It Procurement?

Presented by

- Holly Law Eve
- Karl Saimre
- Lyman Brown

Prepared by the
Division of Real Estate Services
Department of General Services

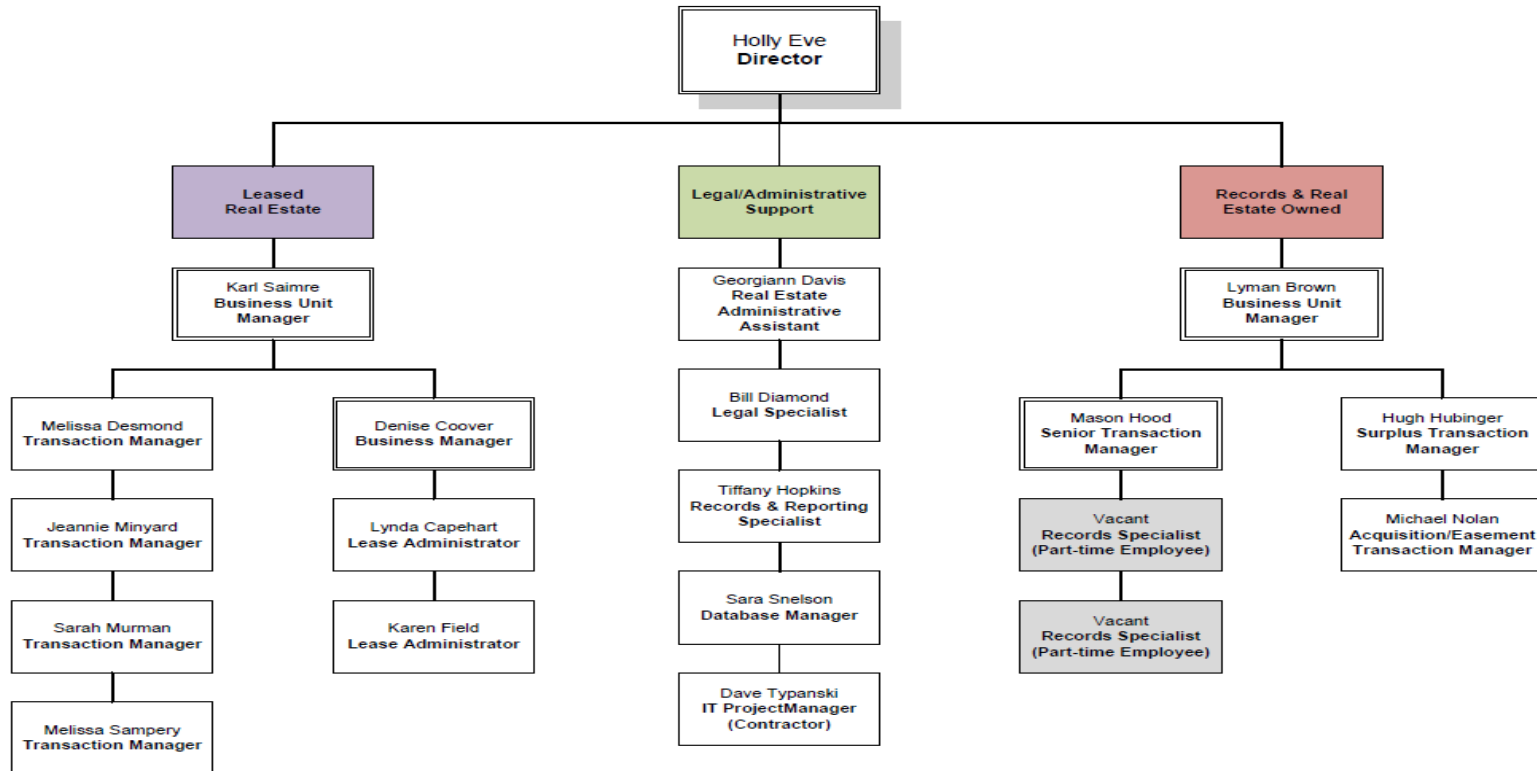
November 17, 2014



FORUM2014

Who is DRES?

DEPARTMENT OF GENERAL SERVICES DIVISION OF REAL ESTATE SERVICES (DRES)



Updated as of 11/14/14



What does DRES do?

