PURPOSE: The purpose of this Health Sciences Center Operating Policy and Procedure (HSC OP) is to establish policy and procedures for leasing of space to assure compliance with State law and Regents' Rules.

REVIEW: This HSC OP will be reviewed in January of each odd-numbered year (ONY) by the Director or Purchasing and the Associate Vice President for Business Affairs, with recommendations for revisions forwarded to the Executive Vice President for Finance and Administration by February 15.

POLICY/PROCEDURE:

1. Policy.
   a. Leased building space and facilities and storage space will be administrated through the TTUHSC Purchasing Office.
   b. All requests for leased space and facilities will be submitted through normal administrative channels to the TTUHSC Purchasing Department for processing. The Director of Purchasing will make the determination of the appropriate procedure to use to bid and/or contract for lease of space.
   c. The Director of Purchasing in coordination with the Contracting Office, will notify the Office of Engineering Services of all facility leases (changes to existing leases, new leases, and terminations of existing leases).

2. Leasing Criteria.
   a. Leased space and associated facilities must permit accessibility for aged, handicapped and mobility-impaired persons, and therefore are required to comply with the provisions of the Elimination of Architectural Barriers Act, Government Code Chapter 469.
   b. Any specifications for lease space or facilities that are considered unduly restrictive must be justified in writing and approved by the Director of Purchasing.
   c. A source(s) of funding must be identified by account number(s) for any lease requested.
   d. Three (3) month's lead-time should be allowed for processing formal competitive bids and routing of the required contracts. Departments should be aware that remodeling of existing buildings is not unusual. Additional time is needed if remodeling is likely.

3. Leasing Procedures.
   a. The following action is required when requesting lease space.
      (1) Submitted TechBuy Req Non-Catalog Form, which can be accessed at http://techbuy.ttu.edu/.
   b. The Board of Regents must approve leases covering a period of more than four years, unless the lease contains a clause allowing it to be terminated without cause with notice of 120 days or less, or which exceed a cost of $1,000,000 per year. Therefore, ample time must be allowed to accomplish this action prior to the inception date of the lease.
c. Lease contracts may not exceed a term of more than ten (10) years per Government Code Chapter 2167.055(c)(1).

d. Refer to HSC OP 54.02, Contracting Procedures, for policy and instruction related to the formation of a lease contract.

4. **Contract Administration.**

   a. Accessibility standards are strictly enforced. Enforcement actions which might be taken include cancellation of existing lease contracts, mandatory relocation of an activity out of space currently occupied, filing of suits against lessors and other unpleasant actions of a similar nature.

   b. It is the responsibility of the contract manager and the administrator/director responsible for use of the leased space to ensure that the lessor adheres to all contract specifications, especially those regarding accessibility. The contract manager or the responsible administrator/director shall notify the Director of Purchasing as soon as possible if any leased space does not meet contract standards. The Director of Purchasing will work with the contract manager and responsible administrator/director and the lessor to correct the problems.

   c. This HSC OP is applicable to all space currently under lease, as well as space leased in the future.

   d. Leases which have longer than a one-year term must be encumbered at the beginning of each fiscal year. A purchase order must be submitted annually for the purpose of encumbering the lease. A purchase order is required as part of the original request package. Subsequent purchase orders for annual payments must be forwarded to the Purchasing Office ninety (90) days prior to the end of each fiscal year.

   e. State law prohibits payments for any unoccupied space. If it is anticipated that any currently leased space will be unoccupied for more than thirty (30) days, the Director of Purchasing should be notified. The Director of Purchasing will work with the contact manager and responsible administrator/director and the lessor for possible renegotiations of lease payments.