- Manage Commonwealth's real estate portfolio
 - **Owned:** ~429,000 acres of land in 1,100 locations
 - 1,200 buildings with 130 million square feet of space
 - **Leased:** 14 million square feet of rental space in 1,400 building locations
- Assist state agencies with real estate needs
- Since formed in 2005, portfolio approach has provided cost savings & cost avoidance of \$125.5 million (through September 2014)



Company/Agency	# of Locations
Apple Stores	254
Dillards	296
Noodles & Company	380
DSW	393
Big Five Sporting Goods	429
J Crew	439
Urban Outfitters	440
Home Goods	444
Costco	447
DRES	474
Sports Authority	482
Burlington Coat Factory	509
Foot Locker	529
Wingstop	593

**Extracted from National Retail Federation –
Variety of Retail List for 2014*

Is Real Estate Procurement?



What is procurement?

- When a public body enters into a contract with a nongovernmental contractor for the purchase or lease of **goods, services, insurance or construction**

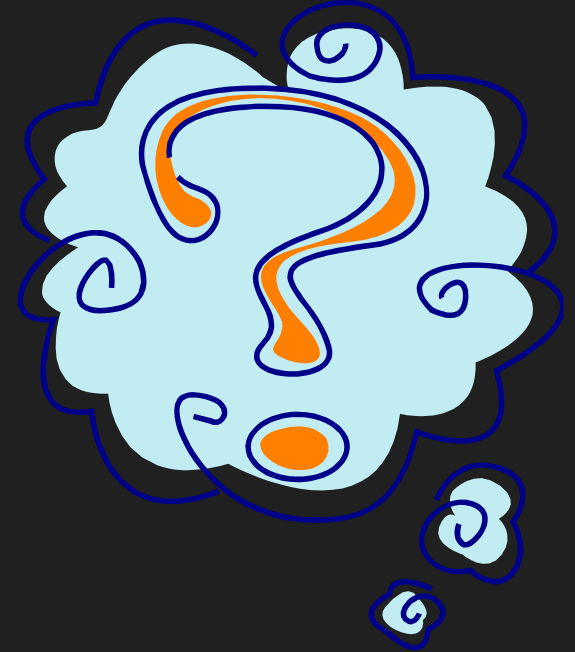


Virginia Public Procurement Act

- **Best Value**
- **Business**
- **Competitive Negotiation**
- **Construction**
- **Construction Management**
- **Goods**
- **Bidder**
- **Offeror**
- **Public Construction**
- **RFP**
- **Price**
- **Services**



So, is
Real Estate
Procurement?



NO!

Ask the OAG



BUT...



**We use
procurement
to get there!**

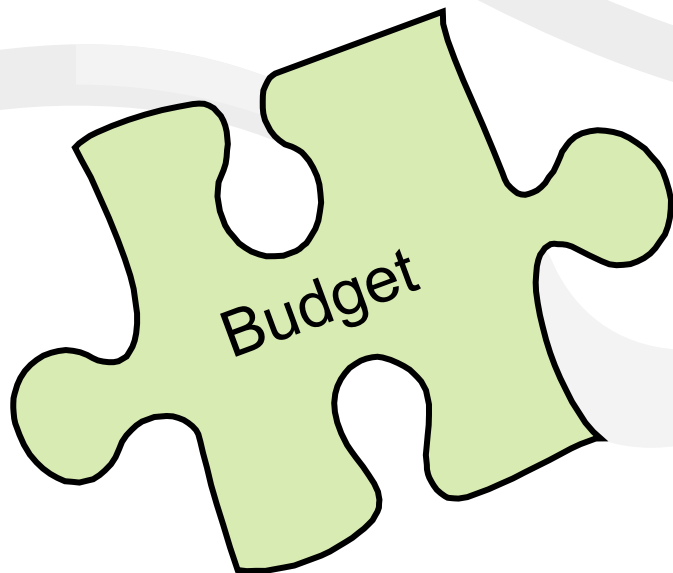
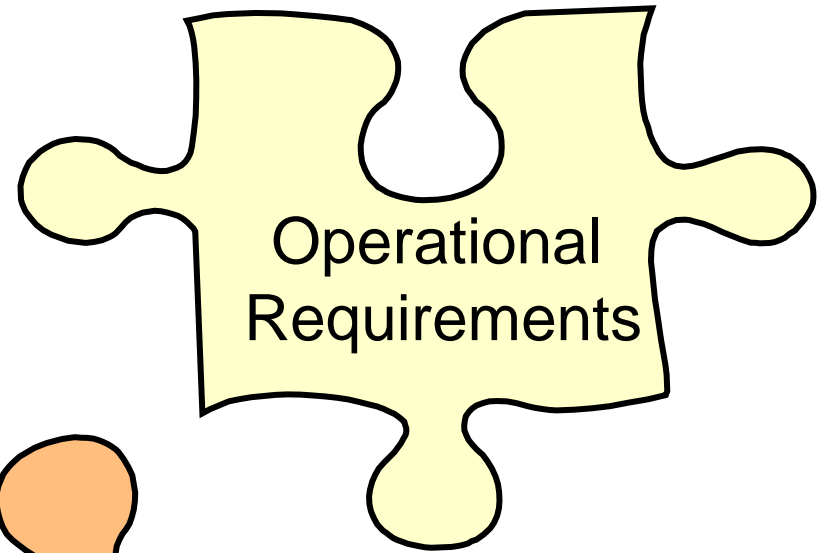


Our destination:

- Leasing a new office
- Buying real estate
- Selling surplus real estate
- Granting easements
- Providing communication towers



Determining Factors

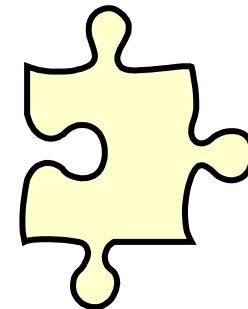
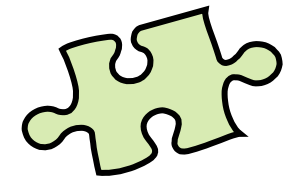
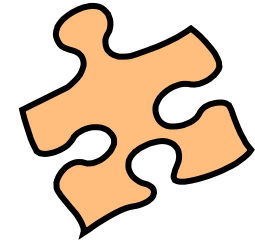
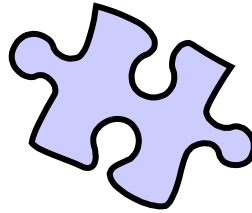


Let's discuss a sample real estate transaction

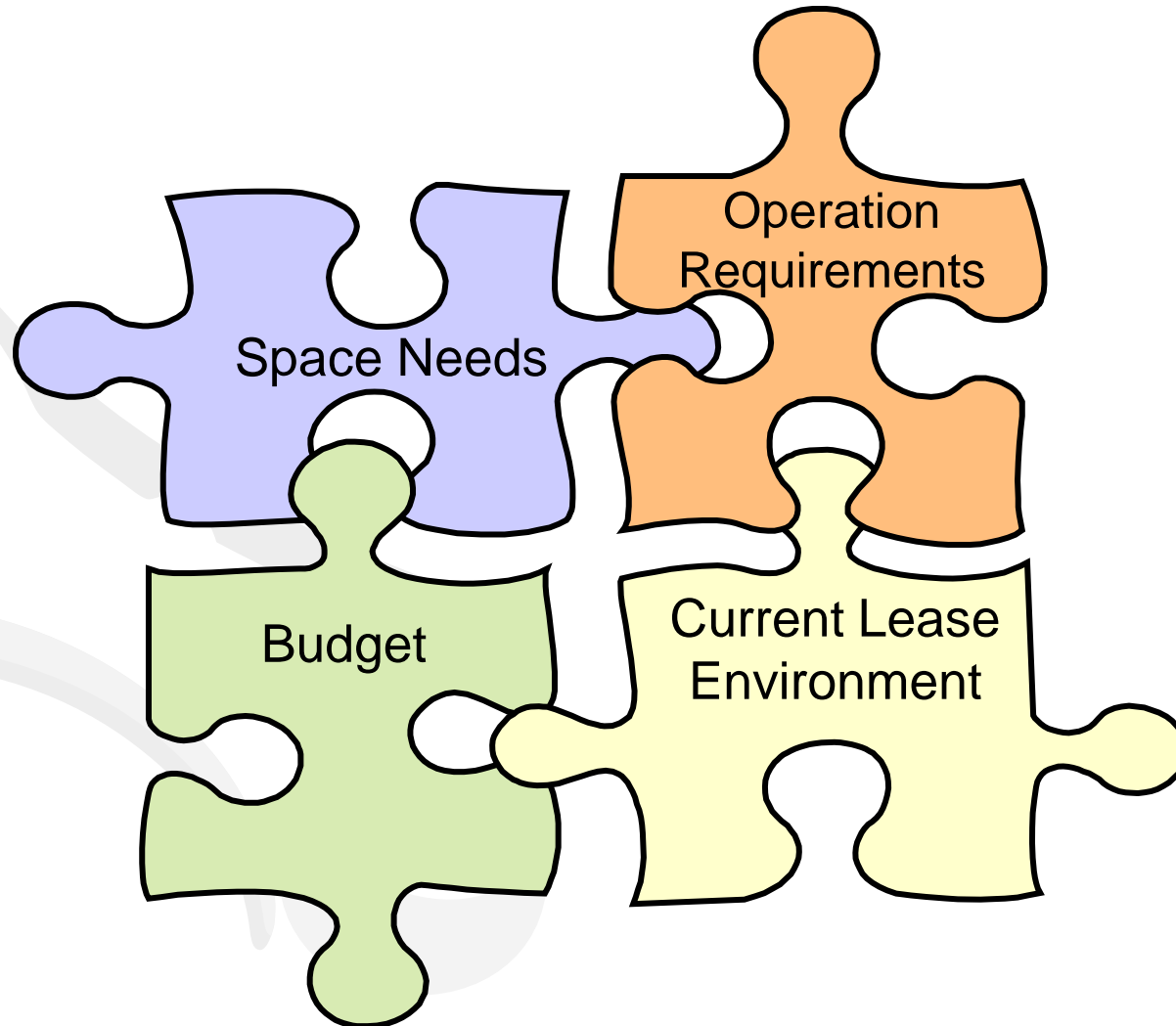


Determining Factors

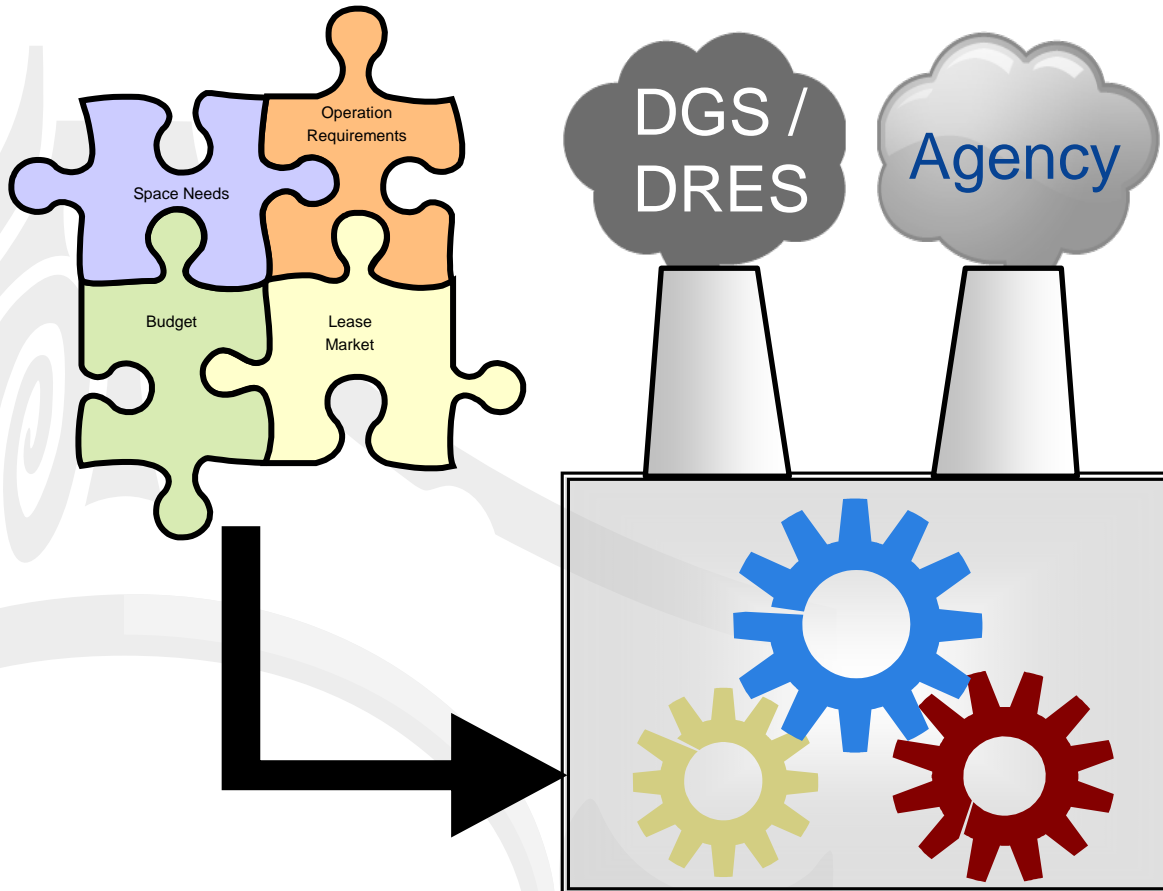
- Space Needs
 - OSQ Worksheet
 - COVA Space Guidelines
 - Agency Office Standards
- Operational Requirements (Federal or other regulations)
- Budget (Certification of Funds)
- Current Lease Environment
 - Functionality of existing space
 - Relationship with landlord
 - Every market in Virginia is different
 - Current rent vs. available market rents



Determining Factors



Determining Factors



Decision

Remain in Existing Space or Relocate to New Space or Negotiate between Remain vs. Relocate



Remain in Existing Location

- Review of existing floor plan - variances from OSQ are understood
- Discuss Improvements to the space (how do you make the existing space better for operations?)
- Discuss refurbishment items to the space (carpet, paint, etc)

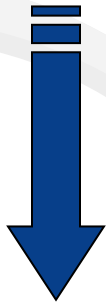


Negotiate with Existing *Landlords*

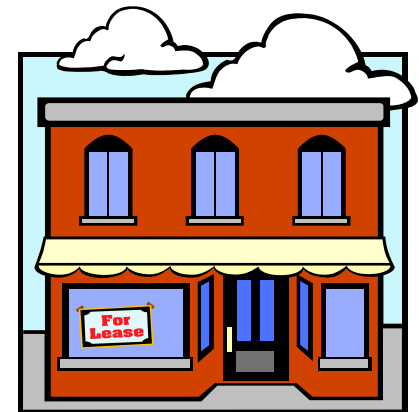


Relocate to a New Location

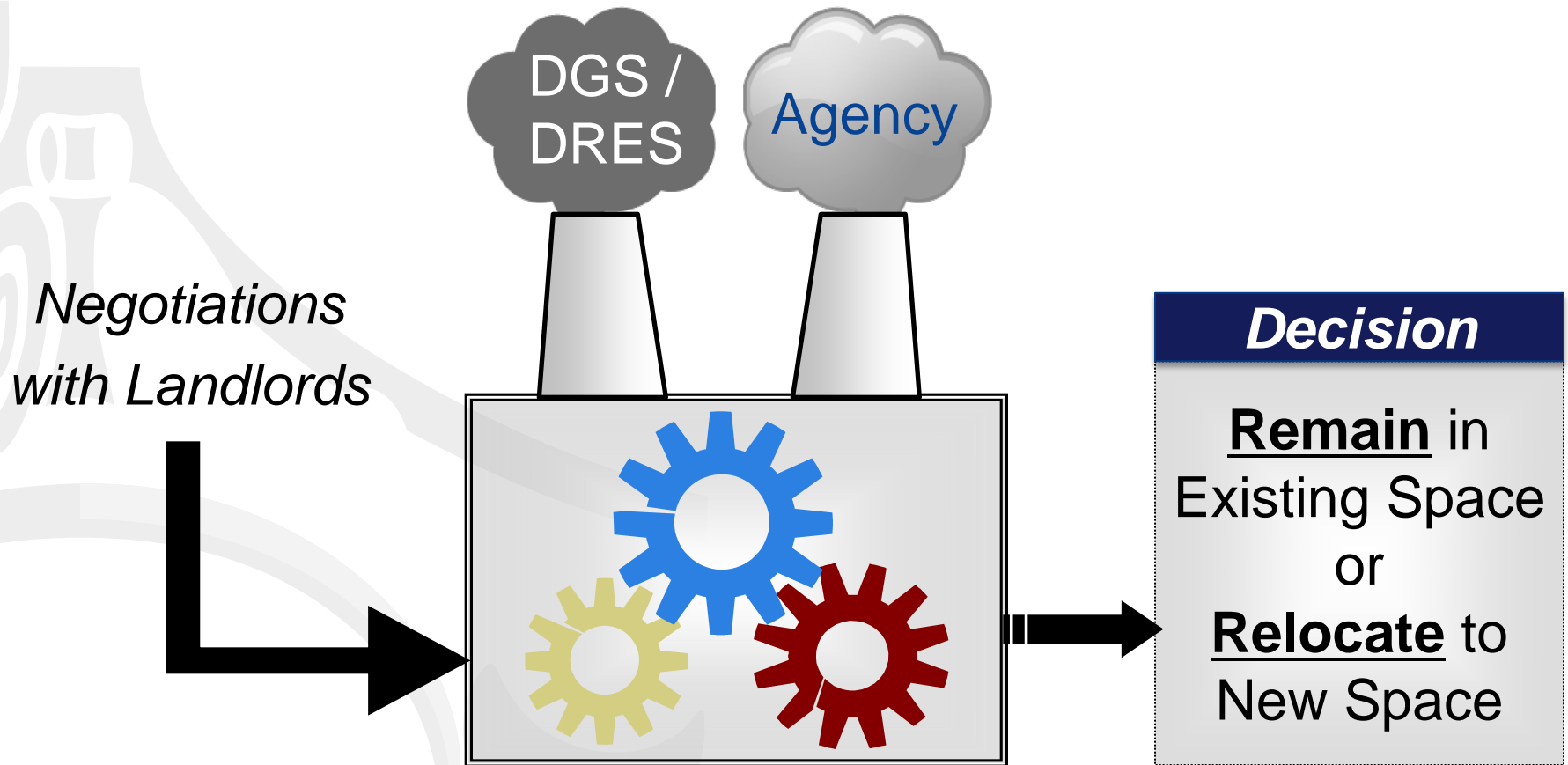
- Use the OSQ square footage as a guideline
- RFP goes to the marketed area and selected properties
- RFP responses cut to a short list
- Tour short list properties
- Tour feedback
- Finalist Selected
- Request “test fit” plan



Negotiate with New *Landlords*



Lease Decision – Remain or Relocate



Lease Preparation

- New Lease or Amendment
- Business Terms
 - Address; tax number; site plan; space plan
 - Rent - length of term, options, right of first refusal
 - Maintenance and utilities
 - Build-out Process
- Legal Terms
 - Landlord authority and information (SCC check)
 - **ADA compliance**
 - Appropriations
 - Sovereign Immunity



Signed Lease

- Getting the New Space Ready:
 - Approval of space plan
 - Construction documents
 - Construction
- Agency Vendor Coordination:
 - Cable, furniture, security, audio/visual, filing system, moving, VITA, etc.
- Existing Space and Property:
 - Surplus – surplus – surplus
 - Organizing a Move
 - Leaving and clearing previous space
- Move



Lease Term – Facilities Management

- Agency Responsibility:
 - Manage day-to-day
 - Routine maintenance items
 - Janitor, landscaping, other
 - Keep communication log with landlord
 - Date
 - Issue
 - Resolve
 - No resolution - escalate to Lease Administration
- DRES Responsibility:
 - Enforce the terms of the lease
 - Provide any formal notice
 - Approve or initiate any self-cure clause



DRES Procurements



Divaris Real Estate Inc.

- One of the largest commercial and industrial property management, leasing and brokerage groups on the U.S. eastern seaboard, servicing clients' needs in the Mid-Atlantic and Southeast.
- Founded in 1974, The Divaris Group is headquartered in Virginia Beach, VA with offices in Chesapeake, Newport News, Norfolk, Richmond and Roanoke, VA; and McLean, VA.



John Wingfield

Executive Vice President

Phone: 804-225-2450

Email: jwingfield@divaris.com



Debbie Wake

Senior Vice President

Phone: 804-225-4010

Email: dwake@divaris.com



- DGS Home
- DGS Overview
- Division of Consolidated Laboratory Services
- Division of Engineering and Buildings
- Division of Purchases and Supply
- Division of Real Estate Services
- Office of Fleet Management Services
- Office of Graphic Communications
- Office of Surplus Property Management
- Virginia Distribution Center (VDC)
- eVA



DRES | Division of Real Estate Services

DRES Contracts

Listed below are DGS contracts currently administered by DRES. This includes contracts for commercial real estate broker services, appraisal services and title services.

In accordance with the Code of Virginia § 2.2-4304 "Cooperative Procurement", the intent of the agreements is to allow for cooperative procurement to the maximum extent possible.

Any public body, as defined in § 2.2-4301 "Definitions" of the Virginia Public Procurement Act (VPPA) as amended, are "Authorized Users" and may access and use these agreements through DRES, and if agreeable to the contractor, in accordance with the provisions within each.

Participation in a cooperative procurement by any public body that is not required to use DRES is strictly voluntary.

Authorized Users should contact DRES at (804)371-7200 or at DRES-Info@dgs.virginia.gov for:

- Prior approval to use any of the contracts below
- Any questions regarding procurement services related to real estate transactions

This page will routinely be updated as changes are made to our contract needs and/or partners, please be sure to check back often for revisions or new items.

Click [HERE](#) for construction contracts and lists of pre-qualified contractors maintained by the Division of Engineering and Buildings (DEB.)



- Contact DRES
- Announcements
- Forms
- DRES Services
- DRES Contracts
- Requests For Proposals
- Records Management System
- State-Owned Real Estate Inventory
- Monthly E-Mail Briefs



COMMERCIAL REAL ESTATE BROKER SERVICES

Contract with Divaris Services, Inc.

USPAP APPRAISALS AND APPRAISAL REVIEWS (2012 IFB)

Spreadsheet listing approved Appraisers and Fees by Area

Contract

USPAP & UASFLA APPRAISALS, APPRAISAL REVIEWS, APPRAISAL CONSULTING (2014 RFP)

Spreadsheet listing approved Appraisers and Fees by Area

Contracts

TITLE EXAMINATIONS, TITLE INSURANCE AND SETTLEMENT SERVICES

Spreadsheet listing approved Title Insurance companies and Fees by Area

Contract



DEPARTMENT OF
GENERAL SERVICES

COMMONWEALTH of VIRGINIA

SOLICITATION ~ OFFER ~ and AWARD Non-Professional Services

Sealed Invitation for Bid (IFB) for TITLE EXAMINATIONS, TITLE INSURANCE, AND SETTLEMENT SERVICES

NIGP Codes 94615-Appraisal Services, 94646-Escrow & Title Services, and 96866-Right of Way Services

1. Contract #: TO BE ISSUED AT TIME OF AWARD	2. IFB #: EKB-2014-0626	3. Date Issued: JUNE 26, 2014	4. Due Date / Time: AUGUST 5, 2014 02:00PM EST
For Information Contact: Ebony K. Beaver, VCO, VCA via email at: ebony.beaver@dgs.virginia.gov NO QUESTIONS WILL BE ANSWERED VIA TELEPHONE			
5. ISSUING OFFICE: Department of General Services Central Procurement Unit (CPU) 1100 Bank Street, Suite 724 Richmond, Virginia 23219		6. SHIP TO: As stipulated in individual eVA Orders	

SOLICITATION

7. This is an advertised solicitation consisting of (1) [the Purpose](#); (2) [Scope of Work](#); (3) [Mandatory General Terms and Conditions](#); (4) [Mandatory Special Terms and Conditions](#); and other provisions, representations, certifications, or specifications as per attached or incorporated herein by reference. **Sealed bids for furnishing the Services set forth in the schedule must be returned to the Issuing Office (Item #5 above.)** If hand carried, deliver to the CPU located on the seventh floor of the address indicated above. **Complete bids must be received prior to 02:00 P.M. local time on the Date Due indicated above in Item #4 above.** Bids will be publicly opened at 11:00 A.M. (local time), August 6, 2014, in the CPU Conference Room, 1100 Bank Street, Seventh Floor, Suite 724, Richmond, Virginia.

CLARIFICATION OF TERMS: If any prospective Bidder has questions about the specifications or other solicitation documents, the prospective Bidder should contact the Contracting Officer named below in writing via email or fax no later than five (5) working days before the due date. No questions will be answered by telephone. Any revisions to the solicitation will be made only by an addendum issued by the Contracting Officer. The addendum, if necessary, will be posted online at <http://www.eva.virginia.gov>. It is the responsibility of the Bidder to download the addendum.

PERIOD OF CONTRACT: One (1) year term contract with five (5) additional successive one (1) year renewal options.



**SOLICITATION FOR
TITLE EXAMINATION, TITLE INSURANCE and/or SETTLEMENT SERVICES**
Pursuant to DGS Contract # DGS-140825 (the "Contract")

Bid Response Deadline:	_____
Ordering Entity/Contact Person:	Department of General Services, Division of Real Estate Services 1100 Bank Street, 3 rd Floor Richmond, Virginia 23219 Attention: _____ (804) _____ e-mail: _____
Invoice Delivery: (Invoice to be presented whether or not charges are reflected on a settlement statement and shall categorize the charges per the attached bid form and shall state the insured value, number of hours performed and number of copies, as applicable)	Department of General Services, Division of Real Estate Services 1100 Bank Street, 3 rd Floor Richmond, Virginia 23219 Attention: Administrative Assistant or DRES-info@dgs.virginia.gov
Subject Property:	Jurisdiction: _____ Parcel Identification #: _____ Address: _____ Ownership: _____
Scope of Work: (Reference the Contract for details)	<p>_____ Title Examination _____ Sixty Years _____ Other: _____ To be performed by: _____ days following award and within 10 days following any additional request.</p> <p>_____ Title Report/Title Commitment (including any requested endorsements): \$ _____ Insured Value Insured: Commonwealth of Virginia, _____ To be performed by: _____ days following award and revised timely as necessary.</p> <p>_____ Document Copies To be delivered simultaneously with the Title Report/Title Commitment and within 10 days following any additional request.</p> <p>_____ Furnishing Legal Description To be delivered simultaneously with the Title Report/Title Commitment and revised timely based upon any new survey or other developments.</p> <p>_____ Escrow, Closing or Settlement Services To be performed timely upon notification.</p> <p>_____ Title Policy Issuance: \$ _____ Insured Value To be issued within 30 days of settlement.</p>
Documentation to be Provided:	_____ Current Source Deed _____ Plat: _____ Existing _____ Being Prepared Other: _____

**BID FOR
TITLE EXAMINATION, TITLE INSURANCE and/or SETTLEMENT SERVICES**
Pursuant to DGS Contract # DGS-140825 (the "Contract")

By submitting this Bid for Title Examination, Title Insurance and/or Settlement Services, the Contractor is making an offer to complete the scope of work as specified in the attached Solicitation and in accordance with the Contract. The Contractor making this Bid understands and agrees to the following statements and conditions:

- The Bid must be effective for a 60-day period from the Response Deadline stated in the Solicitation.
- No other costs or expenses will be allowable or payable for performing the Scope of Work.
- All of the terms and provisions of the Solicitation and this Bid for Title Examination, Title Insurance and/or Settlement Services shall be binding upon the Contractor submitting the Bid. No modification of the Solicitation Package or this Bid for Title Examination, Title Insurance and/or Settlement Services shall be binding upon the Ordering Entity unless agreed to in writing.

BID PRICING

Title Insurance Premium. The rate for the title insurance premium (which shall include any "as completed" endorsement, as applicable).	\$ _____ per thousand dollars of insured value.
Endorsement/Extra Hazard Fee. The fee for one or more endorsements (excluding any "as completed" endorsement).	_____ % of the rate charged for the title insurance premium.
Title Examination. The hourly rate for title examination services.	\$ _____ per hour.
Document Copies. The per page fee for document copies.	\$ _____ per page.
Title Report/Title Commitment. The fee for preparing and delivering a title report or commitment, including any requested endorsements and furnishing of any legal descriptions.	\$ _____.
Settlement and Escrow Services. The fee for settlement and escrow services.	\$ _____.

Contractor _____
 Telephone _____ Fax _____
 E-mail _____
 (Signature) _____ Date _____
 Print Name _____ Title _____

Additional DGS Contracts

Pre-Qualified Contractors:

- Pre-qualified Small Business Contractors List
- Professional Services – Category B
- Energy Performance-Based Contractors

DEB Contracts:

- Power Conditioning Contractors
- Facility Assessment Services
- Non-Professional Construction Related Services
- Construction Testing and Environmental Services
- Security Consulting
- Sub-Metering Contract
- Web-Based Construction Cost Accounting – GCPay
- Institute for Building Technology and Safety (IBTS) Agreement
- Fire Suppression System Testing, Maintenance and Repair Term Contract
- Water Treatment Services
- Maintenance and Repair for Building Automation, Fire Alarm and Security Systems
- Fire/Water Damage Emergency Restoration

For the complete list, go to the DGS DEB website at <http://www.dgs.virginia.gov/DivisionofEngineeringandBuildings>



DGS: A multi-purpose, multi-resource agency



Contact Us

dres-info@dgs.virginia.gov

www.dgs.virginia.gov

804-371-7200

